

City of Kodiak Regular Council Meeting Agenda for June 11, 2015
7:30 p.m., at 710 Mill Bay Road, Assembly Chambers (Room 232)

- I. Call to Order/Roll Call**
 - Pledge of Allegiance/Invocation

- II. Previous Minutes**
 - Approval of Minutes of the May 28, 2015, Regular Council Meeting.....1

- III. Persons to Be Heard**
 - a. Proclamation: Declaring Filipino American Heritage Month8
 - b. Public Comments (limited to 3 minutes) (486-3231)

- IV. Unfinished Business**
 - a. Authorization of Professional Services Contract for Pre-Design of New Fire Station and Condition Assessment of Old Library Building, Project No. 6015/15-06.....12
 - b. Second Reading and Public Hearing Ordinance No. 1334, Levying Taxes and Appropriating Funds for the Expenses and Liabilities of the City of Kodiak for the Fiscal Year Commencing on the First Day of July 2015 and Ending on the Thirtieth Day of June 2016.....24
 - c. Second Reading and Public Hearing, Ordinance No. 1335, Establishing Supplemental Appropriation No. 2 to the Budget for the Fiscal Year Commencing on the First Day of July 2014 and Ending on the Thirtieth Day of June 201534

- V. New Business**
 - a. First Reading, Ordinance No. 1336, Amending Chapter 18.28 of the Kodiak City Code, “Port and Harbor Facilities,” to Incorporate Protections Against Derelict and Abandoned Vessels Provided Under Alaska State Law.....52
 - b. Authorization of Bid Award for FY2016 Petroleum Products..... 62
 - c. Authorization of a Professional Services Contract for Internet and Telecommunications Services.....72
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- VI. Staff Reports**
 - a. City Manager
 - b. City Clerk

- VII. Mayor’s Comments**

- VIII. Council Comments**

- IX. Audience Comments (limited to 3 minutes) (486-3231)**

- X. Adjournment**

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<p>DRAFT</p>

**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF KODIAK
HELD THURSDAY, MAY 28, 2015
IN THE BOROUGH ASSEMBLY CHAMBERS**

I. MEETING CALLED TO ORDER/PLEDGE OF ALLEGIANCE/INVOCATION

Mayor Pat Branson called the meeting to order at 7:30 p.m. Councilmembers Randall C. Bishop, Charles E. Davidson, Richard H. Walker, and John B. Whiddon were present and constituted a quorum. Councilmembers Terry J. Haines and Gabriel T. Saravia were absent. City Manager Aimée Kniaziowski, Deputy Clerk Michelle Shuravloff-Nelson, and Assistant Clerk Catherine Perkins were also present.

After the Pledge of Allegiance, Salvation Army Sergeant Major Dave Blacketer gave the invocation.

II. PREVIOUS MINUTES

Councilmember Whiddon MOVED to approve the minutes of the May 14, 2015, regular meetings as presented.

The roll call vote was Councilmembers Bishop, Davidson, Walker, and Whiddon in favor. Councilmembers Haines and Saravia were absent. The motion passed.

III. PERSONS TO BE HEARD

a. Public Comments

None

IV. UNFINISHED BUSINESS

a. Second Reading and Public Hearing, Ordinance No. 1332, Authorizing a Lease of Space in the Pier I Building to Kodiak Area Chamber of Commerce, Inc.

Mayor Branson read Ordinance No. 1332 by title. Ordinance No. 1332 authorizes a ten-year lease of space in the Pier I building to the Kodiak Chamber of Commerce. The Chamber of Commerce, a nonprofit organization, promotes the economic, commercial, and industrial development of Kodiak, including tourism and tourism related activities. The current ten-year lease expires June 30, 2015.

Councilmember Bishop MOVED to adopt Ordinance No. 1332.

Mayor Branson closed the regular meeting, opened and closed the public hearing when no one came forward to testify, and reopened the regular meeting.

The roll call vote was Councilmembers Bishop, Davidson, Walker, and Whiddon in favor. Councilmembers Haines and Saravia were absent. The motion passed.

b. Second Reading and Public Hearing, Ordinance No. 1333, Authorizing a Lease of the Head Start Building to Rural Alaska Community Action Program, Inc, D/B/A Kodiak Head Start

Mayor Branson read Ordinance No. 1333 by title. The City has provided a no-cost lease to the Rural Alaska Community Action Program, Inc. (RurAL CAP) for the local Head Start Program since 1994. The program leases the property at 419 Hillside Drive. The lease term is for five years at the rate of \$1.00 per year, and the City provides in-kind water and sewer services. RurAL CAP notified the City on April 22, 2015, that it would like to renew its lease. Due to the terms, the lease must be approved by ordinance.

Councilmember Davidson MOVED to adopt Ordinance No. 1333.

Mayor Branson closed the regular meeting, opened and closed the public hearing when no one came forward to testify, and reopened the regular meeting.

The roll call vote was Councilmembers Bishop, Davidson, Walker, and Whiddon in favor. Councilmembers Haines and Saravia were absent. The motion passed.

V. NEW BUSINESS

a. First Reading, Ordinance No. 1334, Levying Taxes and Appropriating Funds for the Expenses and Liabilities of the City of Kodiak for the Fiscal Year Commencing on the First Day of July 2015 and Ending on the Thirtieth Day of June 2016

Mayor Branson read Ordinance No. 1334 by title. Ordinance No. 1334 provides for the adoption of the City of Kodiak's FY2016 budget. The budget document, which supports the ordinance, estimates all sources of revenue the City anticipates receiving between July 1, 2015, and June 30, 2016. The budget document also establishes an operating and capital expenditure plan for FY2016 that is based on staff's assessment of operational and community needs and the Council's FY2016 budget goals.

Councilmember Walker MOVED to pass Ordinance No. 1334 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

The roll call vote was Councilmembers Bishop, Davidson, Walker, and Whiddon in favor. Councilmembers Haines and Saravia were absent. The motion passed.

b. First Reading, Ordinance No. 1335, Establishing Supplemental Appropriation No. 2 to the Budget for the Fiscal Year Commencing on the First Day of July 2014 and Ending On the Thirtieth Day of June 2015

Mayor Branson read Ordinance No. 1335 by title. The Supplemental Appropriation No. 2 to the budget for the fiscal year commencing on the first day of July 2014 and ending on the thirtieth day of June 2015 is in the amount of \$151,778. It is customary for the City Council to approve at least one supplemental budget annually to authorize the adjustments of current revenues and expenses.

Councilmember Bishop MOVED to pass Ordinance No. 1335 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

The roll call vote was Councilmembers Bishop, Davidson, Walker, and Whiddon in favor. Councilmembers Haines and Saravia were absent. The motion passed.

c. Resolution No. 2015–16, Rescinding Resolution No. 2014–19 and Re-Establishing Funding Criteria for Nonprofit Grants

Mayor Branson read Resolution No. 2015–16 by title. Resolution No. 2015–16 amends the funding criteria for nonprofit grant awards based on Council discussion and consensus reached during the May 12, 2015, work session.

Councilmember Walker MOVED to adopt Resolution No. 2015–16.

The roll call vote was Councilmembers Bishop, Davidson, Walker, and Whiddon in favor. Councilmembers Haines and Saravia were absent. The motion passed.

d. Resolution No. 2015–17, Authorizing the Extension of the Lease and Dock License Agreement Between the City and Alaska Marine Highway System on a Month-to-Month Basis.

Mayor Branson read Resolution No. 2015–17 by title. The City of Kodiak and the Alaska Marine Highway System (AMHS) entered into a five-year lease and dock license agreement July 1, 2008, after an optional two-year extension, the agreement expired July 1, 2014. Both parties have not yet agreed on the terms for renewing the agreement due to delays in the Pier I replacement project.

Councilmember Davidson MOVED to adopt Resolution No. 2015–17.

The roll call vote was Councilmembers Bishop, Davidson, Walker, and Whiddon in favor. Councilmembers Haines and Saravia were absent. The motion passed.

e. Appointments to the Joint Building Code Review Committee

The Kodiak Island Borough asked for a review of the Joint Building Code Review Committee to re-assess changes that were made to building codes via Ordinance No. 1305. Advisory board members are appointed at the end of each year when terms expire and throughout the year as necessary. The Joint Building Code Review Committee members are appointed as needed to review building, plumbing, fire, electrical and other code revisions and make recommendations for City and Borough code amendments.

Mayor Branson appointed John Butler, and Ed Mahoney for the City seats and Randall Bishop as the Council representative on the Joint Building Code Review Committee.

Councilmember Davidson MOVED to confirm the Mayoral appointments to the Joint Building Code Review Committee as stated.

The roll call vote was Councilmembers Bishop, Davidson, Walker, and Whiddon in favor. Councilmembers Haines and Saravia were absent. The motion passed.

f. Authorization to Cancel the July 9 and August 27, 2015, Regular Meetings and Authorize the City Manager to Schedule a Special Meeting if Needed

The regularly scheduled Council meetings for July and August may be cancelled to reflect the summer meeting schedule.

Councilmember Bishop MOVED to cancel the July 9 and August 27, 2015, regular meetings and authorize the City Manager to schedule a special meeting if needed.

The roll call vote was Councilmembers Bishop, Davidson, Walker, and Whiddon in favor. Councilmembers Haines and Saravia were absent. The motion passed.

VI. STAFF REPORTS

a. City Manager

Manager Kniazowski gave an update on going City projects, including Monashka pumphouse, Aleutian Homes water and sewer pipe replacement, composting project, and Pier 3 reconstruction. She said that there is still no agreement from the legislature about the budget and said Governor Walker sent notices to state employees that they would likely be laid off if the budget does not get fully funded. She said she hopes this does not affect the Kodiak community and said she is keeping a close eye on it. She noted that the department directors were working on their work plans for the strategic planning document and will have those in a document for the Council to look at shortly. She mentioned the City and Borough took part in training with the Department of Health and Social services and thanked Chief Mullican and Chief Wallace for their hard work during the exercise in her absence. She reported that copies of the City sent letters to the North Pacific Management Council were also sent to Brad Gillman for distribution to the Alaska delegation in Washington D.C. Finally, Manager Kniazowski said there were statements made that there was not adequate water pressure to Jackson trailer park. She said Chief Mullican checked the valves and wanted to let the public know that there is adequate water pressure.

b. City Clerk

Deputy City Clerk Shuravloff-Nelson informed the public of the next scheduled Council work session and regular meeting.

VII. MAYOR'S COMMENTS

Mayor Branson said she met with the Borough Manager and Community Development Director regarding the Jackson trailer court issue and noted that everyone involved is concerned and taking a proactive stance. She let the public know that the Borough will be meeting with the P&Z Commission on June 11, 2015, to talk about options and she will schedule a Joint Work Session with the Borough after that to discuss what the City can do to continue to be supportive. She gave an update on the Downtown Revitalization Committee, stating she met with the sub-chairs

this week, and they are moving forward with the salmon labels for the trashcans downtown. She said they also discussed the pocket park and are aware of what is going on. She noted the next downtown committee meeting is June 24.

She corrected some misinformation and let the public know the City does not have it on their agenda, or in the first reading of the budget, to build any million dollar trails. She also thanked the City Manager and staff for creating a good budget and commended them for decreasing it by eight percent while still providing the same services to City residents.

VIII. COUNCIL COMMENTS

Councilmember Bishop said he hoped everyone had a good Crab Festival weekend and thanked Parks and Recreation Director Corey Gronn and staff for their help in cleaning up afterwards. He also thanked the police and fire departments for keeping everyone safe. He thanked the Chamber of Commerce for putting on such a great event and urged the public to be safe around town and to enjoy the sunshine.

Councilmember Whiddon thanked John Butler, Ed Mahoney, and Randall Bishop for being on the Joint Building Code Review Committee. He also thanked the City Manager and staff for their hard work on the budget. He gave an update on the most recent Fisheries Work Group meeting.

Councilmember Davidson thanked the City Manager and staff for their work on the budget. He said he hopes the public will recognize the amount of effort that went into the budget. He thanked everyone who made the Crab Festival a success.

Councilmember Walker thanked the City Manager and staff for their hard work on the budget and said they did a great job. He thanked all the department heads for their hard work, as well. He thanked the Chamber of Commerce and everyone who participated in the Crab Festival and made it a success. He gave his condolences to the family of Gary Byers and congratulated the high school track team and baseball team and wished them luck.

IX. AUDIENCE COMMENTS

Barbara Cobban informed the City Council she took a survey of the residents of Jackson's Trailer Court with the demographics of the families who will need help. She said she would be happy to provide that to the City and Borough for their Joint Work Session.

Timothy Shipland is a residence of Jackson's and offered solutions. He urged the City to declare an official state of emergency, lift any restrictions they might have on the use of trailer or mobile homes within City limits, and look into ways to help residents financially who might need it.

Tom Lance, via telephone, said he works for the Sun'aq Tribe of Kodiak and asked the Council if they are interested in passing a resolution opposing the Navy training in the Gulf of Alaska. He said there is going to be a peaceful protest on Pier II and urged the community to come show their support in opposition of the Navy training.

Paddy O'Donnell, via telephone, said he will attend the protest of the Navy training and said it is important to address. He also said he appreciates the City Council's letter to the North Pacific Management Council and thanked the Council for their support.

X. ADJOURNMENT

Councilmember Davidson MOVED to adjourn the meeting.

The roll call vote was Councilmembers Bishop, Davidson, Walker, and Whiddon in favor. Councilmembers Haines and Saravia were absent. The motion passed.

The meeting adjourned at 8:51 p.m.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Minutes Approved:

PERSONS TO BE HEARD

MEMORANDUM TO COUNCIL

Date: June 11, 2015

Agenda Item: III. a. Proclamation: Filipino American Heritage Month

SUMMARY: This proclamation recognizes Filipino Americans for their vital contributions to our community and urges citizens to participate in festivities celebrating the rich heritage and traditions of the Philippine Islands.

ATTACHMENTS:

Attachment A: Proclamation: Declaring Filipino American Heritage Month

PROCLAMATION

Declaring Filipino American Heritage Month

WHEREAS, the City of Kodiak is made up of a wonderful mosaic of culturally diverse people; and

WHEREAS, Filipino Americans have enriched our city through their vital contributions to the economic, social, political, and cultural quality of life in the community; and

WHEREAS, June 12, 2015, marks the 117th anniversary of the declaration of Philippine independence; and

WHEREAS, this momentous occasion provides an opportunity for all Filipino Americans to share their cultural heritage with people of all races, ethnicities, and nationalities; and

WHEREAS, local observances will include a potluck, a traditional church service, basketball and cultural games, a talent show, ball room dancing, and a public lecture.

NOW, THEREFORE, I, Pat Branson, Mayor of the City of Kodiak, do hereby proclaim June 2015, as

Filipino American Heritage Month

in Kodiak and urge all citizens to participate in the festivities celebrating the rich heritage and traditions of the Philippine Islands.

Presented this 11th day of June 2015.

City of Kodiak

Pat Branson, Mayor

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UNFINISHED BUSINESS

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniaziowski, City Manager *AK*
Thru: Glenn Melvin PE, City Engineer *gm*
Date: June 11, 2015

Agenda Item: IV. a. **Authorization of Professional Services Contract for Pre-Design of the New Fire Station and Condition Assessment of the Old Library Building, Project No. 6015/15-06**

SUMMARY: Between 2004 and 2007, USKH (now Stantec) performed programming and concept design services for various configurations of City of Kodiak municipal buildings including various approaches to replace the fire station. USKH also completed a condition assessment of the fire station in 2007, which showed the building was inadequate for its use and not built to code, among other issues. Council identified the fire station as an important City public building to replace and allocated funds for deferred maintenance until it was time to address replacing the facility.

The old police station has been demolished and the old library building is vacant. The City can reassess the site and look at options for planning a new fire station as well as potential reuse of the old library building. In this proposal, Stantec will perform programming verification, site selection support, and prepare conceptual design for a new fire station. Also included in this scope of services, Stantec will prepare a condition assessment including cost analysis of the old library to aid in determining the potential for future use by the City. The Manager and staff recommend authorization of the professional services contract with Stantec in the lump sum amount of \$99,435.

PREVIOUS COUNCIL ACTION:

- In early 2004, Council selected USKH to prepare a feasibility study for the replacement of aging City facilities, including building that housed the old police station and jail.
- In September of 2005, a Hazardous Material Report for Municipal Buildings City of Kodiak was prepared by USKH. It included the fire station, the old KPD building, and the library.
- In May of 2007 USKH prepared a condition assessment report on the fire station as part of a future replacement plan.
- In July of 2007, Council allocated \$550,000 to a deferred maintenance project for the fire station to address some of the serious problems as identified in the condition assessment.
- In FY2105, Council approved funds to initiate planning for fire station replacement and condition assessment of the old library for possible reuse.

- March of 2015, Council voted to postpone the award of the proposal from Stantec due to lack of consensus and until the Manager was ready to bring it back for consideration.
- June 9, 2015, Council discussed the proposal with Stantec and staff at the work session.

DISCUSSION: As part of the City's evaluation of its aging public buildings, which started in 2004, USKH completed a condition assessment of the fire station in 2007. The assessment showed the facility had multiple problems, including contamination, water inundation, and seismic stability. The building was converted from three separate buildings that were not designed to be a fire station with fire staff in the facility 24 hours a day. Council approved funding in 2007 to address some of the more serious concerns identified in the assessment. Staff has been making repairs and facility corrections with those funds, but the underlying problems of the building remain.

The old police station and jail has been demolished, and the old library building is vacant. The goal of staff is to develop a replacement plan for the fire station with a first step being site review and pre-design work to provide preliminary cost estimates. The proposal also includes an assessment of the old library for possible future use by the City.

Staff requested a proposal from Stantec because of their previous work on these buildings. Stantec mapped out a plan for this project that includes three tasks. Task 1 will start with a site visit to Kodiak to meet with City officials to discuss general parameters, funding, and scheduling scenarios regarding the new fire station. The Stantec team will gather information and interview Fire Department and City officials to update the 2004 building programs to reflect current needs. Stantec will utilize the information from 2004 and 2007 to develop spatial relationships and scale with the Fire Department and City officials. Stantec will then incorporate the information into an updated plan to develop concepts for the new fire station.

During the site visit, Stantec will have an architect, mechanical engineer, and electrical engineer to conduct a condition assessment of the now vacant old library building. They will inspect building systems and prepare a report outlining improvements necessary to bring the building up to a useable and code compliant condition. Stantec's structural engineer will review available as-builts and photos to assess design loads verses current codes and conditions. Stantec will prepare a cost estimate for bringing the building up to useable condition and prepare a condition assessment report to the City.

Task 2 will include programming and site selection for the new fire station. Concurrent with the programming effort, Stantec will develop site selection decision matrices to assist the City in site selection for the fire station. They will provide an updated Kodiak fire station program and summary report for the site selection recommendations.

Task 3 will be the presentation of the concept design to Council. This initial concept design will be prepared based on agreed upon sites by City officials and facility users. The agreed upon concept will be

used for the concept level cost estimate. Task 3 will include a second site visit to conclude with a presentation to Council.

ALTERNATIVES:

- 1) Authorize the professional service contract with Stantec, which will provide the information needed to plan and cost the project. It will accomplish two goals. 1. Pre-design of the new fire station would provide the first step in the plan to replace the substandard existing structure. 2. The condition assessment of the old library building will give Council the needed information in deciding to reuse the structure or demo and remove it. This is recommended by staff.
- 2) Do not authorize or postpone the project, which increases the risk associated with the aging fire station, and the City would need to continue to absorb costs to keep the old library building heated. Staff does not recommend this alternative.

FINANCIAL IMPLICATIONS: This project is fully funded at \$100,000 in the current FY2015 budget. There are sufficient funds to award the contract with \$10,000 remaining in contingencies.

STAFF RECOMMENDATION: Staff recommends that Council authorize the professional services contract for pre-design of the new fire station and condition assessment of the old library building, Project No. 6015/15-06

CITY MANAGER'S COMMENTS: Staff believes this proposal will give us three important pieces of information: whether the current site (inclusive of all three City lots) is sufficient upon which to build a new station; will identify preliminary cost estimates for a new fire station based on the conceptual design; and assess the old library building for possible interim use by KFD while the old fire station is being removed and a new one built. The final report should also discuss the feasibility of refurbishing the old library for future City offices versus the cost effectiveness to demolish it.

This two-part study was introduced and discussed at the March 17 work session. Based on concerns expressed by the Council about moving forward without a funding plan and uncertainty about the ability of the City to move forward to replace another City facility, Council postponed action on the proposal at the March 19 meeting. I still believe this project should move forward so we can have information the pre-design work will provide. The fire station is a critical public safety facility that remains in poor condition and is seismically vulnerable. I believe it is very important for the City to begin to plan for its eventual replacement and urge the Council to approve this contract. Staff will work on a funding and replacement plan for the fire station and will have the results of Stantec's work to help identify funding sources and be able to respond to opportunities that are not available without the preliminary information this study will provide.

The fire station was identified as a replacement priority eight to ten years ago. Despite deferred maintenance work on the building, the facility must be replaced. Therefore, I hope Council will support

this preliminary planning effort so we can take the initial steps to scope a replacement plan, which includes an analysis of the old library building.

ATTACHMENTS:

Attachment A: Stantec proposal for professional services, City of Kodiak fire station predesign, and old library condition assessment dated, March 4, 2015

Clerk's Note: the following motion was postponed at the March 19, 2015, meeting. “Move to approve a professional services contract with Stantec in the amount of \$99,435 for the pre-design of the new fire station and condition assessment of the old library building, Project No. 6015/15-06 and authorize the City Manager to execute the documents for the City.”

The motion is again on the floor for Council consideration. Do not make the motion again.



Stantec Architecture Inc.
544 4th Avenue Suite 102, Fairbanks AK 99701-4714

March 4, 2015

Glenn Melvin, City Engineer
City of Kodiak
2410 Mill Bay Road
Kodiak, AK 99615

Subject: **Proposal for Professional Services**
City of Kodiak Fire Station Predesign and Old Library Condition Assessment
Kodiak, Alaska

Dear Mr. Melvin:

Stantec Architecture Inc. (Stantec) is excited to continue to provide professional services to assist you and the City of Kodiak (City) in moving forward on a new Fire Station. We cordially submit the following proposal:

Project Scope

From our previous discussions in early 2014, and from previous project support we have provided, we understand the Scope of Work to include a programming verification effort, site selection support, and concept design for a new Fire Station as well as a condition assessment of the existing Library for potential use by the City of Kodiak if feasible.

Consultant Scope of Services

Between 2004 and 2006, USKH (now Stantec) performed programming and concept design services for various configurations of City of Kodiak Municipal Buildings, including the various approaches for the Fire Station. These approaches included Fire Stations co-located alongside the Police Station and Jail. Now that the old Police Station has been demolished and a new one constructed, and the old Library structure is vacated, we can re-assess the sites and provide development scenarios for the City to consider for the new Fire Station.

As further described herein, we have mapped out an initial plan to revisit the program and site conditions with the goal of developing a Concept Design to ultimately provide a rough order of magnitude (ROM) estimate for the City's funding request purposes.

Task 1-Site Visit and Condition Assessment: Stantec's Scope of Services will begin with a site visit to Kodiak to meet with City officials to discuss general parameters including sites of interest, funding and scheduling scenarios for the Fire Station. During this initial information gathering trip, we will interview Fire Department City officials so the 2004 building programs can be updated to reflect current needs. Stantec will use the previously developed Concept Designs as a tool to verify program applicability and spatial relationships and scale with the Fire Department and City

Design with community in mind

Doing business as:
Stantec Architecture and Engineering (NY)
Stantec Architecture P.C. (DC, MS, MO, NE)
For a list of our registered architects, please visit www.stantec.com/about-us/registered-architects.html



March 4, 2015
Glenn Melvin, City Engineer
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Reference: City of Kodiak Fire Station Predesign and Old Library Condition Assessment

officials. Stantec will incorporate this information in to an updated building program which will be used to develop concept designs for the new Fire Station.

In addition to gathering information to update the building program, this site visit will also be for conducting a condition assessment of the now vacant Library for use in considerations for future City use if feasible. Architectural, Mechanical, and Electrical staff will visit the site, review as-builts and prepare a report outlining improvements necessary to bring the building up to useable and code compliant condition. Our structural engineer will review available as-builts and photos to assess design loads versus current codes and conditions. A cost estimate for executing the recommended improvements will be prepared.

Deliverables for Task 1 will include (5) bound copies of the Library Condition Assessment Report.

Task 2-Programming and Site Selection: Concurrent with the Programming effort, Stantec will develop site selection decision matrices to assist the City in site selection for the Fire Station. These matrices help weigh and assess such factors as land value, location, available utilities, known soil conditions, and other program-specific factors to be developed with the City. During the information gathering trip, Stantec will solicit important factors from City Officials, and will visit potential sites of interest for the Fire Station.

Deliverables for Task 2 will include five (5) copies of the updated Kodiak Fire Station Program and summary report for the Fire Station Site Selection Recommendations.

Task 3-Concept Design and Presentation: With updated program documents and preferred sites agreed upon by City officials and facility users, Stantec will begin Concept Designs. Stantec will employ Sketch-Up and Revit software to develop 3D conceptual plans, elevations, massing, site compositions, and virtual building walk-throughs.

Concept Design is a reiterative process that will take several concept option submittals and refinements before a viable, preferred concept arises. Once a preferred concept is agreed upon for the Fire Station, Stantec will then prepare a concept level project estimate for the City of Kodiak to use in soliciting funding.

After the conceptual level estimate is formulated, Stantec will then perform a second site visit to conclude the preliminary phase of this project with a presentation to City officials on the Concept Report, recommendations, and construction cost estimate, and will outline the next steps and timelines for further project advancement.

Deliverables for Task 3 will include interim concept design submittals on electronic media submitted via e-mail. Final Concept Design deliverables will include plans, elevations and renderings, concept estimate, and mounted-laminated presentation boards.



March 4, 2015
Glenn Melvin, City Engineer
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Reference: City of Kodiak Fire Station Predesign and Old Library Condition Assessment

Understandings and Exclusions

This proposal is offered with the following understandings:

- The previous need for City Hall Office programming, site selection support, and concept design has been deferred at your request.
- The City of Kodiak has a master Agreement and will generate the Contract for the Services described herein, negotiated, and with this letter as an added Exhibit.

The following services are specifically excluded from the Consultant Scope of Services at this time, and can be negotiated and added to a later scope once the site and preferred concept are developed:

- Geotechnical Engineering
- Environmental Engineering Services Environmental Services related to site selection beyond the recognized inundation zone assessment. Excluded services include Phase 1 and 2 Environmental Site Assessments and federal and state environmental permitting/clearances.
- Survey
- Hazardous Material Identification or Abatement
- Engineering services beyond conceptual level support, including drawings, calculations, schedules, and system sizing above and beyond order of magnitude scaling.
- Additional Site Visits beyond the two included.
- City Hall programming, site selection, concepts or design.

These services are available and we can support these needs at your earliest convenience when the City is ready. They can be added via negotiated Amendment should the need arise.

Schedule

The following draft project schedule is based upon a goal for construction beginning in 2016.

Task	Timeframe
Receive NTP	March 20, 2015
Task 1-Site Visit	Week of April 6, 2015
Tasks 1 and 2-Updated Program, Library Condition Assessment Report and Site Selection Matrix	May 14, 2015
Task 3-Concept Designs	July 23, 2015
Task 3-Preferred Concept Presentation	Week of August 24, 2015
<i>Funding Procurement</i>	<i>60 days</i>
<i>Future Design Phases (35%-65%-95%-100%)</i>	<i>6 months</i>
<i>Bidding</i>	<i>Spring 2016</i>
<i>Construction</i>	<i>2016 construction season +</i>



March 4, 2015
Glenn Melvin, City Engineer
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Reference: City of Kodiak Fire Station Predesign and Old Library Condition Assessment

Fee

Stantec proposes to perform the Consultant Scope of Services noted above under a Lump Sum Agreement as broken down in the previously attached fee worksheet.

Proposed compensation may be adjusted if Services are not authorized within 30 days of the date of this letter.

Closing

Upon your approval of this proposal, Stantec is excited and ready to commence work, pending City officials' availability.

Glenn, thank you for contacting us! The City of Kodiak has been a highly valued client and we are excited to continue our work with you. If you have any questions, please do not hesitate to contact me directly. My contact information is included below.

Regards,

STANTEC ARCHITECTURE INC.

A handwritten signature in blue ink, appearing to read 'Jared VanderWeele'.

Jared VanderWeele, AIA, NCARB
Associate, Senior Architect
Phone: (907) 450-1441
Fax: (907) 452-4225
jared.vanderweele@stantec.com

Attachments: Fee Worksheet

Work Order: _____ CT

JTV\wmd v:\2046\promotion\city of kodiak - fire station predesign\1449200_draft scope of work-stantec_090814.doc



544 4th Avenue, STE 102
 Fairbanks, AK 99701-4714
 Fee Estimate for Professional Services
 Prepared by: Jared VanderWeele

TBD
 Municipal Buildings - Fire Station and City Hall Predesign
 City of Kodiak
 Jan 08, 2015

SUMMARY OF LABOR AND EXPENSES

Task No.	Task Name	All Disciplines	Expenses by Task	Subtotal
1	Site Visit and Condition Assessment	32,264.00	3,805.00	\$36,069.00
2	Programming and Site Selection	18,182.00	275.00	\$18,457.00
3	Concept Design	36,454.00	10.00	\$36,464.00
4	On Site Presentation	6,330.00	2,115.00	\$8,445.00
Total		\$93,230.00	\$6,205.00	\$99,435.00

NOTES

1 See Scope of Work document for specific exclusions

LABOR BREAKDOWN: ALL DISCIPLINES

Personnel Classification	Rate	Senior Civil Engineer I	Civil Designer / Technician II	Senior Architect III	Senior Architect II	Senior Architect I	Architectural Designer / Technician II	Senior Mechanical Engineer II	Mechanical Engineer II	Senior Electrical Engineer II	Senior Structural Engineer I	Project Assistant III	TOTAL COST	TOTAL HOURS
		\$166.00	\$118.00	\$196.00	\$168.00	\$157.00	\$136.00	\$168.00	\$152.00	\$168.00	\$161.00	\$136.00	TOTAL COST	TOTAL HOURS
1 Site Visit and Condition Assessment														
Project Management				2								4	\$858.00	6
Kick Off Meeting				2	2	2	2	2	2	2	2		\$1,948.00	12
Fire Department Interviews				4	4	4							\$1,300.00	8
On-Site Library Condition Assessment				4	4	4		8	8	8			\$3,860.00	24
Library As-built review				4		4		4	4	8	8		\$3,868.00	24
Potential Site Visits				4	4	4							\$1,300.00	8
Condition Assessment Report				8	8	8		8	8	8	8	8	\$6,192.00	40
Condition Assessment Estimate				8	8	8		2	2	2	2		\$3,786.00	22
QA/QC				4			2						\$1,120.00	6
Logistics				16	16	16		8	8	8		2	\$8,032.00	50
Totals for Task 1		0	0	12	30	52	4	32	36	20	14		\$32,264.00	200
2 Programming and Site Selection														
Project Management				2								4	\$858.00	6
Site Analysis		8	12	20	4	20	12					2	\$8,460.00	58
Report Writing		4	8	8	4	8						6	\$4,352.00	30
Programming Documents				16	4	16						4	\$3,728.00	24
QA/QC				4									\$784.00	4
Totals for Task 2		12	20	46	12	46	12	0	0	0	0	16	\$18,182.00	122
3 Concept Design														
Project Management				2								4	\$858.00	6
Fire Station Concept Designs		8	24	32	12	32	88	8	8	8	8	2	\$27,288.00	190
Estimates		4		10		10		2				6	\$4,138.00	24
Report Preparation		4		10		10		2				6	\$3,386.00	22
QA/QC				4									\$784.00	4
Totals for Task 3		16	24	54	12	54	88	8	8	8	8	12	\$36,454.00	246
4 On Site Presentation														



544 4th Avenue, STE 102
Fairbanks, AK 99701-4714

Fee Estimate for Professional Services
Prepared by: Jared VanderWeele



TBD
Municipal Buildings - Fire Station and City Hall Predesign
City of Kodiak
Jan 08, 2015

LABOR BREAKDOWN: ALL DISCIPLINES

Personnel Classification	Senior Civil Engineer I	Civil Designer / Technician II	Senior Architect III	Senior Architect II	Senior Architect I	Architectural Designer / Technician II	Senior Mechanical Engineer II	Mechanical Engineer II	Senior Electrical Engineer II	Senior Structural Engineer I	Project Assistant III	TOTAL COST	TOTAL HOURS
Project Management					2						4	\$858.00	6
Site Visit for presentations				16	16						2	\$5,472.00	34
Totals for Task 4	0	0	0	16	18	0	0	0	0	0	6	\$6,330.00	40

ALL DISCIPLINES LABOR TOTALS	28	44	28	70	170	100	8	40	44	28	48	\$93,230.00	608
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EXPENSES BREAKDOWN

Item Description	Quantity	Units	Rate	Total	Remarks
1 Site Visit and Condition Assessment					
Airfare	4	Round Trip	\$500.00	2,000.00	
Per diem	8	per diem	\$60.00	480.00	
Rental car	2	days	\$150.00	300.00	
Hotel	6	Nights	\$125.00	750.00	
Condition Assessment Report Reprographics	5	each	\$50.00	250.00	
Report Shipping	1	lump	\$25.00	25.00	
Totals for Task 1				\$3,805.00	

2 Programming and Site Selection					
Draft Report Reprographics	5	each	\$50.00	250.00	
Report Shipping	1	lump	\$25.00	25.00	
Totals for Task 2				\$275.00	


3 Concept Design					
Long distance	1	lump	\$10.00	10.00	
Totals for Task 3				\$10.00	


4 On Site Presentation					
Airfare	2	Round Trip	\$500.00	1,000.00	
Per diem	4	per diem	\$60.00	240.00	
Hotel	4	Nights	\$125.00	500.00	
Final Report and Concept Reprographics	5	each	\$75.00	375.00	
Totals for Task 4				\$2,115.00	

EXPENSES TOTALS				\$6,205.00	
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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniaziowski, City Manager 

Thru: Karl Swanson, Interim Finance Director 

Date: June 11, 2015

Agenda Item: IV. b. Second Reading and Public Hearing, Ordinance No. 1334, Levying Taxes and Appropriating Funds for the Expenses and Liabilities of the City of Kodiak for the Fiscal Year Commencing on the First Day of July 2015 and Ending on the Thirtieth Day of June 2016

SUMMARY: Ordinance No. 1334 provides for the adoption of the City of Kodiak's FY2016 budget. The budget document, which supports the ordinance, estimates all sources of revenue the City anticipates receiving between July 1, 2015, and June 30, 2016. The budget document also establishes an operating and capital expenditure plan for FY2016 that is based on staff's assessment of operational and community needs and the Council's FY2016 budget goals. Staff made the FY2016 budget presentation to Council at a special budget work session on May 9, 2015. Staff recommends Council adopt Ordinance No. 1334 following the second reading and public hearing.

PREVIOUS COUNCIL ACTION:

- Prior to the start of each fiscal year, the City Council adopts the City's operating and capital budget by ordinance.
- Council reviewed projected FY2016 revenues and the FY2016 budget calendar on February 10, 2015.
- Council adopted Resolution No. 2015-03, establishing budget goals for FY 2016, on February 12, 2015.
- Staff presented the proposed FY2016 budget to the Mayor and Council at a budget work session on May 9, 2015.
- Council reviewed Ordinance No. 1334 at May 26 work session
- Council passed Ordinance No. 1334 in the first reading and advanced to the second reading at May 28 meeting.

DISCUSSION: The FY2016 budget funds the services provided by the City of Kodiak to residents and visitors: law enforcement (including animal control and contract jail services), fire and emergency medical services (including ambulance services); public works (public water system, wastewater system, street and property maintenance); engineering; port and harbor facilities; parks and recreation facilities

and programs; public library; and general administrative functions (municipal recordkeeping and financial management).

The proposed FY2016 budget was developed as a maintenance level budget and will attempt to provide the same level of services as the current year's budget with a reduction in expenses. This is a prudent approach since revenues are expected to remain static as expenses continue to increase. The City Council adopted FY2016 budget goals by Resolution No. 2015-03 in February (Attachment B), and staff used the goals to develop and evaluate the proposed operating budget. The proposed budget is consistent with the Council's FY2016 budget goals.

Combined Revenues and Expenses for All Funds

The FY2016 budget projects combined revenues from all funds excluding capital projects to be \$38,034,750, which is a decrease of eight (8) percent from FY2015's combined budgeted revenues of \$41,471,414. Revenues are forecasted based on the current fiscal year even though some sources may fluctuate slightly. Expenses for all City funds, excluding capital projects, is expected to also be \$38,034,750, an overall decrease of eight (8) percent from FY2015. Fewer transfers and capital equipment account for the largest decreases in expenses.

Operating Budget

The FY2016 operating budget is primarily a maintenance budget as it has been for at least the past seven years. As directed, City staff developed a conservative budget. The City, like everyone in the community, continues to face rising costs, but the departments are careful to absorb cost increases whenever and wherever possible. As outlined in the City Council FY2016 goals, a review of all categories of General Fund expenditures was conducted to identify ways to decrease expenses. Even with budget reductions, unavoidable cost increases resulted in a two (2) percent increase in General Fund expenses before transfers from FY2015.

General Fund

The General Fund provides funding for those City services that aren't required to be accounted for differently, like the enterprise funds. The General Fund uses revenues from sources such as sales and property taxes to fund the City's administrative functions such as tax collection and audits, billing, emergency preparedness, information technology, and management of all City functions. It also funds services such as municipal recordkeeping functions, law enforcement, fire and ambulance, library and recreational services and facilities, and public works and engineering services.

General Fund revenues for FY2016 are projected at \$22,551,710, up by approximately 13 percent from FY2015 projections, with the largest changes due to increase in the appropriation of the fund balance to fund increased personnel costs and necessary capital projects. These budget figures are consistent with Council's FY2016 goal that the General Fund would be budgeted without a deficit with appropriations

from the fund balance when/if necessary, and that General Fund operating expenses (non-personnel) will be consistent with those of FY2015.

Fund Balance

The City's General Fund balance has been accumulated from various revenue sources, large and small. Even with conservative budgeting, this fund no longer takes in more revenues than it must spend for expenses to operate the General Fund departments and to provide the necessary services. The FY2015 budget is projected to have \$7.4 million remaining in the fund balance. The FY2016 budget is projected to have an estimated \$4 million remaining in the fund balance after using the \$3.4 million for expenses and transfers in the operating budget. The estimated FY2016 fund balance, if projections are correct, will be needed to offset expenses and provide the City with approximately 2.6 months of operating reserves. Of course there are many budget variables so this is only a projection and cannot be guaranteed so early in the budgeting process. The proposed FY2016 budget anticipates a larger use of fund balance than the FY2015 budget because more transfers are being made to fund capital projects.

Personnel

Salaries, wages and benefits are the single largest expense in the City's annual budget, totaling 41 percent. Salaries and wages for FY2016 are estimated to total \$9.2 million or 24 percent of the City's overall expenses. This is less than two (2) percent change from FY2015 citywide salaries and wages and reflects scheduled salary increases. Employee benefit costs are projected at \$7.8 million, 20 percent of the City's overall expense budget, which is a four (4) percent increase from FY2015.

The FY2015 budget does not reflect an increase in the number of City employees; the total FTEs remain at 126.15. The City's work force for FY2016 remains at 121 regular full-time employees and 5.15 regular part-time positions working from 20-30 hours per week for a total of 126.15 FTEs.

These changes to the FY2016 budget meet Council's personnel goals. The tracking of part-time personnel is a necessary step in meeting Council's goal to complete an analysis of the need, costs, and hiring process for the City's use of temporary or seasonal employees.

Enterprise Funds

The City has eight separate enterprise funds; the Harbor Department's Cargo Terminal, Boat Harbor, Harbor Electric Utility, and the Boat Yard/Vessel Lift funds; the Water, Sewer, and Trident Basin funds managed by Public Works; and the E911 Fund. The FY2016 budgets for these funds reflect a balance of revenues to expenses.

The E911 Fund was established in FY2010 in preparation for the transfer of E911 extraterritorial authority from the Borough to the City. This transfer has not taken place, but City and Borough staff must work toward the transfer of authority for collecting the E911 taxes or find a way to fairly share in the expenses and responsibilities of providing the service to Kodiak.

Enhancement Fund

The FY2016 budget proposes no use of Enhancement Fund monies. Enhancement Fund monies have not been used since FY2013, so the fund balance is able to rebuild, per Council's budget goals. The projected fund balance for the Enhancement Fund in FY2015 is estimated to be \$3.2 million, due to a projected increase of \$156,000 in the current fiscal year. The FY2014 increase was \$998,802 due to a significant transfer of one-half of the General Fund excess of revenues over expenditures in FY2013.

Capital Projects

The FY2016 budget recommends \$4.4 million in capital project expenditures. This includes nine new capital projects in FY2016 ranging in size from \$20,000 to \$1,200,000. It also includes additional funding for established or ongoing capital projects such as, annual curb and sidewalk repairs, pavement repairs, snow dump, rate studies, Monashka Transmission Line, and the Saint Herman Harbor Parking Improvement. Costs for the projects will be covered through transfers, and use of fund balances. Staff presented the capital projects in detail at the budget work session on May 9.

ALTERNATIVES:

- 1) Adopt Ordinance No. 1334. This is staff's recommendation.
- 2) Council may also amend Ordinance No. 1334 prior to final passage.

FINANCIAL IMPLICATIONS: The City Council must make appropriations and adopt an annual budget. As presented, this budget retains ongoing service levels while meeting maintenance level budgetary criteria established by Council. The budget meets operational needs and estimates an adequate retention of fund balance in the General Fund.

LEGAL: The Kodiak City Charter and Kodiak City Code grant Council the authority to make appropriations and adopt and amend budgets as required. Article V, Section 2 of the City Charter states the City Manager will prepare and present a proposed budget to the City Council in advance of the fiscal year which begins on July 1 and ends on June 30. Article V, Section 4 of the City Charter gives the City Council the authority to make appropriations for the next fiscal year and approve or amend the budget. Appropriations must be made and the budget approved by a majority vote of the City Council no later than the third day before the beginning of the new fiscal year, and if the Council fails to approve the budget by that date, the budget as submitted shall go into effect and be considered adopted by the Council.

STAFF RECOMMENDATION: Staff recommends Council adopt Ordinance No. 1334.

CITY MANAGER’S COMMENTS: We have managed to provide Council with another lean budget and minimal staffing without affecting service provision, per Council’s FY2016 budget goals. The task continues to be challenging as costs increase and other sources of governmental funding become more limited. We do expect to have a modest amount of projected revenues for FY2016 for use on capital project needs, most of which are critical to the City’s infrastructure.

The preparation of this document and the presentations at the May 9, 2015, budget work session reflect a great deal of work by the City staff, including an assessment of operational and community needs necessary to create this annual financial plan. I want to thank our management team for their serious commitment to meeting Council’s goals and for their fiscal responsibility, not just in preparation of this draft budget, but on an ongoing basis.

ATTACHMENTS:

Attachment A: Ordinance No. 1334

Attachment B: Addenda to the FY2016 Budget Presentation

PROPOSED MOTION:

Move to adopt Ordinance No. 1334.

**CITY OF KODIAK
ORDINANCE NUMBER 1334**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK LEVYING TAXES AND APPROPRIATING FUNDS FOR THE EXPENSES AND LIABILITIES OF THE CITY OF KODIAK FOR THE FISCAL YEAR COMMENCING ON THE FIRST DAY OF JULY 2015 AND ENDING ON THE THIRTIETH DAY OF JUNE 2016

BE IT ORDAINED by the Council of the City of Kodiak as follows:

Section 1: A tax in the amount of 2.0 mills is hereby levied against all taxable real property within the City of Kodiak for the fiscal year commencing on the first day of July 2015 and ending on the thirtieth day of June 2016.

Section 2: The following sums of money are hereby appropriated for corporate purposes and objects of the City of Kodiak for the fiscal year commencing on the first day of July 2015 and ending on the thirtieth day of June 2016 to defray expenses and liabilities of the City during the fiscal year.

FY2016 BUDGET SUMMARY

GENERAL FUND			
		Anticipated Revenues	
	Taxes	\$ 13,031,000	
	Licenses & Permits	89,800	
	Intergovernmental Revenues	2,948,420	
	Charges for Services	1,574,765	
	Fines & Forfeitures	15,000	
	Interest	10,000	
	Rents & Royalties	230,000	
	Miscellaneous	22,000	
	Interfund Charges	1,198,832	
	Appropriation from Fund Balance	3,431,893	
	Operating Transfers In	-	
	Total Anticipated Revenues	22,551,710	
			Planned Expenditures
	Legislative		\$ 296,454
	Legal		50,000
	Executive-Administration		663,067
	Executive-Emergency Preparedness		56,500

GENERAL FUND EXPENDITURES CONTINUED

	City Clerk-Administration		324,210
	City Clerk-Records Management		168,760
	Finance		1,529,160
	Police		6,868,059
	Fire		2,208,736
	Public Works		2,748,851
	Engineering		294,070
	Parks & Recreation		1,479,354
	Library		1,044,680
	Non-Departmental		4,819,809
	Total Planned Expenditures		22,551,710

SPECIAL REVENUE FUND

	Anticipated Revenues	
Tourism Fund	\$ 180,500	
City Enhancement Fund	-	
Total Anticipated Revenues	180,500	
		Planned Expenditures
Tourism Fund		\$ 180,500
City Enhancement Fund		-
Total Planned Expenditures		180,500

CAPITAL PROJECTS FUND		Anticipated Revenues
General Capital		\$ 20,000
Street Improvements		2,190,000
Building Improvement Fund		1,000,000
Water Capital Fund		315,000
Sewer Capital Fund		235,000
Cargo Development Fund		-
Harbor Development Fund		475,000
Parks & Recreation Fund		30,000
Vehicle Replacement Fund		171,019
Total Anticipated Revenues		4,436,019

CAPITAL PROJECTS FUND CONTINUED

		Planned Expenditures
General Capital		\$ 20,000
Street Improvements		2,190,000
Building Improvement Fund		1,000,000
Water Capital Fund		315,000
Sewer Capital Fund		235,000
Cargo Development Fund		-
Harbor Development Fund		475,000
Parks & Recreation Fund		30,000
Vehicle Replacement Fund		171,019
	Total Planned Expenditures	4,436,019

ENTERPRISE FUNDS		
	Anticipated Revenues	
Cargo Fund	\$ 1,051,529	
Harbor Fund	3,605,033	
Boat Yard Lift	1,276,715	
Harbor Electric Fund	616,590	
Water Utility Fund	3,314,746	
Sewer Utility Fund	4,570,353	
Trident Basin Fund	305,454	
E-911 Services	13,180	
	Total Anticipated Revenues	14,753,600
		Planned Expenditures
Cargo Fund		\$ 1,051,529
Harbor Fund		3,605,033
Boat Yard Lift		1,276,715
Harbor Electric Fund		616,590
Water Utility Fund		3,314,746
Sewer Utility Fund		4,570,353
Trident Basin Fund		305,454
E-911 Services		13,180
	Total Planned Expenditures	14,753,600

INTERNAL SERVICE FUNDS			
		Anticipated Revenues	
	Self Insurance Fund	\$ 548,940	
	Total Anticipated Revenues	548,940	
			Planned Expenditures
	Self Insurance Fund		\$ 548,940
	Total Planned Expenditures		548,940
	Grand Total Anticipated Revenues	\$ 42,470,769	
	Grand Total Planned Expenditures		\$ 42,470,769
		Non- Projects	38,034,750
		Non- Projects	38,034,750
		Projects	4,436,019
		Projects	4,436,019
		Total	42,470,769
		Total	42,470,769

Section 3: All unexpended appropriation balances, with the exception of capital project fund appropriations, shall lapse to the appropriate fund as of June 30, 2016.

Section 4: This ordinance shall go into effect July 1, 2015.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

First Reading: May 28, 2015

Second Reading:

Effective Date:

City of Kodak

Addenda to the FY 2016 Budget Presentation

<u>Fund</u>	<u>Account No.</u>	<u>Account</u>	<u>Amount in Budget</u>	<u>Correction</u>	<u>Corrected Budget</u>
General	100.001.380.100	Serv Chgs from Cargo	88,766	(1,770)	86,996
General	100.001.380.110	Serv Chgs from Harbor	225,628	(14,162)	211,466
General	100.001.380.120	Serv Chgs from Water	257,046	(3,540)	253,506
General	100.001.380.121	Serv Chgs from Sewer	271,590	(3,542)	268,048
General	100.001.380.125	Serv Chgs from Trident	10,372	(1,771)	8,601
				<u>(24,785)</u>	
Cargo	500.510.195.480.220	Financial Services	32,507	(1,770)	30,737
Harbor	510.520.195.480.220	Financial Services	116,040	(14,162)	101,878
Water	550.560.360.480.220	Financial Services	29,161	(1,770)	27,391
Water	550.560.365.480.220	Financial Services	29,161	(1,770)	27,391
Sewer	570.580.380.480.220	Financial Services	36,433	(1,771)	34,662
Sewer	570.580.385.480.220	Financial Services	36,433	(1,771)	34,662
Trident	580.590.100.480.220	Financial Services	8,183	(1,771)	6,412

The Administrative Cost allocation of Information Services was originally miscalculated and not discovered until the budget was prepared. This change will lower the Interfund revenue to the General Fund, and lower Interfund expenses in the affected enterprise funds.



Water	550.560.198.490.306	Trans-Sewer Cap Project	20,000	(20,000)	-
Sewer	570.580.198.490.306	Trans-Sewer Cap Project	40,000	(40,000)	-

The Wastewater Treatment Plant HVAC System was originally slated to be in the FY 2016 Sewer Capital Budget. We are moving the requested amount to the FY 2015 budget year. The Project has been removed from the Capital budget worksheets, but the transfers from the Water and Sewer funds need to be taken out of the FY 2016 operating budget.

General	100.001.380.400	Vehicle Replace Gen Fund	85,357	85,662	171,019
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This revenue amount is needed to recognize the Vehicle Replacement expense in the General Fund departments.

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Council Members
From: Aimée Kniaziowski, City Manager 
Thru: Karl Swanson, Interim Finance Director 
Date: June 11, 2015

Agenda Item: IV. c. Second Reading and Public Hearing, Ordinance No. 1335, Establishing Supplemental Appropriation No. 2 to the Budget for the Fiscal Year Commencing on the First Day of July 2014 and Ending On the Thirtieth Day of June 2015

SUMMARY: The Supplemental Appropriation No. 2 to the budget for the fiscal year commencing on the first day of July 2014 and ending on the thirtieth day of June 2015 is in the amount of \$151,778. It is customary for the City Council to approve at least one supplemental budget annually to authorize the adjustments of current revenues and expenses as detailed in the attachments provided. These adjustments are for the operating funds as well as additions to project funds for grant revenues received and additional expenditures needed that were not known at the time the original budget was adopted. This is the second budget amendment of FY2015. Staff recommends Council adopt Ordinance No. 1335 following the second reading and public hearing.

PREVIOUS COUNCIL ACTION:

- June 13, 2014, Council adopted Ordinance No. 1319 for the FY2015 budget in the amount of \$46,466,781 commencing on the first day of July 2014 and ending on the thirtieth day of June 2015.
- February 12, 2015, Council adopted Ordinance No. 1331 for the first supplemental to the FY2015 budget in the amount of \$897,753.
- May 26, 2015, Council reviewed Ordinance 1335 at the work session in preparation for introduction at this meeting.
- May 28, 2015, Council passed Ordinance 1335 in the first reading and advanced to second reading and public hearing.
- June 9, 2015, Council reviewed Ordinance 1335 at the work session.

DISCUSSION: The adoption of the budget by the City Council puts the budget into effect for the budget year July 1 through June 30. Amendments to the budget can occur anytime during the fiscal year through a supplemental budget ordinance, which is introduced at one Council meeting and typically adopted at the next Council meeting.

All new appropriations are authorized by an ordinance that amends the annual budget ordinance. An ordinance is required to move amounts between funds, departments and projects. An ordinance is required to move funds, to add permanent personnel, or to grant unscheduled salary increases. The Supplemental No. 2 Appropriation is requesting the addition of \$151,778 to the adopted budget bringing the total amended budget to \$58,007,312 for FY2015.

Supplemental Appropriation No. 2 requests an increase in non-capital funds in the amount of \$110,344 and an increase in capital funds in the amount of \$41,434. Of the \$110,344 increase for non-capital funds, \$21,693 is a transfer to the Enhancement Fund from the General Fund based on KCC 3.28.040. KCC 3.28.040 states that each fiscal year, the funds shall be inflation proofed from the earnings of the City enhancement fund as calculated by multiplying the City enhancement fund balance at the beginning of each fiscal year by an inflation factor. The inflation factor will be determined by calculating the average percentage increase in the U.S. Department of Commerce Consumer Price Index for U.S. city average, all items' indices, January index, for the five-year period ending with the current fiscal year. The remaining \$88,651 in non-capital funds is for transfers to the vehicle replacement fund, estimated additional legal fees, and a transfer from the Sewer fund for spill prevention that was inadvertently left out of budget Supplemental No. 1. Additions to capital projects include the City Land Development Project (4002) for the Near Island Development Plan funded through savings in the Executive department, an increase in the SPCC Spill Prevention project funded through savings in the Shipyard Fund, correction of allocations in the Building Fund, and additions to the General Fund Vehicle Replacement Fund.

FINANCIAL IMPLICATIONS: All expense appropriations requested in Supplemental Appropriation No. 2 are funded by reductions in operating funds, use of fund balances, and transfers. The ordinance makes a number of minor changes in the FY2015 budget reflecting increased revenues and expenditures, new project and grant funding, and movement of funds to more accurately reflect current City operations. Details of funding sources and expenses have been submitted in the attachments.

LEGAL: The Kodiak City Charter and Kodiak City Code grant Council the authority to make appropriations and adopt and amend budgets as required.

STAFF RECOMMENDATION: Staff recommends that the City Council adopt Ordinance No. 1335.

CITY MANAGER'S COMMENTS: The City generally adopts one major budget amendment each fiscal year to make necessary adjustments to cover changes or additions to projects, to account for the receipt of additional revenues, and increased operating expenses. This year, we need to adopt a smaller second budget amendment to make changes that were not reflected in the FY2015 Supplemental No. 1. The ordinance and attachments detail the sections of the City's operating and capital budget that require changes. I recommend Council adopt Ordinance No. 1335.

ATTACHMENTS:

Attachment A: Ordinance No. 1335

Attachment B: Backup descriptions containing details and summaries by each fund

Attachment C: Backup line item detail to budget.

PROPOSED MOTION:

Move to adopt Ordinance No. 1335.

**CITY OF KODIAK
ORDINANCE NUMBER 1335**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK ESTABLISHING
SUPPLEMENTAL APPROPRIATION NO. 2 TO THE BUDGET FOR THE FISCAL YEAR
COMMENCING ON THE FIRST DAY OF JULY 2014 AND ENDING ON THE THIRTIETH
DAY OF JUNE 2015**

BE IT ORDAINED by the Council of the City of Kodiak, Alaska, as follows:

Section 1: The following estimated revenues and expenditures are hereby appropriated for the corporate purposes and objects of the City of Kodiak for fiscal year 2015.

FY 2015 Supplemental Budget						
GENERAL FUND						
	Budget	Supplemental #1	Resolutions	Supplemental #2	Revised Budget	
Anticipated Revenues:						
Property Tax	\$ 853,500	\$ -	\$ -	\$ -	\$ 853,500	
Sales Tax	11,630,000	-	-	-	11,630,000	
Licenses and Permits	90,100	12,000	-	-	102,100	
Intergovernmental	3,128,847	15,000	-	-	3,143,847	
Charges for Services	1,774,115	55,000	-	-	1,829,115	
Fines and Forfeitures	15,500	10,334	-	-	25,834	
Interest Income	45,000	-	-	-	45,000	
Rental Income	195,000	-	-	-	195,000	
Other Revenues	22,000	-	-	-	22,000	
Interfund Charges	858,692	-	-	13,217	871,909	
Use of Fund Balance	1,132,088	36,213	-	77,127	1,245,428	
Transfers In	-	-	-	-	-	
Total Amended Revenues	<u>\$19,744,842</u>	<u>\$ 128,547</u>	<u>\$ -</u>	<u>\$ 90,344</u>	<u>\$19,963,733</u>	
Planned Expenditures:						
Legislative	\$ 320,259	\$ 5,000	\$ -	\$ -	\$ 325,259	
Legal	50,000	-	-	50,000	100,000	
Executive	586,262	6,000	-	(100,000)	492,262	
Emergency Preparedness	56,500	-	-	-	56,500	
City Clerk	473,165	5,000	-	-	478,165	
Finance	1,401,481	1,500	-	-	1,402,981	
Police	6,922,782	40,175	-	2,790	6,965,747	
Fire	2,148,335	22,000	-	-	2,170,335	
Public Works	2,485,224	27,232	-	2,644	2,515,100	
Engineering	315,090	-	-	-	315,090	
Parks & Recreation	1,411,860	-	-	-	1,411,860	
Library	1,010,833	-	-	-	1,010,833	
Non-Departmental	763,694	-	-	-	763,694	
Transfers	1,799,357	21,640	-	134,910	1,955,907	
Total Amended Expenditures	<u>\$19,744,842</u>	<u>\$ 128,547</u>	<u>\$ -</u>	<u>\$ 90,344</u>	<u>\$19,963,733</u>	

SPECIAL REVENUE FUNDS

	Budget	Supplemental #1	Resolutions	Supplemental #2	Revised Budget
Anticipated Revenues:					
Tourism Development	\$ 205,500	\$ -	\$ 5,000	\$ -	\$ 210,500
KFDA	60,050				60,050
City Enhancement	-	-	-	-	-
Total Amended Revenues	\$ 265,550	\$ -	\$ 5,000	\$ -	\$ 270,550
Planned Expenditures:					
Tourism Development	\$ 205,500	\$ -	\$ 5,000	\$ -	\$ 210,500
KFDA	60,050				60,050
City Enhancement	-	-	-	-	-
Total Amended Expenditures	\$ 265,550	\$ -	\$ 5,000	\$ -	\$ 270,550

CAPITAL PROJECTS

	Budget	Supplemental #1	Resolutions	Supplemental #2	Revised Budget
Anticipated Revenues:					
300 General Capital Projects	\$ 276,684	\$ 381,472	\$ -	\$ 30,000	\$ 688,156
315 Vehicle Replacement Capital	85,357	7,783	-	5,434	98,574
301 Street Improvements	1,030,000	52,000	-	6,000	1,088,000
302 Building Improvements	40,000	70,000	-	-	110,000
305 Water Capital Fund	5,964,774	60,000	-	-	6,024,774
306 Sewer Capital Fund	-	-	3,000,000	-	3,000,000
307 Cargo Development Fund	-	-	2,240,000	-	2,240,000
308 Harbor Development	3,000,000	-	-	-	3,000,000
309 Parks & Recreation Fund	110,000	-	-	-	110,000
Total Amended Revenues	\$10,506,815	\$ 571,255	\$ 5,240,000	\$ 41,434	\$16,359,504
Planned Expenditures:					
300 General Capital Projects	\$ 276,684	\$ 381,472	\$ -	\$ 30,000	\$ 688,156
315 Vehicle Replacement Capital	85,357	7,783	-	5,434	98,574
301 Street Improvements	1,030,000	52,000	-	6,000	1,088,000
302 Building Improvements	40,000	70,000	-	-	110,000
305 Water Capital Fund	5,964,774	60,000	-	-	6,024,774
306 Sewer Capital Fund	-	-	3,000,000	-	3,000,000
307 Cargo Development Fund	-	-	2,240,000	-	2,240,000
308 Harbor Development	3,000,000	-	-	-	3,000,000
309 Parks & Recreation Fund	110,000	-	-	-	110,000
Total Amended Expenditures	\$10,506,815	\$ 571,255	\$ 5,240,000	\$ 41,434	\$16,359,504

ENTERPRISE FUNDS

	Budget	Supplemental #1	Resolutions	Supplemental #2	Revised Budget
Anticipated Revenues:					
Cargo Fund 500	\$ 1,104,301	\$ 20,000	\$ 2,240,000	\$ -	\$ 3,364,301
Harbor Fund 510	4,592,832	-	-	-	4,592,832
Boat Yard/Lift 512	1,252,103	5,000	-	-	1,257,103
Electric Fund 515	606,664	-	-	-	606,664

ENTERPRISE FUNDS CONTINUED

Water Fund 550	2,982,668	75,926	-	-	3,058,594
Sewer Fund 570	4,361,972	137,025	3,000,000	20,000	7,518,997
Trident Basin Fund 580	334,272	-	-	-	334,272
E-911 Services	78,462	(40,000)	-	-	38,462
Total Amended Revenues	\$15,313,274	\$ 197,951	\$ 5,240,000	\$ 20,000	\$20,771,225

Planned Expenditures:

Cargo Fund 500	\$ 1,104,301	\$ 20,000	\$ 2,240,000	\$ -	\$ 3,364,301
Harbor Fund 510	4,592,832	-	-	-	4,592,832
Boat Yard/Lift 512	1,252,103	5,000	-	-	1,257,103
Electric Fund 515	606,664	-	-	-	606,664
Water Fund 550	2,982,668	75,926	-	-	3,058,594
Sewer Fund 570	4,361,972	137,025	3,000,000	20,000	7,518,997
Trident Basin Fund 580	334,272	-	-	-	334,272
E-911 Services	78,462	(40,000)	-	-	38,462
Total Amended Expenditures	\$15,313,274	\$ 197,951	\$ 5,240,000	\$ 20,000	\$20,771,225

INTERNAL SERVICE FUND

	Budget	Supplemental #1	Resolutions	Supplemental #2	Revised Budget
Anticipated Revenues:					
Self Insurance Fund	\$ 636,300	\$ -	\$ -	\$ -	\$ 636,300
Total Amended Revenues	\$ 636,300	\$ -	\$ -	\$ -	\$ 636,300
Planned Expenditures:					
Self Insurance Fund	\$ 636,300	\$ -	\$ -	\$ -	\$ 636,300
Total Amended Expenditures	\$ 636,300	\$ -	\$ -	\$ -	\$ 636,300
Total Revenues	\$46,466,781	\$ 897,753	\$ 10,485,000	\$ 151,778	\$58,001,312
Total Expenditures	\$46,466,781	\$ 897,753	\$ 10,491,000	\$ 151,778	\$58,007,312

Section 2: This ordinance shall be in full force and effect from and after its passage as required by law.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

First Reading: May 28, 2015

Second Reading:

Effective Date:

CITY OF KODIAK
FY 2015 Supplemental

Attachment A

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
EXPENDITURES:									
Legislative	320,259		5,000			325,259	177,575	147,684	55%
Legal	50,000				50,000	100,000	39,033	60,967	39%
Executive	586,262		6,000		(100,000)	492,262	250,523	241,739	51%
Emergency Preparedness	56,500					56,500	26,956	29,544	48%
City Clerk - Clerk	312,244		5,000			317,244	208,075	109,169	66%
City Clerk - Records	160,921					160,921	105,713	55,208	66%
Finance	1,401,481		1,500			1,402,981	937,995	464,986	67%
Police	6,922,782		40,175		2,790	6,965,747	4,563,174	2,402,573	66%
Fire	2,148,335		22,000			2,170,335	1,429,899	740,436	66%
Public Works	2,485,224		27,232		2,644	2,515,100	1,313,907	1,201,193	52%
Engineering	315,090					315,090	148,490	166,600	47%
Parks & Recreation	1,411,860					1,411,860	972,983	438,877	69%
Library	1,010,833					1,010,833	651,051	359,782	64%
Non-Departmental	763,694					763,694	639,294	124,400	84%
Transfers	1,799,357		21,640		134,910	1,955,907	1,855,907	100,000	95%
	19,744,842	-	128,547	-	90,344	19,963,733	13,320,575	6,643,158	67%
TOTAL EXPENDITURES									
Fund 251 Tourism Development									
Revenues:									
Hotel/Motel Tax	170,500					170,500	144,618	25,882	85%
Interest on Investments	-			5,000		40,000	400	(400)	0%
Approp. From Fund Balance	35,000					35,000	-	40,000	0%
Revenues:	205,500	-	-	5,000	-	210,500	145,018	65,482	69%
Expenditures:	205,500	-	-	5,000	-	210,500	181,150	29,350	86%
Fund 254 KFDA									
Revenues:									
Rents	60,000					60,000	78,888.74	(18,889)	131%
Interest on Investments	50					50	63.44	(13)	127%
Approp. From Fund Balance	-					-	-	-	0%
Revenues:	60,050	-	-	-	-	60,050	78,952	(18,902)	131%
Expenditures:	60,050	-	-	-	-	60,050	12,228	47,822	20%

Correction to Vehicle Replacement Fund
Transfer, \$13,217
Transfer to Enhancement Fund for Annual Inflation Proofing \$21,693
Transfer to Project 4002 \$100,000

Fund 299 City Enhancement

Revenues:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Interest on Investments	50,000					50,000	32,382	17,618	65%
Rentals from others	50,000					50,000	58,768	(8,768)	118%
Other Revenue - Land Sales	-					-	-	-	0%
Approp. From Fund Balance	(100,000)		(14,640)		(21,693)	(136,333)	(136,333)	-	0%
Transfer from General Fund	-		14,640		21,693	36,333	36,333	-	0%
Revenues:	-	-	-	-	-	-	127,483	(127,483)	0%
Expenditures:	-	-	-	-	-	-	-	-	0%

Inflation Proofing of Enhancement Fund

Fund 300 General Capital Projects

Revenue:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Interest on Investments							288	(288)	0%
State Grants		760,860	381,472			1,142,332		1,142,332	0%
Federal Grants	77,684	360,973				438,657		438,657	0%
Approp. From Fund Balance		51,500				51,500		51,500	0%
Transfer from General Fund	174,000	2,977,500			30,000	3,181,500	174,000	3,007,500	5%
Transfer from Tourism Fund	25,000					25,000	25,000	-	100%
Transfer from Enhancement Fund		100,000				100,000		100,000	0%
Transfer from Harbor Fund		20,000				20,000		20,000	0%
Transfer from Land Development		70,000				70,000		70,000	0%
Revenues:	276,684	4,340,833	381,472	-	30,000	5,028,989	199,288	4,829,701	4%

Near Island Development Plan \$100,000
KPD Demo Correction (\$70,000)

Expenditures:

4002 City Land Development		70,000			100,000	170,000	7,017	162,983	4%
4009 Compr Records Management Prog		275,000				275,000		275,000	0%
4013 Museum Building - Phase I		250,000				250,000		250,000	0%
4014 Municipal Airport Improvements		700,000				700,000		700,000	0%
4015 Fire Station Upgrades		550,000				550,000		550,000	0%
4027 Alaska Shield Hazmat Exercise/Anchorage		14,500				14,500		14,500	0%
4028 Financial Software Upgrade		530,000				530,000		530,000	0%
4029 E-911 Upgrade System		275,000				275,000		275,000	0%
4030 Classification & Compensation Study		100,000	381,472			656,472	1,103	656,472	0%
4032 Fire Department Engine Replacement		450,000				450,000	5,340	444,660	1%
4033 Fire Department Ambulance Replacement		201,000				201,000		201,000	0%
4034 Paving Police Station Parking Lot		248,500				248,500		248,500	0%
4035 Demolition of Old KPD & 1118 Mission Management		615,500			(70,000)	545,500		545,500	0%
4037 Home Land Security & Emergency Management		11,360				11,360		11,360	0%
4038 Home Land Security & Emergency Management FY 2014		49,973				49,973		49,973	0%
4039 Downtown Revitalization Project	175,000					175,000		175,000	0%
4040 Assistance to Firefighters Grant	81,684					81,684	70,525	11,159	86%
4041 City Website Development Project	20,000					20,000		20,000	0%
Expenditures:	276,684	4,340,833	381,472	-	30,000	5,028,989	83,985	4,945,004	93%

Fund 315 Vehicle Replacement Capital Fund

Revenue:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Interest on Investments							48	(48)	0%
Transfer from General Fund	85,357	160,999	7,783		5,434	259,573	48,012	211,561	0%
Revenues:	85,357	160,999	7,783	-	5,434	259,573	48,012	211,561	18%

Expenditures:
4900 Vehicle Replacement Capital
Expenditures:

	85,357	160,999	7,783		5,434	259,573	-	259,573	0%
Expenditures:	85,357	160,999	7,783	-	5,434	259,573	-	259,573	0%

Fund 301 Street Improvement

Revenue:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Interest on Investments									0%
State Grants									0%
Federal Grants									0%
Interest on Investments									0%
Approp. From Fund Balance	12,000					120,000		120,000	0%
Transfer from General Fund	950,000	1,074,000	7,000			2,031,000	950,000	1,081,000	47%
Transfer from Street Assessment							474	(474)	0%
Transfer from Cargo Fund			5,000			5,000		5,000	0%
Transfer from Shipyard Fund			5,000		6,000	11,000		11,000	0%
Transfer from Water Fund 550	34,000	635,032	15,000			684,032	34,000	650,032	5%
Transfer from Sewer Fund 570	34,000	45,000	20,000			99,000	34,000	65,000	34%
Revenues:	1,030,000	2,515,032	52,000	-	6,000	3,603,032	1,018,463	2,584,569	28%

Expenditures:
5003 Annual Sidewalk/Curb
5025 Pavement Repairs
5030 Preliminary Design of Snow Dump Storage Yard
5031 Storm Drainage Repair on Shellkof
5032 Storm Drainage Repair on Simeonof
5033 Pillar-Mountain Waste Material Dump Site
5034 Public Works Rock for Maintenance
5035 SPCC Spill Prevention
Expenditures:

	20,000	700,032				720,032	10,492	709,540	1%
	450,000	1,150,000				1,600,000	453,246	1,146,754	0%
	500,000	70,000				570,000	2,818	567,182	0%
		70,000				70,000		70,000	0%
		465,000				465,000		465,000	0%
	60,000	60,000				60,000		60,000	0%
	60,000		52,000		6,000	60,000		60,000	0%
Expenditures:	1,030,000	2,515,032	52,000	-	6,000	3,603,032	466,556	3,136,476	13%

Fund 302 Building Improvement Fund

Revenue:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Interest on Investments									28%
State Grants		1,185				1,185	336	849	0%
Local Funding - Pledges		6,900,000				6,900,000		6,900,000	0%
Local Funding Grant		750,000				750,000		750,000	0%
Other Local Funding		500,000				500,000		500,000	0%
In-Kind City Owned Land		46,763				46,763		46,763	0%
In-Kind Pre Development		650,000				650,000		650,000	0%
Transfer from General Fund	40,000	1,000,000	70,000			1,110,000	40,000	1,070,000	4%
Transfer from New Library Fund 255		5,424				5,424		5,424	0%
Transfer from Enhancement Fund		2,510,000				2,510,000		2,510,000	0%
Approp. From Fund Balance									0%
Revenues:	40,000	12,448,372	70,000	-	-	12,558,372	40,336	12,518,036	0%

Expenditures:
6012 New Library
6015 New Fire Station
Expenditures:

	40,000	12,448,372	70,000			12,448,372	43,072	12,405,300	0%
	40,000	12,448,372	70,000			12,558,372	43,072	12,515,300	0%

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Fund 305 Water Capital									
Revenues:									
Interest on Investments						-	1,978	(1,978)	12%
State Grants	5,451,244	8,774,163				14,225,407	1,691,330	12,534,077	0%
Federal Grants		768,000				768,000		768,000	0%
Approp. From Fund Balance	101,106	649,140				750,246		750,246	0%
ADEC Drinking Loans		7,284,890				7,284,890		7,284,890	0%
Water Sales Fee		-				-	219,694	(219,694)	5%
Transfer from Water Fund 550	206,212	4,161,500	60,000			4,427,712	206,212	4,221,500	0%
ADEC Clean Water Loans		341,930				341,930		341,930	0%
Transfer from Sewer Fund 570	206,212	2,241,500				2,447,712	206,212	2,241,500	8%
Transfer from Street Improvement Fund		78,000				78,000		78,000	0%
Revenues:	5,964,774	24,299,123	60,000	-	-	30,323,897	2,325,426	27,998,471	8%

Expenditures:									
7021 Phase II Downtown Comprehensive Water, Sewer, & Storm Drain		850,000				850,000	41,461	808,539	0%
7023 UV Water Treatment Facility Construction		6,799,589	60,000			6,859,589	10,246	6,849,343	0%
7024 Utility Rate Study	48,000	48,000				96,000	332	95,668	0%
7026 Aleutian Homes Water & Sewer Replacement Proj Phase V	2,955,792	7,046,000				10,001,792	1,981,440	8,020,352	0%
7029 Monashka Pump House Feasibility Study	2,495,452	9,035,534				11,530,986	1,501,446	10,029,540	0%
7030 Replace Chlorine Solution Storage Tank WWTP		120,000				120,000	3,521	116,479	0%
7031 Monashka Watershed Survey		250,000				250,000	350	249,650	0%
7033 Pillar Creek Dam Spillway Repair Work		100,000				100,000		100,000	0%
7036 Annual Electric Maintenance		50,000				50,000		50,000	0%
7037 Aleutian Homes Water & Sewer Replacement Project: Phase VI	465,530					465,530	69,073	396,457	0%
Expenditures:	5,964,774	24,299,123	60,000	-	-	30,323,897	3,607,669	26,716,028	12%

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Fund 306 Sewer Capital Fund									
Revenues:									
Interest on Investments						-	1,747	24,253	7%
Charges for Sewer Sales (10%)		26,000				26,000		24,253	0%
Approp. From Fund Balance		1,610,000				1,610,000		1,610,000	0%
Alaska Clean Water Loan		-				-		-	0%
Sewer Sales Fee		-				-	186,210	(186,210)	0%
Transfer from Water fund 550		1,200,000				1,200,000		1,200,000	0%
Transfer from Sewer fund 570		3,000,000		3,000,000		3,000,000		3,000,000	0%
Transfer from Street Improvement Fund 301		15,000				15,000		15,000	0%
Revenues:	-	5,851,000	-	3,000,000	-	5,851,000	187,957	5,663,043	3%
Expenditures:									
7508 Lift Station Electric (5)		26,000				26,000		26,000	0%
7509 Upgrade Lift Station #1	900,000	150,000				1,050,000		1,050,000	0%
7512 Aeration Basin Air Control System		150,000				150,000		150,000	0%
7513 Inflow & Infiltration Repair materials		25,000				25,000		25,000	0%
7514 Rehabilitate Press pump Station		400,000				400,000		400,000	0%
7516 Replace Lift Station #1 & #2	(900,000)	900,000		3,000,000		4,200,000		4,200,000	0%
7517 Bio Solid Management Project		4,200,000		3,000,000		4,200,000		4,200,000	0%
Expenditures:	-	5,851,000	-	3,000,000	-	5,851,000	-	5,851,000	0%

Fund 307 Cargo Development Fund

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Revenues:									
State Grants		20,784,000				20,784,000	11,200,920	9,583,080	54%
State Bond Issue		15,000,000				15,000,000		15,000,000	0%
Transfer from General Fund		100,000				100,000		100,000	0%
Transfer from Cargo Fund		-		2,240,000		-		-	#DIV/0!
Approp. From Fund Balance		1,159,700				1,159,700		1,159,700	0%
Revenues:		37,043,700		2,240,000		37,043,700	11,200,920	25,842,780	30%
Expenditures:									
8016 Pedestrian Access from Pier II	2,400,000					2,400,000		2,400,000	0%
8017 Inspection Pier II and Inner Harbor Docks		85,700				85,700		85,700	0%
8018 Security Improvements		50,000				50,000		50,000	0%
8019 Oscar's Dock Electric		150,000				150,000		150,000	0%
8020 Decking for Dock I		100,000				100,000		100,000	0%
8021 Zinc Replacement		50,000				50,000		50,000	0%
8022 Data Weather Station		12,000				12,000		12,000	0%
8023 Pedestrian Pathway		384,000				384,000		384,000	0%
8024 Pier III Replacement		33,812,000		2,240,000		33,812,000		33,812,000	0%
Expenditures:		37,043,700		2,240,000		37,043,700		37,043,700	0%

Fund 308 Harbor Development

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Revenues:									
Interest on Investments							227	(227)	0%
State Grant	1,500,000					1,500,000		1,500,000	0%
Approp. From Fund Balance		905,000				905,000		905,000	0%
Transfer from General Fund		500,000				500,000	500,000	280,000	64%
Transfer from Boat Harbor		1,000,000				1,000,000		1,000,000	100%
Revenues:		3,000,000				4,185,000	1,500,000	2,685,000	36%
Expenditures:									
8516 Float, Boat Launch, SPH		150,000				150,000		150,000	0%
8517 Restrooms, Fisherman's Hall		200,000				200,000		200,000	0%
8519 SPH Ladders		20,000				20,000		20,000	0%
8520 SHH Repairs		745,000				745,000		745,000	0%
8521 Channel Transient Float/ Bull Rails		25,000				25,000		25,000	0%
8523 Oscar's Dock Fender Piling Replacement		45,000				45,000		45,000	0%
8525 Channel Transient Float Replacement	3,000,000					3,000,000		3,000,000	0%
Expenditures:		3,000,000				4,185,000		4,185,000	0%

Fund 309 Parks & Rec Capital

Revenue:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Interest on Investments						-	155	(155)	0%
State Grants		5,850,000				5,850,000		5,850,000	0%
Local Grants		500,000				500,000		500,000	0%
Approp. From Fund Balance	60,000	320,629				380,629		380,629	0%
Transfer from Enhancement Fund		500,000				500,000		500,000	0%
Transfer from General Fund		251,465				301,465	50,000	251,465	17%
Revenues:	110,000	7,422,094	-	-	-	7,532,094	50,155	7,481,939	1%

Expenditures:

9001 Baranof Park Improvements (E&D)		7,015,000				7,015,000	131	7,014,869	0%
9004 Playground Equipment & Improve		73,000				73,000		73,000	0%
9007 Storage Building - Baranof Park		115,000				115,000	5,130	109,870	4%
9012 Baranof Baseball Field Improvements		48,094				48,094		48,094	0%
9013 Major Park Maintenance		121,000				121,000		121,000	0%
9014 Building Improvement (Weatherization)		50,000				50,000		50,000	0%
9015 Skate Park Improvements	110,000					110,000	1,661	108,339	2%
Expenditures:	110,000	7,422,094	-	-	-	7,532,094	6,922	7,525,172	0%

Fund 500 Cargo Terminal

Revenue:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
PERS Relief	30,684					30,684		30,684	0%
Dockage Pier III	130,000					130,000	89,716	40,284	69%
Cruise Ship Revenues	70,000					70,000	61,432	8,568	88%
Pier III Lease	300,000					300,000	251,186	48,814	84%
Wharf	475,000					475,000	406,258	68,742	86%
Interest on Investments	7,000					7,000	7,372	(372)	105%
Warehouse Rental	205,000		(2,580)			202,420	168,650	33,770	83%
Van Storage Rental	12,000					12,000	12,892	(892)	107%
Approp. From Retained Earnings	(125,383)			2,240,000		2,137,197		2,137,197	0%
Revenues:	1,104,301	-	20,000	2,240,000	-	3,364,301	997,506	2,366,795	30%

Expenditures:

Cargo Terminal Administration	379,113		15,000			394,113	281,188	112,925	71%
Cargo Terminal Interfund Charges	93,298					93,298	93,298	-	100%
Cargo Terminal Warehouse	127,000					127,000	7,264	119,736	6%
Cargo Terminal Pier II	485,890					485,890	346,772	139,118	71%
Cargo Terminal Pier III	19,000					19,000	2,186	16,814	12%
Transfer	-		5,000	2,240,000		2,245,000	2,245,000	-	100%
Expenditures:	1,104,301	-	20,000	2,240,000	-	3,364,301	2,975,708	388,593	88%

Fund 510 Boat Harbor Fund

Revenue:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
PERS Relief	145,647					145,647		145,647	0%
Dockage AMHS	65,000					65,000	58,588	6,412	90%
Exclusive Moorage	1,240,000					1,240,000	1,209,412	30,588	98%
Transient Moorage	525,000					525,000	454,105	70,895	86%
Harbormaster Service	10,000					10,000	5,055	4,945	51%
Gridiron Fees	15,000					15,000	11,044	3,956	74%
Pier/Dock Fees	175,000					175,000	174,234	766	100%
Used Oil Fees	10,000					10,000	13,793	(3,793)	138%
Waiting List Fees	3,000					3,000	2,425	575	81%
Trailer Parking Fees	35,000					35,000	25,552	9,448	73%
Bulk Oil Sales/Charges	20,000					20,000	50,260	(30,260)	251%
Gear Storage	45,000					45,000	69,192	(24,192)	154%
Parking Meters	10,000					10,000	4,071	5,929	41%
Launch Ramp Fees	19,000					19,000	11,167	7,833	59%
Interest on Investments	14,000					14,000	11,328	2,672	81%
Office Rent AMHS	16,500					16,500	11,824	4,676	72%
Other Revenues	7,300					7,300	21,243	(13,943)	291%
Harbor Services Interfund	71,290					71,290			100%
Approp from Retained Earnings Transfer	2,166,095					2,166,095		2,166,095	0%
Revenues:	4,592,832	-	-	-	-	4,592,832	2,204,583	2,388,249	48%

Expenditures:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Boat Harbor Administration	3,402,535					3,402,535	2,379,412	1,023,123	70%
Boat Harbor Interfund	190,297					190,297	190,297	-	100%
Transfer to Harbor Capital	1,000,000					1,000,000	1,000,000	-	100%
Expenditures:	4,592,832	-	-	-	-	4,592,832	3,569,709	1,023,123	78%

Fund 512 Shipyard

Revenue:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
PERS Relief	21,625					21,625		21,625	0%
Customer Fees	693,000					693,000	383,526	309,474	55%
Interest on Investments	1,000					1,000	56	944	6%
Other Revenue	2,000					2,000	1,664	336	83%
Approp from Retained Earnings Transfer	534,478		5,000			539,478		539,478	0%
Revenues:	1,252,103	-	5,000	-	-	1,257,103	385,246	871,857	31%
Expenditures:	1,167,259	-	-	-	(6,000)	1,161,259	824,253	337,006	71%
Yard Administration	84,844					84,844	84,844	-	100%
Boat Yard Interfund	-		5,000		6,000	11,000	5,000	6,000	45%
Transfer	-		-		-	-	-	-	-
Expenditures:	1,252,103	-	5,000	-	-	1,257,103	914,097	343,006	73%

Additional Shipyard Funds for SPOC
Additional Shipyard Funds for SPOC

Fund 515 Harbor Electrical

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Revenues:									
Non-Meter Charge	15,000					15,000	12,135	2,865	81%
Customer Charge recurring	115,000					115,000	91,428	23,572	80%
Connect/Disconnect fee	7,000					7,000	6,430	570	92%
Energy Charge	530,000					530,000	390,494	139,506	74%
Record Fee	1,000					1,000	270	730	27%
HM Service	5,000					5,000	4,037	963	81%
Interest on Investments	1,000					1,000	848	152	85%
Approp from Retained Earnings Transfer	(67,336)					(67,336)		(67,336)	0%
Revenues:	606,664	-	-	-	-	606,664	505,642	101,022	83%

Fund 550 Water Utility

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Expenditures:									
Electric Utility Administration	563,059					563,059	381,259	181,800	68%
Electric Utility Interfund	43,605					43,605	43,605	-	100%
Expenditures:	606,664	-	-	-	-	606,664	424,864	181,800	70%
Revenues:									
PERS Relief	77,729					77,729		77,729	0%
Water Sales Metered	1,681,344					1,681,344	1,713,574	(32,230)	102%
Water Sales City	1,378,823					1,378,823	1,220,839	157,984	89%
Water Sales Borough	896,518					896,518	828,158	68,360	92%
Water Service Connections	12,796					12,796	14,319	(1,523)	112%
Interest on Investments	10,000					10,000	6,043	3,957	60%
Other Revenues	24,500					24,500	27,786	(3,286)	113%
Approp From Retained Earnings	(1,099,042)		75,926			(1,023,116)	-	(1,023,116)	0%
Revenues:	2,982,668	-	75,926	-	-	3,058,594	3,810,719	(752,125)	125%

Fund 570 Sewer Utility

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Expenditures:									
Water Utility Transfers	240,212		75,000			315,212	315,212	-	100%
Water Utility	2,460,764		926			2,461,690	1,848,295	613,395	75%
Water Treatment Plant	281,692					281,692	211,145	70,547	75%
Expenditures:	2,982,668	-	75,926	-	-	3,058,594	2,374,652	683,942	78%
Revenues:									
PERS Relief	127,163					127,163		127,163	0%
Sewer Service Charges - City	2,229,260		111,463			2,340,723	2,008,597	332,126	86%
Sewer Service Charges - Outside	1,157,630		57,882			1,215,512	1,113,544	101,968	92%
Sewer Connections	6,300					6,300	7,579	(1,279)	120%
Septic Truck Discharge	42,800					42,800	50,738	(7,938)	119%
Lab Testing Fee	25,000					25,000	17,970	7,030	72%
Interest on Investments	10,000					10,000	10,000	0	0%
Other Revenues							1,833	(1,833)	
Approp From Retained Earnings Transfer	763,819		(32,320)	3,000,000	20,000	3,751,499	-	3,751,499	0%
Revenues:	4,361,972	-	137,025	3,000,000	20,000	7,518,997	3,200,261	4,318,736	43%

Fund 570 Sewer Utility

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Expenditures:									
Sewer Utility Transfers	240,212			3,000,000	20,000	3,260,212	260,212	3,000,000	8%
Sewer Utility	704,348					704,348	553,291	151,057	79%
Wastewater Treatment Plant	3,417,412		137,025			3,554,437	2,585,536	968,901	73%
Expenditures:	4,361,972	-	137,025	3,000,000	20,000	7,518,997	3,399,039	4,119,958	45%

Fund 580 Trident Basin

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Revenues:									
Trident Basin - Charges	11,600					11,600	13,309	(1,709)	115%
Interest on Investments	1,000					1,000		1,000	0%
Rentals from Others	33,300					33,300	30,013	3,287	90%
Approp From Retained Earnings	288,372					288,372		288,372	0%
Transfer from Trident Basin Capital Fund									0%
Revenues:	334,272	-	-	-	-	334,272	43,322	290,950	13%

Expenditures:

	334,272	-	-	-	-	334,272	249,903	84,369	75%
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Fund 585 E-911 Services

Revenues:									
PERS Relief	1,864					1,864		1,864	0%
Customer Charges	76,598		(40,000)			36,598	76,598	(40,000)	209%
Interest on Investments							33	(33)	
Approp From Retained Earnings									
Revenues:	78,462	-	(40,000)	-	-	38,462	76,631	(38,169)	199%

Expenditures:

	78,462	-	(40,000)	-	-	38,462	5,881	32,581	15%
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Fund 780 Self-Insurance

Revenue:									
Interest on Investments	1,000					1,000	688	312	69%
Insurance Refund/Reserve	40,000					40,000	14,677	25,323	37%
Charges to General Fund	320,494					320,494	320,494	-	100%
Charges to Trident Basin	11,731					11,731	11,731	-	100%
Charges to Cargo Terminal	27,832					27,832	27,832	-	100%
Charges to Boat Harbor	101,657					101,657	101,657	-	100%
Charges to Boat Yard	22,084					22,084	22,084	-	100%
Charges to Boat Electric	149					149	149	-	100%
Charges to Water Utility	53,962					53,962	53,962	-	100%
Charges to Sewer Utility	57,281					57,281	57,281	-	100%
Charges to E-911	110					110	110	-	100%
Transfer In									0%
Approp Fund									
Revenues:	636,300	-	-	-	-	636,300	610,665	25,635	96%

Expenditures:



	636,300					636,300	484,016	152,284	76%
Insurance Expenses	636,300	-	-	-	-	636,300	484,016	152,284	76%

Totals

Non Capital Projects Revenue	35,959,966		326,498	5,245,000	110,344	41,641,808	25,237,075	16,344,683	61%
Non Capital Projects Expenses	35,959,966		326,498	5,245,000	110,344	41,641,808	27,899,594	13,682,164	67%
							(2,662,519)	2,662,519	
Capital Projects Revenue	10,506,815	95,266,153	571,255	5,240,000	41,434	111,625,657	16,570,557	89,815,100	15%
Capital Projects Expenses	10,506,815	95,266,153	571,255	5,240,000	41,434	111,625,657	4,208,404	102,177,253	4%
							12,362,153	(12,362,153)	
Total Revenues	46,466,781	95,266,153	897,753	10,485,000	151,778	153,267,465	41,807,632	106,159,783	27%
Total Expenses	46,466,781	95,266,153	897,753	10,485,000	151,778	153,267,465	32,107,998	115,859,417	21%
							9,699,634	(9,699,634)	
Total Non-Capital Projects for FY	35,959,966		326,498	5,245,000	110,344	41,641,808			
Total Capital Projects for FY	10,506,815		571,255	5,240,000	41,434	16,359,504			
	\$ 46,466,781	\$ -	\$ 897,753	\$ 10,485,000	\$ 151,778	\$ 58,001,312			

NEW BUSINESS

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniaziowski, City Manager 
Thru: Lon White, Harbormaster 
Date: June 11, 2015

Agenda Item: V. a. **First Reading, Ordinance No. 1336 , Amending Chapter 18.28 of the City Code, “Port and Harbor Facilities” to Incorporate Protections Against Derelict and Abandoned Vessels Provided Under Alaska State Law**

SUMMARY: The State of Alaska amended State Statute, Chapter 30 entitled “Abandoned and Derelict Vessels” to expressly authorize the removal of abandoned and derelict vessels from municipal waters. It is in the City of Kodiak’s best interest to amend Chapter 18.28 of the City code to integrate corresponding state and federal laws governing abandoned and derelict vessels. Staff recommends Council advance Ordinance No. 1336 to second reading and public hearing at the next regular or special Council meeting.

PREVIOUS COUNCIL ACTION: In 2003 Council approved Ordinance No. 1163, which adopted the current City Code pertaining to abandoned and derelict vessel.

DISCUSSION: Chapter 18.28 of the City Code pertains to port and harbors. Section 18.28.390 specifically addresses the procedures for impoundment; sale or disposal of vessels that have been deemed abandoned or are derelict with City facilities.

The City of Kodiak Port and Harbors deal with abandoned and derelict vessels on a regular basis. Amending Chapter 18.28 to integrate corresponding state and federal laws will ensure the City of Kodiak is compliant with all current legal requirements.

ALTERNATIVES:

- 1) Advance Ordinance No. 1336 to second reading and public hearing, which is staff’s recommendation.
- 2) Don’t advance or approve the ordinance, which would keep Kodiak non-compliant with state and federal laws.

FINANCIAL IMPLICATIONS: It is critical the City of Kodiak has a legal avenue that allows for the impound, sale or disposal of abandoned and derelict vessels within Kodiak harbors. Revenue from the moorage space these vessels occupy is lost and often the vessels pose a risk of sinking and or pollution,

leaving the City with expensive salvage and or spill cleanup. Additionally, these vessels pose substantial liability for the City.

LEGAL: The City attorney drafted Ordinance No. 1336 to be consistent with current state and federal laws governing abandoned and derelict vessels in Alaska waters.

STAFF RECOMMENDATION: Staff recommends Council pass Ordinance No. 1336 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

CITY MANAGER'S COMMENTS: I agree with our attorney and Harbormaster that this section of City Code should be updated to be consistent with federal and state regulations. Abandoned and derelict vessels are a recurring problem and can be time-consuming and costly for the City to deal with. Alignment with state and federal laws will benefit us when we deal with these vessels. I recommend Council adopt the ordinance in the first reading and advance to second reading at the next regular or special Council meeting.

ATTACHMENT:

Attachment A: Ordinance No. 1336

PROPOSED MOTION:

Move to pass Ordinance No. 1336 in the first reading and advance it to second reading and public hearing at the next regular or special Council meeting.

**CITY OF KODIAK
ORDINANCE NUMBER 1336**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK AMENDING CHAPTER 18.28 OF THE KODIAK CITY CODE, “PORT AND HARBOR FACILITIES”, TO INCORPORATE PROTECTIONS AGAINST DERELICT AND ABANDONED VESSELS PROVIDED UNDER ALASKA STATE LAW

WHEREAS, the Alaska State legislature amended Alaska Statute Chapter 30 entitled “Abandoned and Derelict Vessels” to expressly authorize the removal of abandoned and derelict vessels from municipal waters; and

WHEREAS, it is in the City of Kodiak, Alaska’s best interest to amend Kodiak City Code Chapter 18.28 to integrate corresponding state and federal laws governing derelict and abandoned vessels in Alaska waters;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Kodiak, Alaska, as follows:

Section 1: Kodiak City Code 18.28.010, “Definitions”, is hereby amended to read as follows:

As used in this chapter, the following definitions shall apply:

“Auxiliary vessel” means a seine or snag skiff used in a commercial fishing operation or any skiff or raft used as a lifeboat or used for ship to shore transportation.

“Beam” means the greatest overall width of the vessel including booms, spars, gins, or any fixed protuberances.

“Derelict” means:

(1) A vessel that is sunk or in immediate danger of sinking, is obstructing a waterway, or is endangering life or property; or

(2) A vessel that has been moored or otherwise left in city waters or on public property contrary to law or regulations adopted by the city or a state agency or the vessel has been left on private property without authorization of the owner or occupant of the property; or

(3) A vessel with an expired marine document number where the registered owner no longer resides at the address listed in the vessel registration or

[Bold and underlined added. ~~Deleted language stricken through.]~~

marine document records of a state agency or the United States Coast Guard;

(4) A vessel where the last registered owner of record disclaims ownership and the current owner's name or address cannot be determined;

(5) The vessel identification numbers and other means of identification have been obliterated or removed in a manner that nullifies or precludes efforts to locate or identify the owner; or

(6) The vessel registration records of a state agency and the marine document records of the United States Coast Guard contain no record that the vessel has ever been registered or documented, and the owner's name or address cannot be determined.

~~any vessel moored or otherwise located within the boundaries of the small boat harbors which reasonably appears to have been forsaken, abandoned, deserted, or cast away or which, in the opinion of the harbormaster or any recognized marine surveyor, is unsound, unseaworthy, and unfit for its trade or occupation and which reflects substantial evidence of neglect.~~

“Exclusive moorage” refers to a signed agreement between the city and the owner/operator of a vessel for a certain, specific moorage space within St. Paul Harbor or St. Herman Harbor during which time services provided by the city of Kodiak through the harbormaster may be needed by the owner/operator of the vessel.

“Harbor and/or port facilities” means all piers, docks, floats, berths, parking areas, and other launching, loading, mooring, and repair facilities owned or operated by the city.

“Harbormaster” means the official hired by the city manager to serve as harbormaster and any deputy harbormaster, port security officer, or other city employee authorized or designated by the harbormaster or city manager to enforce the provisions of this chapter.

“Kodiak harbor” means all saltwater or tidewater lying within the boundaries of the city.

“Length” means the overall length as measured from the most forward portion, including booms, spars, gins, or any fixed protuberances, to the most aft portion of the vessel, including booms, spars, gins, or any fixed protuberances.

[Bold and underlined added.] ~~Deleted language stricken through.]~~

“Local boat” means a vessel operating out of the port of Kodiak whose owners or operators are residents of the Kodiak area.

“Operator” means the registered master or skipper of a vessel or any other person who is in actual physical control of a vessel.

“Primary vessel” means a documented or registered vessel with the U.S. Coast Guard and the port of Kodiak.

“Recreation vessel” means a craft used primarily for personal recreation and pleasure.

“Small boat harbors” means the area of water in the Kodiak harbor within the boundaries created by breakwaters and by the shoreline of mean higher high water, together with all harbor facilities located in that area to include St. Paul Harbor, St. Herman Harbor, and Trident Basin.

“Term moorage” refers to a signed agreement between the city and the owner/operator of a vessel for an unspecified time during which services provided by the city of Kodiak through the harbormaster may be needed by the owner/operator of a vessel.

“Transient” means any boat not registered by an exclusive moorage agreement or term moorage with the harbormaster.

“Vessel” means a boat, motorboat, ship, waterborne aircraft, houseboat, float, scow, raft, pile driver, or other floating structure or object used for recreational, commercial, or other purpose upon the waterway or moored at any place on the waterway.

“Vessel mooring agreement” refers to either a term moorage, exclusive moorage, or daily moorage agreement.

“Waterway” means any water, lake, river, tributary, or lagoon within the boundaries of the city.

Section 2: Kodiak City Code 18.28.390, “Impoundment, sale, or disposal of vessels”, is hereby amended to read as follows:

(a) The harbormaster may impound a vessel in the city harbor that the harbormaster determines to be ~~(1)~~ derelict, **which includes vessels** ~~(2)~~ in violation of a provision of this chapter; or ~~(3)~~ delinquent in the payment of moorage or other charges for services rendered to the vessel by the city. The harbormaster

[Bold and underlined added.] ~~Deleted language stricken through.]~~

may impound a vessel by immobilizing the vessel or by hauling the vessel out of the water and storing it, with all expenses and risks of haul-out and storage to be borne by the owner of the vessel.

(b) Except in the circumstances described in subsection (c) of this section, the harbormaster shall not haul out and impound a vessel without first providing notice and an opportunity for a hearing on the impoundment under this subsection.

(1) At least ~~15~~ **30** days before impounding the vessel, the harbormaster shall (i) post notice of the impoundment on the vessel, in the harbormaster's office, at the city offices, and on the bulletin board at the entrance of the nearest United States Post Office; and (ii) mail the notice by certified mail, return receipt requested, to the last-known address of the registered owner, **and to all lienholders shown on the records of the United States Coast Guard**, ~~operator, master, or agent of the vessel as identified on the vessel mooring agreement or application for certificate of number filed with the Department of Motor Vehicles.~~

(2) The notice of proposed impoundment shall contain (i) the name and number of the vessel; (ii) the name and address, if known, of the registered owner, lienholder, operator, master, or agent of the vessel; (iii) the location of the vessel; (iv) the reasons for impoundment and, if the vessel was impounded pursuant to subsection (c) of this section, the date of impoundment; (v) a statement that unless a hearing is requested, the harbormaster will impound the vessel under this section within ~~15~~ **30** days of the date of the notice; (vi) a statement that the right to a hearing will be waived if not timely requested and the harbormaster may proceed with impoundment and disposition of the vessel by sale, destruction, or other disposition authorized by law; (vii) a statement that if the vessel is impounded and not redeemed within 30 days of impoundment, title to the vessel and its contents shall vest in the city and the vessel and its contents will be sold or otherwise disposed of as provided in this title; and (viii) the name, address, and telephone number of the harbormaster or other city representative to be contacted concerning the impoundment.

(3) **Except as provided in subsection (c) of this section, A** a person claiming an interest in the vessel may obtain a **pre-impoundment** hearing on the impoundment of the vessel by requesting the hearing in writing at the office of the harbormaster not more than ~~15~~ **30** days after the date of the notice of impoundment.

(c) If the harbormaster determines that ~~the derelict condition~~ of a vessel constitutes **a clear and present danger to the public health, safety or general welfare, the risks posed by that vessel may be summarily abated via**

[Bold and underlined added.] ~~Deleted language stricken through.]~~

impoundment without notice prior to impoundment. ~~a fire or safety hazard to harbor facilities or other vessels, or a pollutant hazard to the waters and marine life of the harbor, and that damage from such fire, safety, or pollutant hazard will more likely than not occur within the notice period required under subsection (b) of this section, the harbormaster may take reasonable steps to prevent damage from the fire, safety, or pollutant hazard without prior notice of hearing, including without limitation impounding the vessel by immobilizing the vessel or by hauling the vessel out of the water and storing it. Promptly after impounding a vessel under this subsection, the harbormaster shall give notice of the impoundment in accordance with subsection (b)(1) of this section. A person claiming an interest in the vessel may obtain a **post-impoundment** hearing ~~on the impoundment of the vessel~~ by requesting the hearing in writing at the office of the harbormaster not more than ~~15~~ **30** days after the date of the notice of impoundment.~~

(d) Upon written request by the owner, master, or agent of the vessel, a hearings officer as designated by the city manager shall conduct a hearing on the impoundment of the vessel within **48 business hours** of the request for **post-impoundment hearings and within seven days of the request for pre-impoundment hearings.** The sole issue before the hearings officer shall be whether there is **or was** probable cause to impound the vessel. “Probable cause to impound” shall mean a state of facts that would lead a person of ordinary care and prudence to believe that one or more of the grounds stated in subsection (a) of this section for impounding the vessel has occurred and is continuing. The hearings officer shall conduct the hearing in an informal manner and shall not be bound by the technical rules of evidence. Any person claiming an interest in the vessel may appear, present evidence, and cross-examine witnesses. The hearing shall be recorded. Within seven days of the conclusion of the hearing, the hearings officer shall prepare a written decision whether to impound the vessel, or, in the case of a post-impoundment hearing, whether to release the vessel from impoundment, stating the reasons for the decision. The hearings officer shall provide a copy of the decision to each person who appeared at the hearing and claimed an interest in the vessel. The hearings officer’s decision has no effect on any criminal proceeding for the violation of this chapter, which will be resolved by the court regardless of the impoundment decision.

(e) Any person aggrieved by the harbormaster’s decision under subsection (d) of this section to impound a vessel or not to release a vessel from impoundment may appeal the decision to the superior court within 30 days after the date the decision was mailed or delivered to the parties. Unless the court orders otherwise, the harbormaster may impound a vessel under this section immediately after issuing a decision approving the impoundment, but may not sell or otherwise dispose of the

[Bold and underlined added.] Deleted language stricken through.]

vessel until either the court affirms the decision or the time for appeal expires without an appeal having been filed.

(f) An impounded vessel and its registered owner, master, or agent shall be jointly and severally liable for the costs of hauling out, storing, securing, and selling or otherwise disposing of the vessel, as well as the costs of abating any fire, safety, or pollutant hazard that is caused by the vessel.

(g) Any vessel impounded shall be held by the city for a period of not less than 30 days. After impounding a vessel, the harbormaster shall determine whether to sell or to otherwise dispose of the vessel. The harbormaster shall sell the vessel unless the harbormaster determines that the market value of the vessel does not exceed the amount owed from the vessel to the city plus the costs of the sale, or that the vessel is a derelict, and unlikely to be returned to a safe and seaworthy condition. If the amount owed from the vessel plus the costs of sale do not exceed \$10,000 the harbormaster may estimate the market value of the vessel to make this determination. Otherwise, the harbormaster shall make the determination after obtaining an independent appraisal of the market value of the vessel from a qualified appraiser. If the vessel need not be sold, the harbormaster may destroy or otherwise dispose of the vessel. The owner of the vessel shall be liable for the costs of destroying or otherwise disposing of the vessel.

(h) The harbormaster shall give notice of the city's intent to sell or dispose of an impounded vessel in the manner provided in subsection (b) of this section at least ~~10~~ **30** days before the date of sale or disposal. The notice shall state the name and number of the vessel, the name and address, if known, of the registered owner, master, or agent of the vessel, the lienholder, if known, the location of the vessel, that the harbormaster has impounded the vessel under this section, that the harbormaster intends to sell or dispose of the vessel on a day and at a place and time certain, as the case may be, and the requirements for a person claiming an interest in the vessel to reclaim the vessel. If the vessel is to be sold, the notice shall describe the vessel to be sold, state any required terms of the sale and any required minimum sale price, and the date, time, and place where bids will be received. This notice shall also be published in a newspaper of general circulation in the city once at least ~~10~~ **30** days prior to the date of the sale or disposal of the vessel.

(i) At any time prior to the sale or disposal of the vessel, a person claiming an interest in an impounded vessel may reclaim possession by paying to the city all charges against the vessel to the date possession is reclaimed; provided, that if the harbormaster determines that an impounded vessel is a derelict and unlikely to be returned to a safe and seaworthy condition, the harbormaster may refuse further moorage of the vessel, and condition the return of possession of the vessel on the

[Bold and underlined added.] ~~Deleted language stricken through.]~~

claimant making satisfactory arrangements to remove the vessel from the harbor, and providing the city with security acceptable to the harbormaster for the vessel's proper and timely removal.

(j) The city may offer an impounded vessel for sale at public auction or by sealed competitive bid. Continued moorage of the vessel in the city harbor shall be at the discretion of the harbormaster. If the city intends to refuse further moorage of the vessel, the notice of sale shall so state, and the sale shall be conditioned upon the purchaser making satisfactory arrangements to remove the vessel from the harbor, and providing the city with security acceptable to the harbormaster for the vessel's proper and timely removal. The sale by the city of an impounded vessel shall be without warranty as to title or otherwise. If the city receives no acceptable bids for the vessel, the harbormaster may destroy or otherwise dispose of the vessel.

(k) The proceeds of the sale of an impounded vessel shall be applied first to any fees or charges owed to the city on account of the vessel, including reimbursement for all costs of impoundment and sale. Any part of the proceeds remaining thereafter shall be ~~made available to the owner of the vessel if claimed within 30 days from the date of sale, and if not so claimed shall become the property of the city.~~ **distributed pursuant to AS 30.30.140.**

Section 3: This ordinance shall be effective upon the date that is one month after its final passage and publication in accordance with Kodiak Charter Section 2-13.

CITY OF KODIAK

MAYOR

ATTEST:



CITY CLERK

First Reading:
Second Reading:
Effective Date:

[Bold and underlined added.] ~~Deleted language stricken through.]~~

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MEMORANDUM TO COUNCIL

To: Mayor and City Councilmembers
From: Aimée Kniazowski, City Manager 
Thru: Mark Kozak, Public Works Director 
Date: June 11, 2015

Agenda Item: V. b. Authorization of Bid Award for FY2016 Petroleum Products

SUMMARY: Each year the Public Works Department issues bids for the City's petroleum products. On May 28, 2015, bids were opened for petroleum products for FY2016. Two bids were received. Petro Marine Services was the lowest bidder for all petroleum products. Staff recommends Council authorize the bid award for the purchase of petroleum products to Petro Marine Services.

PREVIOUS COUNCIL ACTION: Annually the City Council awards the petroleum product bid to the lowest bidder.

DISCUSSION: This bid provides all the City's fuel needs for FY2016. This includes the City's heating fuel, equipment diesel, and gasoline. Once bids are awarded, the price for each type of product will fluctuate throughout the year as fuel costs move up and down.

Petroleum product bids were opened on May 28, 2015. The bids received are summarized in the following table:

BIDDER	DIESEL ULTRA LOW SULFUR	GASOLINE	HEATING FUEL # 2	HEATING FUEL # 1*
Petro Marine Service 104 Marine Way Kodiak, Alaska 99615	\$2.751	\$2.671	\$2.751	\$2.851
North Pacific Fuel P.O. Box 1487 Kodiak, Alaska 99615	\$2.755	\$2.695	\$2.755	\$2.885

* Heating fuel #1 is needed for blending purposes during cold weather and is awarded to the vendor who is selected to provide heating fuel products.

ALTERNATIVES:

- 1) Authorize the bid award for the City's FY2016 petroleum products to Petro Marine Services for as listed above.
- 2) Do not authorize the award of the petroleum bids, which is not recommended, because it would not allow City crews to maintain daily operations and services to the public.

FINANCIAL IMPLICATIONS: Fuel and oil costs are an operational expense. The costs are included in the appropriate departmental FY2016 operating budgets. Public Works tracks fuel use by vehicle or piece of equipment and submits a monthly report to the Finance Department. Each department is charged for the fuel used, and these funds are returned to the appropriate account.

STAFF RECOMMENDATION: Staff recommends Council authorize the bid award for the City's FY2016 petroleum products to Petro Marine Services.

CITY MANAGER'S COMMENTS: The award of the fuel bids is done annually with bids normally awarded to the lowest bidder for the needed products. This year we received bids from both local suppliers. Costs for the products for this year are lower than they were in FY2015 due to market volatility. We need these fuel products for operations, so I support staff's recommendation to award the FY2016 petroleum products to Petro Marine Services.

NOTES/ATTACHMENTS:

Attachment A: Petro Marine Service bid

Attachment B: North Pacific Fuel bid

PROPOSED MOTION:

Move to authorize the bid award for the City's FY2016 petroleum products to Petro Marine Services for a per gallon cost as follows: Diesel Ultra Low Sulfur at \$2.751, Gasoline at \$2.671, Heating Fuel #2 at \$2.751, and Heating Fuel #1 at \$2.851, with funds coming from each department's FY2016 line items.

Invitation to Bid-530

April 27, 2015

BID FORM

TO: Aimée Kniazowski, City Manager
 City of Kodiak
 710 Mill Bay Road, Room #219
 PO Box 1397
 Kodiak AK 99615

Any exceptions to the published bid specifications must be listed by item.

In compliance with your Invitation to bid for Bid No. 530 for Petroleum Products FY 2016 dated April 27, 2015, the undersigned hereby proposes to provide the following:

Item	Bid amount
1. Ultra Low Sulphur Diesel Fuel #2 – Estimated 30,000 gallons delivered to the Fire Hall Generator, Public Works Equipment Tank, Pillar Creek Pump Station, Monashka Pump Station, Spruce Cape Lift Station, Mill Bay Lift Station, Father Herman Lift Station, Lift Station #5-Metrokin.	\$ <u>2.751</u> (per gallon)
2. Unleaded Gasoline – Estimated 40,000 gallons Public Works Equipment Tank.	\$ <u>2.671</u> (per gallon)
3. Heating #2 – Estimated 90,000 gallons delivered to Barn, Kodiak Police Dept-New and old Building, Kodiak Fire Dept, Public Works Dept, Baranof Park Office Bldg, Baranof Museum, Teen Center, Kodiak Public Library, St. Paul Harbormaster Building, St. Paul Harbor Public Restroom Facility, St. Herman Harbormaster Bldg, Wastewater Treatment Plant, Baranof Park Ice-Rink.	\$ <u>2.751</u> (per gallon)
4. Heating Fuel #1 – This will be needed for blending purposes for cold weather conditions, and will be awarded to the vendor who is selected to provide heating fuel products.	\$ <u>2.851</u> (per gallon)

The bid will be awarded on an individual basis for each of the above items.

(Turn in Page 5 & 6 in as part of your bid)

Invitation to Bid-530

April 27, 2015

Liability Copies of Business License and City Sales Tax Registration enclosed.

Bid price valid for 14 days.

Terms 30 Dated 05-28-15

Submitted by: _____ Dated: 05-28-15

[Signature] _____ Petro Marine Services / aka Petro 49
Signature Business Name

Plant Manager - Kodiak _____ 104 E Marine Way
Title Address

(907) 486-3421 _____ KODIAK, AK
Telephone City, State, Zip

CITY OF KODIAK

No. 1424

CERTIFICATE OF AUTHORITY TO COLLECT CITY SALES TAX

THIS IS TO CERTIFY THAT HARBOR ENTERPRISES, INC. d/b/a PETRO MARINE
located at PO BOX 389 SEWARD AK 99664-0389 SERVICES
is authorized and empowered by the City of Kodiak to collect sales tax imposed
by Chapter 3.08 of the Kodiak City Code.

This certificate is non-assignable, non-transferable and shall be surrendered
upon ceasing to do business at the location named herein. Any change in
ownership, form of ownership, or any other change requires new registration.

FEBRUARY 1, 2002

DATE OF REGISTRATION

Mary Munk
FINANCE DIRECTOR

THIS CERTIFICATE MUST BE DISPLAYED PROMINENTLY AT THE PLACE OF BUSINESS.

Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business and Professional Licensing
P.O. Box 110806, Juneau, Alaska 99811-0806

This is to certify that

HARBOR ENTERPRISES, INC

PO BOX 389 SEWARD AK 99664

owned by

HARBOR ENTERPRISES, INC.

is licensed by the department to conduct business for the period

October 02, 2013 through December 31, 2015
for the following line of business:

42 - Trade



This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location. It is not transferable or assignable.

Susan K. Bell
Commissioner

Invitation to Bid-530

April 27, 2015

BID FORM

TO: Aimée Kniaziowski, City Manager
 City of Kodiak
 710 Mill Bay Road, Room #219
 PO Box 1397
 Kodiak AK 99615

Any exceptions to the published bid specifications must be listed by item.

In compliance with your Invitation to bid for Bid No. 530 for Petroleum Products FY 2016 dated April 27, 2015, the undersigned hereby proposes to provide the following:

Item	Bid amount
1. Ultra Low Sulphur Diesel Fuel #2 – Estimated 30,000 gallons delivered to the Fire Hall Generator, Public Works Equipment Tank, Pillar Creek Pump Station, Monashka Pump Station, Spruce Cape Lift Station, Mill Bay Lift Station, Father Herman Lift Station, Lift Station #5-Metrokin.	\$ <u>2.753</u> (per gallon)
2. Unleaded Gasoline – Estimated 40,000 gallons Public Works Equipment Tank.	\$ <u>2.685</u> (per gallon)
3. Heating #2 – Estimated 90,000 gallons delivered to Barn, Kodiak Police Dept-New and old Building, Kodiak Fire Dept, Public Works Dept, Baranof Park Office Bldg, Baranof Museum, Teen Center, Kodiak Public Library, St. Paul Harbormaster Building, St. Paul Harbor Public Restroom Facility, St. Herman Harbormaster Bldg, Wastewater Treatment Plant, Baranof Park Ice-Rink.	\$ <u>2.755</u> (per gallon)
4. Heating Fuel #1 – This will be needed for blending purposes for cold weather conditions, and will be awarded to the vendor who is selected to provide heating fuel products.	\$ <u>2.885</u> (per gallon)

The bid will be awarded on an individual basis for each of the above items.

(Turn in Page 5 & 6 in as part of your bid)

Invitation to Bid-530

April 27, 2015

Liability Copies of Business License and City Sales Tax Registration enclosed.

Bid price valid for _____ days.

Terms N 30 days Dated 5/28/15

Bid price valid until a change in NPF Plant
Posted pricing.

Submitted by: _____ Dated: 5/28/15

[Signature] _____ North Pacific Fuel _____
Signature Business Name

Terminal Manager _____ 715 Shelikof St. _____
Title Address

907-486-3245 _____ Kodiak Alaska 99615 _____
Telephone City, State, Zip



CITY OF KODIAK

No. 92

CERTIFICATE OF AUTHORITY TO COLLECT CITY SALES TAX

THIS IS TO CERTIFY THAT PETRO STAR INC. d/b/a NORTH PACIFIC FUEL
located at 715 SHELIKOF STREET KODIAK ALASKA
is authorized and empowered by the City of Kodiak to collect sales tax imposed
by Chapter 3.08 of the Kodiak City Code.

This certificate is non-assignable, non-transferable and shall be surrendered upon
ceasing to do business at the location named herein. Any change in ownership,
form of ownership, or any other change requires new registration.

FEBRUARY 24, 2004
DATE OF REGISTRATION

Mary C. Munk
FINANCE DIRECTOR

THIS CERTIFICATE MUST BE DISPLAYED PROMINENTLY AT THE PLACE OF BUSINESS.

Alaska Department of Commerce, Community, and Economic Development
Division of Corporations, Business and Professional Licensing
P.O. Box 110806, Juneau, Alaska 99811-0806

This is to certify that

NORTH PACIFIC FUEL

3900 C ST STE 802 ANCHORAGE AK 99503

owned by

PETRO STAR INC.

is licensed by the department to conduct business for the period
November 10, 2014 through December 31, 2016
for the following line of business:

42 - Trade





This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location. It is not transferable or assignable.

Susan K. Bell
Commissioner

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniazowski, City Manager 
Thru: Karl Swanson, Interim Finance Director 
Date: June 11, 2015

Agenda Item: V. c. Authorization of a Professional Services Contract for Internet and Telecommunications Services

SUMMARY: The City issued a request for proposals on April 13, 2015, to enhance the existing Internet and Wide-Area Network (WAN). The City's goal is to increase bandwidth to remote sites, provide a high level of security, performance and reliability while at the same time minimizing the cost of implementation. This RFP provides the requirements and selection criteria. The City requested detailed responses from all prospective vendors. The City received one proposal and reviewed the response from this RFP on May 13, 2015. Staff recommends the Council authorize a three year professional services contract with Alaska Communications (ACS) for internet and local telecommunications services in an amount not-to-exceed \$141,337 per year.

PREVIOUS COUNCIL ACTION: The Mayor and Council have previously discussed enhancing the City's existing internet services. The Council authorized the funds in the FY2015 budget.

DISCUSSION: The City's current internet connection has a burst capability of up to 3 Mbps, which is shared with all City departments. The following sites (Public Works, Waste Water Treatment Plant, Harbor Office, and Parks & Recreation) are connected to the main City Hall building via point-to-point 1 Mbps modems. The City also provides administrative activities to the Pool Building, which is connected to the City through a VPN connection. The Police and Fire departments have a 100 Mbps connection to the main City Hall building. ACS has provided a detailed topology map outlining how the City will interconnect to network for access. When installation is complete, ACS's connectivity equipment (which may include but not be limited to routers) will be connected to the existing City network.

ACS will provide high bandwidth internet and WAN connectivity to support data, video and voice communications via a 20 Mbps internet connection. ACS will also provide 10 Mbps connections to the Pool Building, Parks and Recreation Office, Harbor Office, Waste Water Treatment Plant, and Public Works. Minimum 100 Mbps connections between City Hall, Fire Department and the Police Department will be established.

A request for proposals was issued in April 2015. One proposal was received. The proposal was scored to ensure it complied with the City's RFP, and Alaska Communications was selected to provide the City's internet and local telecommunication services.

The proposal is for two contracts, one for internet and the other for new local telecommunication rates. The internet contract is for an annual cost of \$67,872, and the local telecommunications contract is for \$73,465 annually.

ALTERNATIVES:

- 1) Authorize the contracts with Alaska Communications. This is staff's recommendation.
- 2) Do not authorize the contracts. This is not recommended, because the City's internet and telecommunications services are in dire need of enhancement, and funds have been budgeted for this project.

FINANCIAL IMPLICATIONS: \$185,337 is budgeted for FY2016 and \$176,476 is budgeted for FY2015, for internet and telecommunications for the City in four separate funds (General, Harbor, Water, and Sewer). These budget amounts also include long-distance service and cell phone charges.

STAFF RECOMMENDATION: Staff recommends Council authorize three-year professional services contracts with Alaska Communications for an amount not-to-exceed \$141,337 for internet and local telecommunications services for the City.

CITY MANAGER'S COMMENTS: The City system, speeds, and ability to keep up with growing demands of electronic communications have fallen very short of standards. I commend the IT staff and the Finance Department for the development and preparation of a thorough RFP for improved internet and telecommunications services. We hoped for two responses but received only one response from ACS. Their response is satisfactory, and I recommend Council authorize the award of this contract as outlined in the memo.

ATTACHMENTS:

- Attachment A: Alaska Communications Enterprise Services Agreement (Internet)
- Attachment B: Alaska Communications Business Services Agreement (Local Telephone)
- Attachment C: Alaska Communications Proposal

PROPOSED MOTION:

Move to authorize three-year professional services contracts with Alaska Communications for internet and local telecommunications services for the City in an amount not-to-exceed \$141,337 per year, with funds coming from the Telephone account (450.115) the operating budgets of the General Fund, the Harbor Fund, the Water Fund, and the Sewer Fund.



Alaska Communications Enterprise Services Agreement ("ESA")

I. Contract Type	
<input checked="" type="checkbox"/>	New
<input type="checkbox"/>	Amendment to Existing Contract ID #
<input type="checkbox"/>	New Termination Date
<input type="checkbox"/>	Co-terminus with Existing ESA Date

II. Customer Information			
Name of Business:	City of Kodiak	Account Number:	1884340
Billing Address – Line 1:	PO Box 1397	Service Street Address*:	Multiple
Billing Address – Line 2:		Service Address – Line 2:	
City, State Zip:	Kodiak, AK 99615	Service City, State Zip*:	Kodiak, AK 99615
Order Contact:	Lee Peterson	Contact Phone #	486-8619
Contact Email:	lpeterson@city.kodiak.ak.us	Customer Reference #	

III. Scope of Services	
<p>ESA Term [3 Years <input checked="" type="checkbox"/> years]</p> <p>This ESA includes the following: ESA Agreement - Terms and Conditions Exhibit 1: Network Overview, SOW, & Network Diagram Exhibit 2: Service Pricing Exhibit 3: Technical Support and Escalation Policy</p> <p>SERVICE DESCRIPTION ATTACHMENTS</p> <p><input type="checkbox"/> MPLS Service (MPLS) <input type="checkbox"/> Enhanced Metro Ethernet (EME) <input type="checkbox"/> Broadband X Business (BxB) <input type="checkbox"/> Managed TDM Access Service (TDM) <input type="checkbox"/> Dedicated Internet Access (DIA) <input type="checkbox"/> Dial Admin Access Facilities <input type="checkbox"/> Managed Services</p>	<p>SERVICE DESCRIPTION ATTACHMENTS</p> <p><input type="checkbox"/> Managed Video Tele-Conferencing <input type="checkbox"/> Video Conference Bridging <input type="checkbox"/> Hosted Collocation (Data Hosting – 1) <input type="checkbox"/> Hosted Backup and Recovery (Data Hosting– 2) <input type="checkbox"/> Hosted Storage (Data Hosting – 3) <input type="checkbox"/> Hosted Server (Data Hosting – 4) <input type="checkbox"/> Business Ethernet Services <input type="checkbox"/> SIP Trunking Service <input type="checkbox"/> Voice over Internet (VoIP) Service</p>

- I agree that Alaska Communications may provide Customer Proprietary Network Information (CPNI) detail to me at my request, without prior password authentication, based on the methods specified in the **Privacy** section of the **ESA**.
- Yes! I would like to receive information on Alaska Communications' products, promotions and services.
- Yes! I would like to receive information from Alaska Communications' partners on products, promotions, and services.
- No, please do not contact me.

I acknowledge that I have read and understand the attached **ESA** and all related exhibits and attachments, including the Service Pricing applicable to all Services I have chosen. I am authorized to sign this **ESA** and agree to be bound by it. I **UNDERSTAND AND AGREE THAT EARLY TERMINATION MAY RESULT IN EARLY TERMINATION CHARGES.**

	Customer
Signature:	
Name:	
Company:	City of Kodiak
Date:	

Alaska Communications
Alaska Communications



ALASKA COMMUNICATIONS ENTERPRISE SERVICES AGREEMENT

This Alaska Communications Enterprise Services Agreement (this "Agreement" or "ESA") is made and entered into as of the date of execution by both Parties (the "Effective Date"), by and between the Parties (each a "Party" and jointly, the "Parties"):

ACS INTERNET, LLC ACS LONG DISTANCE, LLC (collectively "Alaska Communications") 600 Telephone Avenue Anchorage, Alaska 99503	City of Kodiak <hr/> Legal Name of Customer ("Customer") Address: PO Box 1397 City, ST Zip: Kodiak, AK 99615
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1. SERVICES. Alaska Communications will supply, and Customer will purchase, the telecommunications services ("the Services" or "Alaska Communications Services") described and at the Customer locations (each, a "Site") and prices specified in the attached exhibits, and attachments, for the duration of this Agreement.

2. TERM. The Term of this Agreement is set forth in the cover page of this Agreement (Page 1, Section III, "Scope of Services"). This Agreement shall be effective on the date of execution of both Parties ("Effective Date") and will terminate on the applicable term anniversary of the Billing Commencement Date (the "Initial Term") as set forth in this Agreement. The "Billing Commencement Date" is defined as the date of Alaska Communications' delivery of service, which is the date five business (5) days after the Order Completion Notice Date.

Renewal Term. Upon expiration of the Initial Term, if Customer is not then in default of any of its obligations to Alaska Communications, the Initial Term will automatically renew for successive one (1) year terms (each, a "Renewal Term") for the applicable Service, and the Initial Term pricing for the Service(s) will continue to apply. If Customer provides at least thirty (30) days written notice prior to the end of the Initial Term of its intent not to renew the Agreement for a Renewal Term, the Agreement will terminate. If the Customer provides at least thirty (30) days written notice prior to the expiration date that it does not intend to renew the Agreement for a Renewal Term, but wishes to continue receiving the Service(s), upon the expiration of the Initial Term, the Agreement will continue on a month-to-month basis (Month-to-Month Term) and the Customer will be charged the then prevailing month-to-month retail rates for the Service(s), until either Party provides the other Party with written notice of its intention not to renew, in which event the Service will terminate thirty (30) days after receipt of such notice.

3. BILLING PROCEDURES. For each Service Element identified in the exhibits or Attachments, Alaska Communications will commence billing on the Billing Commencement Date. Alaska Communications will invoice recurring charges on a monthly basis in advance and non-recurring charges on a monthly basis in arrears. Customer shall make all payments due hereunder within thirty (30) days after the invoice date ("Payment Due

Date").

4. LATE PAYMENT CHARGE. In the event that Customer fails to make any payment prior to the Payment Due Date, Customer shall pay a late payment charge of 1.5% interest per month, or the highest lawful rate, whichever is lower, on any amount owed but not paid by the end of the applicable Payment Period. Customer will reimburse Alaska Communications for all costs (including reasonable attorney fees and collection costs) incurred by Alaska Communications that are associated with collecting delinquent or dishonored payments.

5. PAYMENT DISPUTES. Customer must provide written notice to Alaska Communications specifically identifying all disputed charges and the reason for nonpayment within sixty (60) days after the date of the affected invoice or else Customer waives the dispute. Payment of such disputed charges will not be considered overdue pending investigation by Alaska Communications, provided that nothing contained in this Agreement shall relieve Customer from promptly paying all undisputed charges and providing reasonable security for payment of any withheld amounts upon demand by Alaska Communications. Payment of any disputed charges that are determined by Alaska Communications to be correct as a result of such investigation must be paid within fourteen (14) days of Alaska Communications' notice to the Customer, and the amounts due will be assessed the late payment charge, calculated from the date that payment was originally due. If legal action is brought for the recovery of any amounts due from the Customer under the Agreement, the non-prevailing Party shall pay the prevailing Party's reasonable attorneys' fees, collection fees and costs actually incurred by the prevailing Party.

6. TERMINATION AND REMEDIES. This Agreement may be terminated immediately upon written notice by Alaska Communications if the Customer becomes insolvent or files a bankruptcy petition, has an involuntary bankruptcy petition filed against it, or becomes adjudicated bankrupt. Except as otherwise provided in this Agreement, if either party fails to perform or observe any material term or condition of this Agreement and the breaching party does not cure the failure within thirty (30) days after receiving written notice of the breach, the other party may terminate the Agreement for cause.



Notwithstanding the foregoing, if Customer fails to pay any charge when due and such failure continues without remedy for ten (10) days after written notice from Alaska Communications, Alaska Communications may, at its sole option, and in addition to any other remedies it may have under this Agreement: (i) terminate or suspend all or any portion of the affected Service, (ii) require a deposit as a condition of continuing to provide Services, and/or (iii) terminate this entire Agreement. In the event of any termination of this Agreement, Customer shall pay Alaska Communications for its use of the Services through and including the date of termination, including any Termination Charges and Site Termination Charges as set forth in this Agreement. No payment due under this Agreement is subject to reduction, set-off or adjustment of any nature.

7. SERVICES AND BILLING COMMENCEMENT DATE.

The Services will be installed in accordance with a schedule mutually agreed to by the Parties after execution of this Agreement. Alaska Communications shall install the Services in accordance with the schedule, and upon completion of the installation of the service, provide the Customer with an Order Completion Notice. Billing will begin five (5) business days after the date the Order Completion Notice is issued ("Billing Commencement Date"). In the event that Alaska Communications becomes aware that the delivery date may be delayed, Alaska Communications will immediately contact Customer and describe the reasons for the delay and provide a new delivery date. Alaska Communications will continue to keep Customer informed of delivery date progress and changes prior to the installation of each Service ordered hereunder. The inability of Alaska Communications to deliver a Service by such date will not be a breach of this Agreement. If Alaska Communications fails to make any Alaska Communications Service available to a Site within sixty (60) days after the delivery date and such failure is not caused by Customer or a force majeure event, Customer's sole remedy will be cancellation, upon written notice to Alaska Communications, of Service to the applicable Site. Customer's failure to comply with its Customer Responsibilities in this Agreement or Customer's inability to use the delivered Services due to Customer's lack of readiness for any reason after receipt of the Order Completion Notice, does not extend the Billing Commencement Date.

8. SERVICE CHANGES OR ADDITIONS, OR SITE ADDITIONS.

Customer may request i) a change to the existing Services provided at any Site, ii) an addition of Services to an existing site, or iii) the addition of a new Site. Upon receipt of a request for Services, Alaska Communications will prepare a rate quote for the changed or added Service, or added Site, and the Parties will execute an Addendum to this Agreement for the Service change or addition, or new added Site. Each Addendum will reference this Agreement and will become a part of the Agreement when executed by the Parties. Following the execution of the Addendum, Alaska Communications and Customer will decide on a mutually agreeable target

date for the delivery of the Addendum Services (the "Estimated Availability Date"). Alaska Communications will use diligent efforts to install each such Addendum Service on or before the Estimated Availability Date. In the event that Alaska Communications becomes aware that the delivery date may be delayed, Alaska Communications will immediately contact Customer and describe the reasons for the delay and the new delivery date, and continue to keep Customer informed of delivery date progress and changes prior to the installation of each Service ordered hereunder. The inability of Alaska Communications to deliver a Service by such date will not be a breach of this Agreement. If Alaska Communications fails to make any Alaska Communications Service available to a new location within sixty (60) days after the Estimated Availability Date, Customer's sole remedy will be cancellation, upon written notice to Alaska Communications. As used in this Agreement, the term "Sites" shall refer to the Sites specified in this Agreement and exhibits, and any new locations added pursuant to an Addendum or Amendment.

9. SITE OR SERVICE TERMINATIONS, OR NETWORK MODIFICATIONS.

Customer must provide 30 days prior written notice of any modification to or disconnection of one or more Services or Sites. Customer is responsible for all charges incurred until Services are disconnected, and other charges may be applicable as provided for in this Agreement. In the event that Customer ceases operations at any Site (each, a "Closed Site"), subject to the stranded investment provision in subsection c) below, Customer will have no liability for a Site Termination Charge, if a) within thirty (30) days of the cessation of Service at the Closed Site, Customer orders Services that are similar to those provided to the Closed Site with Monthly Recurring Charges ("MRC") that are equal to or greater than those applicable to the Closed Site, and b) billing commences at the New Site within sixty (60) days after the cessation of Service at the Closed Site. c) Notwithstanding subsections a) and b) above, if Customer's Site Deletion or Network Modification during the Agreement causes Alaska Communications to have a stranded investment resulting from Alaska Communications' provision of the Customer's Service(s), Customer is responsible for the costs of the stranded investment incurred by Alaska Communications to provision the Customer's Service(s).

10. SITE TERMINATION CHARGE.

In the event a Customer ceases operations at any Site and does not add another Site pursuant to the terms of this Agreement, Customer shall pay a termination fee ("Site Termination Charge"). The Site Termination Charge is equal to One Hundred Percent (100%) of the number obtained by multiplying the Monthly Recurring Charge ("MRC") applicable to the Site by the number of months remaining in the Initial Term or Renewal Term. In the event that Customer terminates a Site(s) with a MRC equal to or more than 20% of the MRC produced by the Initial Sites, Alaska Communications shall have the right to elect in its sole discretion to either (i) terminate this Agreement in which event the termination charges contained in Section



10 of the Agreement will apply or (ii) collect the Site Termination Charge due under this Agreement in which event the Agreement will continue in full force and effect.

11. TERMINATION CHARGES. Following a termination of this Agreement, Customer will be responsible for payment of all amounts due under this Agreement as of the last day of the calendar month in which such termination is exercised, and which payment is due within thirty (30) after that date. In the event of a termination, Customer's payment obligations will include the following (collectively, "Termination Charges"): (i) all accrued but unpaid charges (including both recurring and non-recurring charges) accrued but unpaid through the last day of the calendar month in which such termination is exercised; (ii) the aggregate termination charges (if any) imposed in connection with such termination by any access providers, and (iii) if the Agreement is terminated during the Initial Term or Renewal Term, Early Termination Charges. Early Termination Charges include a) charges for the difference between the paid Monthly Recurring Charges for the Service(s) and the then prevailing month-to-month retail rates for the applicable Service(s) for the months or portions thereof the Service(s) were received prior to early termination, and b) charges for the remaining months in the term at the then prevailing month-to-month retail rates for the applicable Service(s) for all Sites, multiplied by the number of months, or portion thereof, remaining in the then-current term, and any other applicable termination-related charges or Site Termination Charges (if any) specified in this Agreement. The Parties agree that the Early Termination Charges and/or Site Termination Charges are intended to constitute liquidated damages to Alaska Communications and will not be deemed to constitute a forfeiture or penalty. Due to the special nature of this transaction, the parties acknowledge and agree that in the event of a contract termination or a Site termination, (i) it will be impractical or extremely difficult to determine damages suffered by Alaska Communications, (ii) Customer wishes to have a limitation placed upon its potential liability to Alaska Communications for termination or Site termination, and (iii) the Early Termination Charges and/or Site Termination Charge (as applicable) represent a reasonable estimate of damages which Alaska Communications will sustain in such an event.

12. EQUIPMENT AND SOFTWARE

(a) Alaska Communications Equipment. Where applicable, Alaska Communications may furnish customer premise equipment ("Specified Equipment" or "CPE Equipment"). The Specified Equipment will be installed by Alaska Communications in a secured communications enclosure in a location in close proximity to the existing telecommunications services demarcation point at each location. Customer will provide to Alaska Communications adequate space to mount equipment and enclosure on preinstalled plywood backboard securely fastened to the frame of the building infrastructure. Access to this secured enclosure will be

restricted to authorized Alaska Communications and Customer personnel on terms mutually agreed upon by both parties. Alaska Communications and Customer acknowledge and agree that with respect to the Specified Equipment and any other equipment furnished by or on behalf of Alaska Communications in connection with this Agreement (collectively, the "Alaska Communications Equipment"): (i) Customer will have no ownership right in or to any Alaska Communications Equipment; (ii) the Alaska Communications Equipment used will be determined by Alaska Communications and may be changed or replaced by Alaska Communications at Alaska Communications' sole discretion but any such change shall not result in a material decrease in functionality; provided that, no less than seven (7) days prior to any change of any material portion of Alaska Communications Equipment that does not constitute maintenance or repair, Alaska Communications shall provide Customer with notice of the change, including a description of the change and the basis of the change, it being agreed that no notice will be required in the event of an emergency (as determined by Alaska Communications); (iii) Alaska Communications will conduct all necessary maintenance or repair of the Alaska Communications Equipment and Customer will reimburse Alaska Communications for the cost of any repair, maintenance or replacement required as a result of Customer's acts or omissions; (iv) Customer will afford Alaska Communications or its subcontractors, employees and agents access to the service demarcation point (or any other location containing Alaska Communications Equipment that is controlled by Customer) twenty-four (24) hours per day, seven (7) days a week, within sixty (60) minutes of being notified of access request; (v) Customer will use the Alaska Communications Equipment only in connection with the Services as provided by Alaska Communications under this Agreement; (vi) Customer will keep the Alaska Communications Equipment free from all liens, encumbrances and/or other security interests; (vii) Customer will not relocate (including any temporary relocation) the Alaska Communications Equipment without the prior written consent of Alaska Communications; (viii) Customer will provide, at its expense, conditioned, uninterruptible electric power necessary to operate the Alaska Communications Equipment per specifications in this Agreement and any exhibits, and (ix) upon expiration or termination of this Agreement Customer will return the Alaska Communications Equipment to Alaska Communications or to any other location specified by Alaska Communications in substantially the same condition as of the date of delivery, normal wear and tear excepted. Upon Alaska Communications' delivery and installation of the Alaska Communications Equipment, Customer will be responsible for the care and safekeeping of the Alaska Communications Equipment and will bear the risk of loss with respect to any damage to the Alaska Communications Equipment (including damages occurring during the return of the Alaska Communications Equipment after the termination or expiration of this



Agreement) and shall indemnify Alaska Communications for claims resulting from Customer's use of the Alaska Communications Equipment. Customer shall promptly reimburse Alaska Communications for any damage to the Alaska Communications Equipment. Notwithstanding anything contained in this Section to the contrary, Customer will not be responsible for any damage caused to the Alaska Communications Equipment by the gross negligence or willful misconduct of Alaska Communications. This section applies only to equipment provided in association with services described in this Agreement.

(b) Customer Equipment. Except as specifically provided in this Agreement, Customer will be solely responsible for all equipment attached to the customer premises side of the "Service Demarcation Point" (specified in the "Network Topology Diagram" in Exhibit 1) and any other equipment necessary to enable Customer to receive the Services (excluding the Specified Equipment), including the installation, maintenance, operation, and performance of such equipment. Alaska Communications will not be responsible for the correction of, or performance issues associated with, faults traced back to any hardware and software used by Customer in connection with the Services (except for the Alaska Communications Equipment) or any other equipment owned or controlled by Customer (collectively, the "Customer Equipment"), but Alaska Communications will provide Customer with all of the information in Alaska Communications' possession concerning such faults. Except as otherwise provided in this Agreement, Customer will be solely responsible for ensuring that the Customer Equipment, Software, and Applications are compatible with the Alaska Communications Equipment and the Alaska Communications Network and Alaska Communications does not represent or warrant that the Customer's network and the Customer Equipment, Software, or Applications are compatible with the Alaska Communications Equipment and the Alaska Communications Network. Alaska Communications reserves the right to take any necessary corrective actions up to and including disconnection of the offending source to protect the Alaska Communications network from any illegal or unauthorized use stemming from Customer's interconnection with Alaska Communications.

(c). Software. In the event that Alaska Communications provides any software and related documentation to Customer for its use in connection with the Services (collectively, the "Software"), Customer is granted the right to use the Software, if any, strictly in accordance with and subject to the terms of (i) any separate written agreement executed between the parties with respect to the Software, or (ii) any terms or conditions placed upon Alaska Communications' use of such Software by any third party (including any governmental entities). Customer will ensure that its Related Parties connected to the Alaska Communications network will comply at all times with the terms of this Section. Alaska Communications makes no representations and warranties with respect to the Software. Except as

specifically set forth herein, Alaska Communications has no obligation to provide maintenance or other support of any kind for the Software, including without limitation any error corrections, updates, enhancements or other modifications.

13. CUSTOMER RESPONSIBILITIES. (a) PROTECTION OF YOUR PIN OR PASSWORD. CUSTOMER IS RESPONSIBLE FOR MAINTAINING THE CONFIDENTIALITY OF ANY PASSWORDS, PINS OR OTHER CONFIDENTIAL INFORMATION REQUIRED TO ACCESS THE SERVICES. CUSTOMER IS RESPONSIBLE AND LIABLE FOR ALL ACTIVITIES CONDUCTED THROUGH CUSTOMER'S ACCOUNT, EVEN IF THESE ACTIVITIES OCCUR WITHOUT CUSTOMER'S PERMISSION. CUSTOMER AGREES TO NOTIFY ALASKA COMMUNICATIONS IMMEDIATELY AND IN WRITING OF ANY UNAUTHORIZED OR FRAUDULENT USE OF CUSTOMER'S ACCOUNT. CUSTOMER AGREES TO INDEMNIFY ALASKA COMMUNICATIONS AGAINST ANY AND ALL THIRD PARTY CLAIMS AND ALL RELATED LIABILITIES ARISING OUT OF OR RELATING TO, THE USE OF CUSTOMER'S ACCOUNT. ALASKA COMMUNICATIONS WILL NOT BE LIABLE FOR ANY DAMAGES RESULTING FROM THE UNAUTHORIZED OR FRAUDULENT USE OF CUSTOMER'S ACCOUNT. ALASKA COMMUNICATIONS RESERVES THE RIGHT, AT ITS SOLE DISCRETION, TO CHANGE CERTAIN ACCOUNT INFORMATION, INCLUDING CUSTOMER'S PIN OR PASSWORD, IF IT BELIEVES SUCH CHANGES ARE REASONABLY NECESSARY TO PREVENT FRAUDULENT USE OF CUSTOMER'S ACCOUNT OR TO ASSIST ALASKA COMMUNICATIONS IN PROVIDING OR UPGRADING THE SERVICES.

(b) TO ENSURE TIMELY INSTALLATION OF SERVICES. Customer agrees to obtain and provide all necessary facility space and power, access to the facility, customer equipment and software, third party vendor services, and sufficient personnel for an acceptance testing process ("Customer Responsibilities") on a timely basis to allow Service Provider to timely complete the installation of Customer's requested Services by the installation date. If Customer fails to comply with or provide any of the Customer Responsibilities in a timely manner, which results in a delay of the service installation date, Customer will be charged for the Services beginning on the original Billing Commencement Date, as defined in Section 14. Additional Customer Responsibilities may be required from Customer as set forth in the attached Exhibits and Attachments. Customer also agrees to comply with all Alaska Communications Acceptable Use Policies governing the Services. The Alaska Communications Acceptable Use Policies are available at www.alaskacommunications.com.

14. ORDER COMPLETION NOTICE. (a) Alaska Communications will perform standard testing of the requested Service(s) and notify Customer when the Service is installed and functional with an Order Completion Notice ("Installation Date"). Additional Customer testing criteria may be specified in the exhibits and attachments to this Agreement. Unless Customer



delivers written notice to Service Provider within five (5) business days after the Installation Date that the Service is not installed in accordance with the ASR and is not functioning properly due to Alaska Communications, Customer shall be deemed to have accepted the Service and that it has been installed and is functioning properly. Billing will commence on the Billing Commencement Date" as set forth in this Agreement. In the event that Customer notifies Alaska Communications prior to the Billing Commencement Date that the Service is not installed in accordance with the ASR and is not functioning properly, then Alaska Communications shall correct any deficiencies in the Service and notify Customer in writing with a new Order Completion Notice when the Services have been re-installed and are functioning properly, at which time the Billing Commencement Date will commence five (5) business days after the new Order Completion Notice.

(b) Multiple Sites/Services. If Customer has ordered multiple Services to one site or Services to multiple Sites, the Customer will receive an Order Completion Notice for the installation of each service, after which, billing for each site or service will commence on the Billing Commencement Date as defined above.

15. TAXES. In addition to other amounts due under this Agreement, Customer is solely responsible for any applicable taxes. All pricing for Services and other charges due hereunder are exclusive of all applicable taxes, including value added tax, sales and use taxes, excise taxes, duties, fees, levies or surcharges, or other similar taxes or license fees imposed by, or pursuant to the laws, statutes or regulations of any governmental agency or authority, and shall be paid promptly when due, and furthermore, Customer agrees to indemnify and hold Alaska Communications harmless from any liability therefore. Except as set forth herein, all amounts payable to Alaska Communications under this Agreement shall be made without any deduction or counterclaim and, except to the extent required by any law or regulation, free and clear of any deduction or withholding on account of any tax, duty or other charges of whatever nature imposed by any taxing or governmental authority. If required by any law or regulation to make any such deduction or withholding Customer shall, together with the relevant payment, pay such additional amount as will ensure that Alaska Communications actually receives and is entitled to retain, free and clear of any such deduction or withholding, the full amount which it would have received if no such deduction or withholding had been required.

16. LIMITATIONS OF LIABILITY. Without limiting the obligation of Customer to pay for the Services, in no event will the aggregate liability of either Party, regardless of theory of liability, exceed an amount equal to the Monthly Recurring Charges under this Agreement during the six (6) months prior to the event giving rise to the first cause of action. This section does not apply to Customer's failure to pay all amounts owing to Alaska Communications under this Agreement or for Early Termination Charges. **NEITHER PARTY WILL BE**

LIABLE TO THE OTHER PARTY FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, SPECIAL, RELIANCE OR PUNITIVE DAMAGES (INCLUDING BUT NOT LIMITED TO DAMAGES FOR LOST PROFITS, LOST REVENUES, LOSS OF ANTICIPATED SAVINGS, OR LOSS OF REVENUES OF ANY KIND OR INCREASED COST OF OPERATIONS), WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. Alaska Communications WILL NOT BE LIABLE FOR ANY DAMAGES ARISING OUT OF OR RELATING TO (i) SERVICE INTERRUPTIONS OR LOST OR ALTERED MESSAGES OR TRANSMISSIONS; (ii) UNAUTHORIZED ACCESS TO OR THEFT, ALTERATION, LOSS OR DESTRUCTION OF CUSTOMER'S, USERS' OR THIRD PARTIES' APPLICATIONS, CONTENT, DATA, PROGRAMS, INFORMATION, NETWORK OR SYSTEMS; OR (iii) INTEROPERABILITY, INTERACTION OR INTERCONNECTION PROBLEMS WITH APPLICATIONS, EQUIPMENT, SERVICES OR NETWORKS PROVIDED BY CUSTOMER, USERS OR OTHER THIRD PARTIES.

17. DISCLAIMER OF WARRANTIES. ALASKA COMMUNICATIONS MAKES NO WARRANTIES, EXPRESS OR IMPLIED AND SPECIFICALLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE OR NON-INFRINGEMENT OR ANY WARRANTY ARISING BY USAGE OF TRADE, COURSE OF DEALING OR COURSE OF PERFORMANCE, ALASKA COMMUNICATIONS DOES NOT WARRANT THAT THE SERVICES WILL BE UNINTERRUPTED OR ERROR-FREE OR THAT THE SERVICES WILL MEET CUSTOMER'S REQUIREMENTS OR THAT THE SERVICES WILL PREVENT UNAUTHORIZED ACCESS BY THIRD PARTIES. ALASKA COMMUNICATIONS DOES NOT AUTHORIZE ANYONE TO MAKE A WARRANTY OF ANY KIND ON ITS BEHALF AND CUSTOMER SHOULD NOT RELY ON ANYONE MAKING SUCH STATEMENTS.

18. ASSIGNMENT. This Agreement may not be assigned or transferred without the written consent of the non-assigning Party, except that Alaska Communications may assign this Agreement without consent to: (i) any affiliated entity; (ii) a successor in interest whether by merger, reorganization or otherwise; or (iii) a purchaser of substantially all of the company assets. Notwithstanding the foregoing, Customer may not assign this Agreement to a telecommunications company. Any attempt to assign this Agreement in contravention of this section is void.

19. FORCE MAJEURE: No failure, omission, or delay by Alaska Communications to carry out or observe any of the terms and conditions of this Agreement shall give rise to any claim against Alaska Communications or be deemed a breach of this Agreement if such failure or omission arises from an act of God, including earthquake, flood, volcanic eruption, the elements, strike, labor disputes,



war, power blackouts, embargoes, acts or omissions of carriers or suppliers, an act of government, circumstances that make it unsafe or unreasonable for Alaska Communications' personnel or agents to travel to an affected Site or other causes beyond Alaska Communications' reasonable control, or any other circumstance commonly known as force majeure. Alaska Communications will promptly notify the other party, giving details of the force majeure circumstances, and the obligations of the party giving such notice will be suspended to the extent caused by the force majeure. If the force majeure event causes a failure of performance by Alaska Communications and is for thirty (30) days or less, then this Agreement will remain in effect, but Customer is relieved of its obligation to pay for that portion of the Services affected for the period of such failure of performance. If such force majeure continues for more than thirty (30) days, then Customer may terminate the provisions of this Agreement only as to the affected Service.

20. PRIVACY. (a) CPNI. Under federal law, Customer has the right, and Alaska Communications has a duty, to protect the confidentiality of Customer Proprietary Network Information ("CPNI"), which is information Alaska Communications obtains solely as a result of providing you services. CPNI includes the quantity, technical configuration, types, destination, location and amount of use of telecommunications services you purchase and similar information on your bills. In order to better serve you, and to identify, offer and provide new products and services tailored to meet your needs, Alaska Communications needs your permission to share this information among our company affiliates, agents and contractors. If checked on your Agreement or Addendum, you agree to permit Alaska Communications to share your CPNI among these authorized entities. Your permission remains valid until you notify us that you wish to withdraw it, which you can do at any time by calling Alaska Communications at 800-808-8083. Withdrawing your permission will not affect the status of any services you currently have with Alaska Communications. You also agree that, in order to authenticate you for purposes of responding to your requests for CPNI without requiring a password, if checked on your Agreement or Addendum, Alaska Communications will provide CPNI detail to you in response to your requests made using the following methods: (i) you contact your assigned Alaska Communications Business Sales Representative directly by telephone or email; (ii) you submit a request by FAX or email on your company's letterhead signed by your authorized representative; or (iii) you submit your request with a Purchase Order Number signed by your account manager. Please note that we may also disclose CPNI to comply with any laws, court orders or subpoenas or as necessary to provide you Services.

(b) Individually Identifiable Health Information (IIHI). Under federal law, customers who are covered entities under the Health Insurance Portability and Accountability Act of 1996, as amended, and individuals or entities that create, receive, maintain, use or disclose individually

identifiable health information for or on behalf of a covered entity must protect IIHI against reasonably anticipated threats and hazards to its confidentiality, integrity and availability. Federal law exempts those vendors whose personnel do not routinely have access to or control over IIHI from meeting these requirements. Alaska Communications does not intend to access Individually Identifiable Health Information on a routine basis in the course of delivery of its services and, except as otherwise expressly stated in an applicable Service Description Attachment, Exhibit or Service Level Agreement, Alaska Communications has no responsibility to comply with data privacy and security requirements applicable to Customer or Customer's use of the Services.

21. CONFIDENTIALITY. (a) Publicity. The parties may disclose the existence of this Agreement in public statements or marketing materials but the terms of this Agreement will be held in confidence in accordance with this section.

(b) Use of Confidential Information. Customer understands that pricing information received may contain specialty pricing that is confidential and proprietary to Alaska Communications, and you agree to maintain that information as confidential from all other telecommunications providers. Commencing as of the date of Customer's execution of this Agreement and for a period of three (3) years from the expiration or any earlier termination of this Agreement, all information received from Alaska Communications or otherwise discovered by the Customer in connection with the Services or this Agreement, including all information relating to the terms of this Agreement, or Alaska Communications' technology, research and development, business affairs, pricing or the terms of this Agreement (collectively the "Confidential Information") will be (i) held in confidence and protected using the same degree of care used to protect the Customer's own proprietary information of like importance, but no less than a reasonable degree of care, (ii) used only for the purpose of performing this Agreement and using the Services, and (iii) not be disclosed except to the Customer's employees, agents and contractors having a need-to-know (provided that such agents and contractors are not direct competitors of Alaska Communications) or to the extent required by applicable law. In no event will Customer disclose any Confidential Information to any other related party or competitor providing telecommunications services. The above requirements shall not apply to Information which is already in the possession of the receiving Party through no breach of an obligation of confidentiality to the disclosing Party or any third party, is already publicly available through no breach of this Agreement or has been previously independently developed by the receiving Party, or is received without restriction from a third party free to disclose the information without obligation to the disclosing party. This Agreement shall not prevent any disclosure of Information pursuant to applicable law or regulation, provided that prior to making such disclosure, the receiving Party shall use reasonable efforts to notify the disclosing Party of this required disclosure. Upon



disclosing party's written request, the receiving party will promptly either destroy all Confidential Information in tangible form in its possession, or return all such copies to the disclosing party, with a written certification confirming that all copies have been destroyed or returned. Alaska Communications and Customer agree that their failure to comply with the provisions of this section will cause irreparable harm to the other party that cannot be adequately compensated for in damages, and accordingly acknowledge that the other party will be entitled, in addition to any other remedies available to it, to interlocutory and permanent injunctive relief to restrain any anticipated, present or continuing breach of this section.

(c) **IIHI.** Alaska Communications agrees to require its personnel and subcontractors to maintain the confidentiality of any IIHI to which they are exposed in providing Services under this Agreement and to report to Customer any unauthorized use or sharing of data of which they become aware. In the event of a breach of privacy or security regarding Customer data, Alaska Communications will take commercially reasonable steps, at Alaska Communications' standard rates, to assist Customer in its efforts to identify, mitigate and remediate any vulnerabilities associated with the Services

22. NOTICES: All notices, requests or other communications hereunder shall be in writing, addressed to the Parties at the address set forth in the this Agreement. Notices mailed by registered or certified mail shall be deemed to have been received by the addressee on the fifth (5th) business day following the mailing or sending thereof. Notices sent by facsimile shall be deemed to have been received when the delivery confirmation is received.

23. DISPUTE RESOLUTION. Any non-billing dispute, controversy or claim (collectively, a "Dispute") arising out of or relating to this Agreement will first be escalated to a Manager or Director of the respective Parties. Should resolution not occur within fifteen (15) business days of such escalation, the Dispute will be escalated to the Vice-President level of the respective Parties. If the Dispute cannot be resolved within fifteen (15) business days of escalation to the Vice-President level, the Parties may exercise any and all available remedies at law or equity or may request that the Dispute be settled by binding arbitration to be held in Anchorage, Alaska. In the event the Parties agree to binding arbitration, the cost of arbitration, including fees and expenses of the arbitrator, shall be shared equally by the Parties, and each Party shall bear the costs of preparing its case.

24. UNIVERSAL SERVICE FUND CUSTOMER FILING REQUIREMENTS. The Universal Service Fund ("USF"), is administered by the Universal Service Administrative Company ("USAC"), and is a support program authorized by Congress to provide reduced rates to rural health care providers ("HCPs") and Schools and Libraries ("eRate Recipients") for telecommunications services and Internet access charges related to the use of telemedicine, telehealth, and school and library functions.

(a) HCPs are subject to certain filing requirements, which, if not met, will subject the HCP to direct billing from Alaska Communications for the full amount of the service(s) being provided. Alaska Communications requires that all HCPs receiving services from Alaska Communications file their forms 466 and 466A to USAC for reimbursement within sixty (60) days after receipt of their first bill from Alaska Communications. If an HCP fails to comply with the above requirements, Alaska Communications will directly bill the HCP for the full amount of the services. Alaska Communications will use the Application Status report on the USAC website to determine the filing status of the forms being submitted at <http://www.usac.org>.

(b) USAC also funds a Schools and Library Program ("eRate Program" and "eRate Program Recipients"). Schools and Libraries receiving eRate Program funding are required to meet certain eligibility and filing requirements. ERate Program Recipients are subject to certain filing requirements, which, if not met, will subject the eRate Program Recipients to direct billing from Alaska Communications for the full amount of the service(s) being provided. Alaska Communications requires that all Schools and Library eRate Program Recipients receiving services from Alaska Communications file their form 486 to USAC for reimbursement within sixty (60) days after receipt of their first bill from Alaska Communications. If a School / Library fails to comply with the above requirements, Alaska Communications will directly bill the School / Library for the full amount of the services. Alaska Communications will use the Application Status report on the USAC website to determine the filing status of the forms being submitted at <http://www.usac.org>.

25. CONTRACT TERMINATION CHARGE WAIVER.

(a) In the event that USAC ceases providing subsidies under the USF Program for rural HCPs or for eRate Program Recipients, the Customer may terminate this Agreement without having to pay Early Termination Fees and Site Termination Charges as set forth in this Agreement, upon sixty (60) days' written notice to Alaska Communications. As long as Customer follows all of the guidelines of the USAC programs and submits its application to USAC in a timely manner, the Contract Termination and Site Termination charges in this section shall not apply if the Customer fails to receive a Funding Commitment Letter ("FCL"). This Section does not apply if the Customer fails to receive a FCL for any other reason.

(b) Other Conditions for Waiver of Contract Termination Charge. Alaska Communications recognizes that there are Customer organizations that receive funding from federal, state, local, and other grant programs (other than identified above) that fund purchases of telecommunications services and internet access charges ("Telecommunications Services Purchase Grants"), and that such funding may be reduced or discontinued during the Term of this Agreement. Therefore, in the event that Telecommunications Services Purchase Grants provided to a Customer are terminated by the granting agency during the Term of this Agreement, the Customer may



terminate this Agreement without having to pay Early Termination Fees and Site Termination Charges as set forth in this Agreement, upon sixty (60) days' written notice to Alaska Communications. Alaska Communications will require proof of this funding being terminated from the granting agency that previously granted the funding for this clause to apply. This Section does not apply if the Customer fails to receive a Telecommunications Services Purchase Grant for any other reason, including the failure to timely apply for such funding.

26. Monitoring. Customer authorizes Alaska Communications to: (i) monitor Customer's use of the Alaska Communications network for service management purposes and to ensure compliance with this Agreement and (ii) monitor and record customer service calls as necessary to check quality and as otherwise required to operate, maintain and repair the Services in accordance with this Agreement. Alaska Communications may disclose information obtained pursuant to the previous sentence only if required by applicable law.

27. COMPLIANCE WITH LAWS. At all times, Customer agrees to comply with all applicable federal, state, local, and regulatory laws, and the Alaska Communications Acceptable Use Policy.

28. SEVERABILITY AND WAIVER. If any provision of this Agreement is or becomes illegal, invalid or unenforceable, that provision shall be ineffective to the extent of such invalidity or unenforceability only, without in any way affecting the validity or enforceability of the remaining provisions of this Agreement. No failure or delay on the part of either party in exercising any right hereunder and no course of dealings between the parties will operate as a waiver of any provision hereof. No waiver by either Party to any provisions of this Agreement shall be binding unless made in writing.

29. RELATIONSHIP OF THE PARTIES. The relationship between the Parties is that of independent contractors and not of partners, affiliates, or the like. Nothing contained in this Agreement shall be deemed to constitute a partnership between them, a joint venture, or a merger of their assets or their fiscal or other liabilities or undertakings. Neither Party shall have the right to bind the other Party, except as expressly provided for herein.

30. GOVERNING LAW. This Agreement shall be governed by the laws of the State of Alaska, without reference to its conflict of laws principles, with venue located in Anchorage, Alaska. Each Party hereby irrevocably consents to the jurisdiction and venue of such courts.

VoIP and SIP Trunking Service - Additional Requirements

If You have subscribed to our VoIP or SIP Trunking service, the following additional terms and requirements apply:

31. Registration of Physical Location Required.

You must register the physical location ("Registered Location") where you will be using Alaska Communications VoIP or SIP Trunking Service for each Alaska Communications telephone number you use. You have full responsibility for updating your Registered Location when you use your Alaska Communications VoIP or SIP Trunking Service. Regardless of what address you register, emergency calls you make may be routed to a third party 911 provider for delivery to a 911 Public Safety Answering Point (PSAP). **IMPORTANT: If you do not update your Registered Location, 911 calls you make with your ALASKA COMMUNICATIONS Service will be routed based on your previously provided Registered Location and therefore may not be routed to the appropriate PSAP for your current location.** In addition, you must update your Registered Location to ensure that the 911 provider transmits accurate location information to the PSAP. You may update your Registered Location by logging onto your online account and updating your location information through your customer portal on the Alaska Communications website. For purposes of 911 dialing, you may only register one Registered Location for each Alaska Communications telephone number. You agree to provide true, accurate, current and complete Registered Location information to Alaska Communications as part of the service initiation process and to update as soon as possible your Registered Location with true, accurate, current and complete information whenever you use your Alaska Communications Service from a new location. If you provide Registered Location information that is, or that Alaska Communications suspects to be, false, inaccurate, not current, or incomplete, Alaska Communications has the right to suspend or terminate the Services and refuse any and all current or future use of all Services, or any portion thereof.

32. IMPORTANT LIMITATIONS OF 911 VoIP AND SIP TRUNKING SERVICE. DIALING 911 AND REACHING EMERGENCY RESPONSE SERVICES

You may use Alaska Communications' VoIP or SIP Trunking Service to reach emergency response services by dialing 911. HOWEVER, because 911 VoIP and SIP Trunking Service operates differently than traditional 911 service, **there are circumstances under which 911 using VoIP or SIP Trunking Service may not be available or may be in some way limited in comparison to traditional 911 service.** Such circumstances include:

- **Necessity of Relocation of your IP equipment.** If you relocate your IP phone, Analog to IP Converter (ATA) with traditional phone, or Alaska Communications equipment, you must immediately update your Registered Location by accessing your customer portal via the Alaska Communications website. **If you do not update your Registered Location, any 911 call you make using the Service will be routed based on your previously provided Registered Location and therefore may not be routed to the appropriate PSAP for your current location.** Once you change your Registered



Location, there may be a delay in making the new Registered Location available to correctly route 911 calls and to advise a PSAP of your new Registered Location.

- **Internet connection failure.** If the connection to the Internet over which your Alaska Communications VoIP Service is provided is interrupted, there may be packet loss and delay which will interfere with the quality of your call or you may not have access at all to Alaska Communications Service during that interruption and therefore would not have access to 911 service during that interruption.
- **Loss of electrical power.** Unless you have a backup system to power both your Internet connection and any device (PC with softphone, IP phone, ATA with traditional phone, or other device) that you use to access your Alaska Communications Service, you will not have phone service or 911 service during any power outage. Because access to Alaska Communications Service via any battery-powered device such as a PC with IP softphone requires an Internet connection, 911 service will not be available unless you have a backup system to power your Internet connection even if other devices can still operate using battery power.

33. Notify All Users. You should inform all business colleagues, household residents, guests and other persons who may be present at the physical location where you utilize Alaska Communications VoIP or SIP Trunking Service that 911 may not be available or may be in some way limited in comparison to traditional 911 service.

34. Disclaimer of 911 Liability. Alaska Communications disclaims all responsibility for the conduct of PSAPs and all other third parties involved in the provision of emergency response services. Alaska Communications does not have any control over PSAPs or other third parties and is therefore not responsible for whether they answer 911 calls made using Alaska Communications Service, how they answer these calls, or how they handle these calls. Alaska Communications relies on third parties to assist it in the provision of 911 service and disclaims any and all liability for acts or omissions by third parties in the provision of 911 service. Neither Alaska Communications nor its officers or employees may be held liable for any claim, damage, or loss (including, without limitation, attorneys' fees) by, or on behalf of, you or any third-party user of Alaska Communications Service arising from the ability or inability to dial 911 or access emergency services.

ALASKA VOICE® APP ADDITIONAL TERMS OF SERVICE AND REQUIREMENTS

THE ALASKA VOICE APP USES VOICE OVER INTERNET. WHEN USED ON SMARTPHONES OR TABLETS, THE ALASKA VOICE APP CANNOT BE USED FOR MAKING 911 CALLS.

YOU ACKNOWLEDGE AND AGREE THAT THE ALASKA VOICE APP IS NOT A SUBSTITUTE FOR A TRADITIONAL TELEPHONE AND THAT YOU WILL NOT USE THE ALASKA VOICE APP TO CALL 911.

NO 911 CALLING USING THE ALASKA VOICE APP ON A SMARTPHONE OR TABLET.

NO CALLING USING AN IPOD OR ITOUCH.

THE ALASKA VOICE APP CANNOT BE USED TO MAKE OR RECEIVE CALLS, INCLUDING 911 CALLS, FROM ANY IPOD OR ITOUCH DEVICE EVEN THOUGH THE ALASKA VOICE APP WILL DISPLAY A RINGOUT DIAL-PAD ON SUCH DEVICES.

**** IN AN EMERGENCY, EXIT THE ALASKA VOICE APP AND DIAL 911 FROM A TRADITIONAL PHONE DEVICE (LANDLINE OR WIRELESS PHONE) WITH 911 DIALING CAPABILITIES.**

35. Additional Agreements. Access to the Alaska Voice App requires the user to download and install the Alaska Voice App for the appropriate mobile device (e.g., iPhone, Android, etc.). Use of the Alaska Voice App is governed by the Alaska Voice App End User License Agreement ("EULA"). Your use of the Alaska Voice App may be governed by one or more other agreements with Alaska Communications in addition to the terms set forth herein and in the EULA. By downloading and installing the Alaska Voice App you agree to the terms of the EULA. If You access the Alaska Voice App through the Alaska Communications website, You also agree to be bound by the terms of use for the Alaska Communications website.

36. Registration Procedures. Upon signing up for the Alaska Voice App and at subsequent times as requested by Alaska Communications, you agree to provide true, accurate, current and complete name, contact information, and other data to Alaska Communications. If you provide information that is, or that Alaska Communications suspects to be, false, inaccurate, not current, or incomplete, Alaska Communications has the right to suspend or terminate your Account and/or the Alaska Voice App and refuse any and all current or future use of all Services, or any portion thereof. At all times, you shall maintain and promptly update registration data as applicable. You shall immediately notify Alaska Communications if any unauthorized use of your Alaska Communications Account or any other breach of security has occurred. In no event shall Alaska Communications be liable for any unauthorized use of your Alaska Communications Account.

37. Waiver of Claims. You waive all claims or causes of action, whether in contract, warranty, tort (including



negligence), or any other form of liability, arising from or relating to the provision of 911 service, or failure to provide access to 911 service, unless the claims or causes of action arise from Alaska Communications' gross negligence, recklessness, or willful misconduct.

38. Alaska Communications' Proprietary Rights. You acknowledge and agree that any and all intellectual property rights (the "IP Rights") associated with the Alaska Communications Services are and shall remain the exclusive property of Alaska Communications and/or its licensors. Nothing in this Contract intends to or shall transfer any IP Rights to, or to vest any IP Rights in you. You are only entitled to the limited use of the rights granted to you in this Contract. You will not take any action to jeopardize, limit or interfere with any IP Rights. You acknowledge and agree that any unauthorized use of the IP Rights is a violation of this Contract, as well as a violation of applicable intellectual property laws. You acknowledge and understand that all title and rights in and to any third party content that may be accessed through the Services is the property of the respective content owners and may be protected by applicable patent, copyright, or other intellectual property laws and treaties. You may not copy, distribute, sell, resell, license, sub-license, reproduce, disclose, lend, transfer, convey, modify, decompile, disassemble or reverse engineer the Services and/or any of Alaska Communications' technology or software for any purpose whatsoever.

39. Authorized Uses; Prohibited Uses

You understand and agree to use the Service only for lawful purposes and that you shall not, at any time, use the Service for any illegal, fraudulent, improper or abusive purpose or in any way which interferes with our ability to provide the Service to other customers, prevents or restricts other customers from using the Services, or damages any Alaska Communications or other customer's property. Prohibited uses include, but are not limited to, uses in connection with the following:

- Behavior that is obscene, threatening, harassing, defamatory, libelous, deceptive, fraudulent, malicious, infringing, or invasive of another's privacy.
- Sending unsolicited and/or bulk messages or advertisements, including voicemails or facsimiles.
- Harvesting or otherwise collecting information about others without their consent.
- Knowingly transmitting any material that contains viruses, time bombs, trojan horses, worms, or any other programs that may be harmful or dangerous.
- Creating a false Caller ID identity ("ID spoofing") or otherwise attempting to mislead others as to the identity of the sender or the origin of any communication made using the Services.
- Pretending to be anyone, or any entity, you are not, including impersonating or misrepresenting yourself as another person, entity, Alaska Communications customer, an Alaska Communications employee or agent, or a civic

or government leader, or otherwise misrepresenting your affiliation with a person or entity.

- Transmitting any material that may infringe the intellectual property rights or other rights of third parties.
- Violating any U.S. or foreign law regarding the transmission of technical data or software exported through the Service.

You further understand and agree that:

- You shall be solely liable for any transmissions sent through the Service and that Alaska Communications has no control over the content of any transmission.
- You will abide by all applicable Alaska Communications agreements, policies and procedures.
- You shall not attempt to gain unauthorized access to the Service, other accounts, or computer systems or networks connected to the Service, through password mining or any other means.
- You shall not interfere with other customers' or third-parties' use and enjoyment of the Service or use the Service in any manner which disrupts, prevents or restricts any other customer from using the Service.
- Your use of the Service is subject to all applicable local, state, national and international laws and regulations (including without limitation those governing account collection, export control, consumer protection, unfair competition, anti-discrimination, securities laws, and false advertising).
- You are solely responsible for all acts or omissions that occur under your Alaska Communications Account or password, including the content of your transmissions through the Service.

40. Unsolicited Advertisements. The transmission of certain unsolicited calls, facsimiles, or otherwise using the Service for broadcasting or transmitting unsolicited advertisements is prohibited by federal law, including the Federal Telephone Consumer Protection Act of 1991 (<http://ftp.fcc.gov/cgb/consumerfacts/unwantedfaxes.html>) and a number of similar state laws. Distribution of unsolicited advertisements through the Alaska Voice App is prohibited. You shall not use the Alaska Voice App to send or transmit any unsolicited communications or advertisements and understand that, if you do, Alaska Communications may immediately terminate your right to use the Alaska Voice App without any liability of any kind and you may be liable and subject to monetary and other penalties related thereto. At Alaska Communications' option and without further notice, Alaska Communications may use technologies and procedures, such as filters, that may terminate such unsolicited advertisements without delivering them. You hereby release and agree to hold harmless Alaska Communications from and against any damages or liabilities of any kind related to any voicemail, broadcast and/or other bulk or unsolicited materials that you may send and/or receive using the Alaska Voice App.



41. Termination or Modification of the Alaska Voice App

You understand and agree that Alaska Communications may at any time, and without additional notice to you terminate, modify, suspend, disconnect, discontinue, or block access to some or all of the features of the Alaska Voice App if:

- Alaska Communications determines that your use of the Alaska Voice App violates or has at any time violated this Contract or any other applicable agreement between you and Alaska Communications.
- Alaska Communications determines that such action is necessary to maintain or improve the Services, to prevent fraud or misrepresentation by affirmative acts and/or omissions, to protect other users or third parties, or for any other good cause.
- Alaska Communications chooses to discontinue or modify the scope of its Limited Promotional Services.
- For any other reason Alaska Communications deems it necessary or advisable to restrict your access to the Services, including but not limited to compliance with requests by law enforcement or other government agencies.

Upon any termination in accordance with the foregoing, Alaska Communications may immediately deactivate or delete your Alaska Communications Account and all related information and files in your Alaska Communications Account and/or bar any further access to such files, information, or the Services. Alaska Communications shall not be liable to you or any third party for any reason for terminating your use or access to the Alaska Voice App. If you or Alaska Communications terminates your right to use the Alaska Voice App, you shall not be entitled to any refund or proration of any pre-paid amounts or credits.

43. IP VIDEO ON ALASKA VOICE APPLICATION AND IP VIDEO PHONES

THIS PRODUCT IS LICENSED UNDER THE AVC PATENT PORTFOLIO LICENSE FOR THE PERSONAL USE OF A CONSUMER OR OTHER USES IN WHICH IT DOES NOT RECEIVE REMUNERATION TO (i) ENCODE VIDEO IN COMPLIANCE WITH THE AVC STANDARD ("AVC VIDEO") AND/OR (ii) DECODE AVC VIDEO THAT WAS ENCODED BY A CONSUMER ENGAGED IN A PERSONAL ACTIVITY AND/OR WAS OBTAINED FROM A VIDEO PROVIDER LICENSED TO PROVIDE AVC VIDEO. NO LICENSE IS GRANTED OR SHALL BE IMPLIED FOR ANY OTHER USE. ADDITIONAL INFORMATION MAY BE OBTAINED FROM MPEG LA, L.L.C. SEE [HTTP://WWW.MPEGLA.COM](http://www.mpegla.com)

44. ENTIRE AGREEMENT. This Agreement, including any exhibits and Addendums, represent the entire agreement between the Parties and supersede and cancels all previous negotiations, agreements or commitments (whether written or oral) with respect to the subject matter hereof. As used in this Agreement, a "business day" refers to a day other than a Saturday,

Sunday or holiday, on which financial institutions are authorized or obligated to close in New York, New York. Except as otherwise agreed herein, this Agreement may only be modified or amended by a writing signed by authorized representatives of both Parties. The headings in this Agreement are for convenience of reference and shall not affect its construction or interpretation. This Agreement may be executed in counterparts and the counterpart execution pages taken together constitute one and the same instrument and will be binding upon the executing Party to the same extent as the original executed pages.

END OF TERMS AND CONDITIONS



EXHIBIT 1

to

Enterprise Services Agreement

Enterprise Network Overview, Services, Network Architecture, Statement of Work & Network Topology Diagram

1.0 Alaska Communications Enterprise Network Overview and List of Services

1.1 Network Overview. The ACS Enterprise Network Solution is an intra-company network connectivity and transport solution for various locations in the State of Alaska and in various locations in the continental U.S. and around the world, and provides a secure corporate interoffice data connectivity and payload transport solution, with options to add additional application layer enhancements.

1.2 Services. The following Service Descriptions are subject to change from time to time during the term of this Agreement. ACS has the right to make any modifications to the network that it deems necessary at its sole discretion; provided, however, that no such changes shall limit or otherwise affect ACS' obligations under the applicable Service Level Agreements.

MPLS Service (MPLS)	Managed Video Tele-Conferencing
Enhanced Metro Ethernet (EME)	Video Conference Bridging
Broadband X Business (BxB)	Hosted Collocation (Data Hosting - 1)
Managed TDM Access Service (TDM)	Hosted Backup and Recovery (Data Hosting - 2)
Dedicated Internet Access (DIA)	Hosted Storage (Data Hosting - 3)
Dial Admin Access Facilities	Hosted Server (Data Hosting -4)
Managed Services	Enhanced Ethernet Services

2.0 Alaska Communications Enterprise Network Solution Architecture.

The ACS Enterprise Network Solution Architecture is a state-of-the-art customized multimedia connectivity and transport service comprised of any combination of five fundamental service elements: (1) engineering and integration consulting elements; (2) customer premise service elements; (3) access service elements; (4) core transport service elements; and (5) application service elements, all of which are available in many different configurations and capacities, tailored to meet the specific needs of the customer. Engineering and Integration consulting elements provide support for campus and enterprise network design and implementation. Customer Premise Service Elements provide managed connectivity within and between enterprise locations. Access Service Elements are used to attach end points to the ACS Core where Core Service Elements provide for transport of traffic payloads across the network, and central application Service Elements provide additional functionality, manageability, and features, resulting in a complete network application solution. All service elements are chosen based on performance requirements as well as geographical, physical, security, and fiscal considerations.

3.0 Statement of Work.

For the application of the Services, please see the attached Statement of Work.

4.0 Network Topology Diagram. [Attach Network Topology Diagram.]

Alaska Communications will evaluate and engineer your choice of Services to meet the needs of the customer. Please see attached Network Topology Diagram which illustrates the network solution for the Services requested by the customer.



Enterprise Services Agreement

EXHIBIT 3

ACS Technical Support Policy and Escalation Procedure

1.0 ACS Technical Operations Support

24 x 7 x 365 ACS Integrated Network Management Center (I-NMC)

Managed Services Desk: (907) 565-4227 / Toll Free in Alaska (866) 227.8508

Email for Reactive Outage Notification:

ACS.Managed.Services@ACSAAlaska.com

2.0 Trouble Resolution & Repair Process - Overview

- Service Level Agreements & On-Site Repair varies on each Enterprise Data Network Service Element or custom solution. Please reference the particular ACS Service Description your organization purchased for established guidelines and service commitments.
- ACS Major Network Outage – In the event of a Major Network Outage affecting many customers, ACS primary goal is overall Service Restoration. The major network impact and resource allocation prohibits ACS' ability to provide notification via phone, email, or fax to any and all affected customers.
- Service Degradation – ACS and the customer jointly acknowledge that there are some issues inherent to IP services that end-users may experience service degradation via an evolving network load or sporadic application utilization prior to ACS Monitoring and Management systems having the ability notify ACS Support Personnel.

3.0 Trouble Resolution & Repair Process (ACS Managed Equipment Services):

- ACS monitors ACS Managed Equipment through various monitoring systems. This application polls in 5 minute intervals.
- Upon SNMP notification, ACS Managed Service Desk Engineer will monitor the particular event / trap for 15 minutes to see if the trouble resolves itself due to interface load or overall network congestion
- Upon verification of an established trouble, a Managed Service Desk Engineer will establish a Trouble Ticket # for the incident and tracking purposes.
- Once a Trouble Ticket # has been established, a Managed Service Desk Engineer will assess the trouble via gaining access via In-Band network facilities or Out-of-Band Management (OBM) equipment remote access facilities if available, to determine if the trouble is concerning a circuit issue, equipment issue, power failure, or change in IP routing scheme.
- ACS will attempt to notify the customer of the assessed situation and course of action in as short of a timeframe as workload allows. (ACS cannot guarantee a specific notification time, however, the goal is within 15-30 minutes).
- If the trouble is deemed to be a circuit issue, ACS will dispatch a technician in accordance with established policies. I-NMC personnel and the customer will maintain communication during this service restoration process. On-going trouble may be escalated via the Escalation Process.
- If the trouble is deemed an Equipment or IP Routing Scheme issue, the Trouble Ticket will be escalated to an IP Engineer, if needed. ACS may initiate a 3rd Party or Manufacturer case for study or equipment replacement. Replacement or restoration timeframes are governed only by Service Level Agreements that apply to those specific ACS services that come with a SLA.
- Trouble Tickets will be worked until problem is resolved or deemed a customer network issue. Engineering Fees may be applied to support or resolve customer network issues at ACS' then prevailing rates.
- Upon trouble resolution or repair, ACS will close the Trouble Ticket and document the resolution for historical purposes.



Enterprise Services Agreement

4.0 Communications Guideline

4.1 Network Issues:

- Identify circuit or hardware with problem.
- Initiate a call to I-NMC Help Desk and provide specific circuit #, hardware, port, or interface that is experiencing the trouble.
- Describe trouble and establish a Trouble Ticket # for tracking purposes. This will be provided verbally to you.
- Email ACS.Managed.Services@ACSalaska.com with description of problem and steps outlined for preliminary trouble shooting and course of action needed for tracking purposes (both customer & IP Monitoring).
- Trouble shooting flow will follow Escalation Policy.
- If you are not receiving timely resolution, please reference the Escalation Policy and call the Managed Services Help Desk and request that your ticket be escalated to the next person in command with final escalation reaching an ACS VP Executive.

4.2 Service Modifications:

- Clearly define in an email to ACS.Managed.Services@ACSalaska.com your request for the network change.
- An IP Engineer will email or phone you with clarity on the request and will establish a course of action, to include, contacting the sales person to perform any new pricing or engagement of a Sales Engineer for a new network design.
- Standard response is (2) - (10) business days for basic changes or coordination on course of action in preparation for more complex changes.
- If this process is not achieved in the parameters stated above, please reference the Escalation Policy and request to speak with the responsible party of higher authority, as well as, contacting your Account Manager or their Sales Manager.
- Please follow all verbal communications up with an email for tracking purposes (both customer & IP Provisioning).

4.3 Request for Additional Services (not MAC related):

- Call and or Email your Account Manager who will engage a Sales Engineer to address your needs.
- If your needs are not addressed in a timely manner please escalate to your Account Manager's Sales Manager.

5.0 Sales Support

<u>Contact and Email</u>	<u>Office</u>	<u>Cell</u>
Enterprise Sales Support acsalesupport@acsalaska.com	(907) 564-7301	

6.0 ESCALATION POLICY AND PROCEDURE

Managed Service Desk Notification Number: (907) 565-4ACS (Note: 565-4227)

7.1 Priority Level Classification

All problems that are reported to the Managed Service Desk will be classified by the Managed Service Desk as follows:

Priority 1	Priority 2	Priority 3
No Access	Degraded Access	Other and Informational
An existing network is "down" or	Operation of an existing network is	Operational performance of the



Enterprise Services Agreement

there is a critical impact to your business operations.	severely degraded, or significant aspects of your business operation are negatively impacted by inadequate performance of services.	network is impaired while most business operations remain functional.
You and ACS will commit any necessary resources around the clock to resolve the situation.	You and ACS will commit full-time resources during normal business hours ¹ to resolve the situation.	You and ACS are willing to commit resources during normal business hours ¹ to restore service to satisfactory levels.

¹ Normal business hours are defined as 8am to 5pm M-F excluding Holidays.

7.2 Call Back Commitment Guideline.

When first contact is made, the Managed Service Desk will provide the customer with a response commitment. The response commitment defines when the Managed Service Desk will communicate with the customer via (telephone, fax, or email) to provide status regarding problem resolution.

- Priority 1 response commitment for problems shall not exceed one (1) hour unless otherwise agreed to by the customer.
- Priority 2 and Priority 3 response commitment should be agreed to with the customer based upon a case-by-case situation.

7.3 Escalation Procedure.

The Managed Service Desk team will follow the timeline below when working to resolve customer problem reports. The focus of the escalation procedure is to notify the appropriate personnel who will assist in escalating to ensure the correct talent is involved. The Managed Service Desk Lead will be responsible for escalation above the Managed Service Desk.

Time from beginning of incident until escalation is required	Escalation Level	Notification Contact and Email	Phone Number	
			Office	Cell
		Managed Service Desk ACS.Managed.Services@acsalaska.com	(907) 565-4227	
1 Hour	1	On Duty, MSD Foreman ACS.Managed.Service@acsalaska.com	(907) 564-1643	
4 Hours	2	Sr. Manager Network Management	(907) 565-6611	(907) 440-8815
8 Hours	3	VP Network Planning & Engineering	(907) 550-8375	(907) 440-7965
24 Hours	4	Senior VP, Technology Services	(907) 564-3322	(907) 441-5906

7.4 Customer Responsibilities.

Prior to calling the Managed Service Desk the customer should have the Circuit ID, location information and be approved to authorize billable charges.



DEDICATED INTERNET ACCESS Service Description

Attachment to Enterprise Services Agreement

1. Service Description

ACS Dedicated Internet Access Service is an Enterprise class Internet service, which provides your business with Internet content. Dedicated Internet Access service provides stable, bandwidth specific, 24-hour content to your facility. Dedicated Internet Access is provided via any form of our Access Services. Dedicated Internet Access for the business market is delivered over a dedicated copper pair or fiber service from the nearest ACS Internet POP to your business, is available in a range of speeds from 384Kbps to 1Gbps, and can be tailored to match your specific requirements.

2. Service Features

- 2.1. Dedicated bandwidth directly to the IP Core
- 2.2. Scalable connection speeds to suit your business needs
- 2.3. Dedicated connection to ACS' Carrier Class network
- 2.4. Multiple connectivity options
- 2.5. 24x7 Monitoring & Technical Support

3. Rates.

Rates are charged on a per Megabyte basis.

4. Limitations.

Service must be purchased in conjunction with any form of ACS wireline broadband services.

5. Service Levels

Measure	Network Availability	Traffic Latency		Outage Reporting
	Percentage	Average (ms)	Maximum (ms)	Call within Time
DIA	99.90%	150	200	15 Minutes

Specific Measurement Calculations:

$$\text{Availability \%} = \frac{100 \times (((\text{minutes/month}) \times (\text{number of sites})) - (\text{outage minutes} \times \text{affected sites}))}{(\text{minutes/month}) \times (\text{number of sites})}$$

Traffic Latency

$$\text{Average: } \frac{(\text{Cumulative samples of end-to-end, roundtrip delay for bronze MPLS traffic})}{(\text{Number of Delivered Samples})}$$

$$\text{Maximum: } \frac{(\text{Total Number of Delivered Samples})}{(\text{Number of Delivered Samples} > \text{Maximum Threshold})}$$

5.1 Exceptions:

Notwithstanding anything in these SLAs to the contrary, Customer shall not receive any credits under this Service Element SLA in connection with any failure or deficiency of a CPE or the MPLS Services caused by or associated with:

- Unavailability of or interruption or delay in third party services
- Failure of third party software



- Failure of Customer's applications, equipment, or facilities
- Inability to obtain raw materials, supplies, or power used in or equipment needed for provision of the MPLS Network SLAs
- Failure of equipment of Customer (i.e., equipment not specified and/or managed by ACS) used in connection with the MPLS Services
- Failure of any component not included in Definitions given above
- Scheduled maintenance as defined above
- False SLA breaches reported as a result of outages or errors of any ACS measurement system
- Customer's failure to promptly notify ACS of any failure of the MPLS Services of which it becomes aware, including without limitation, Customer's CPE
- Customer's failure to provide ACS with the required access to Customer-Provided MPLS Network Edge Router Facilities as defined in the Definitions section that may be provided by customer
- Customer's handling of any ACS managed IP CPE other than as provided in ACS's terms and conditions
- Acts or omissions of Customer (or acts or omissions of others engaged or authorized by Customer), including without limitation, any negligence, willful misconduct, or use of the MPLS Network or ACS services (including the MPLS Services) in breach of ACS's terms and conditions governing the provision of such services or ACS's Acceptable Use Policy.
- Failure of any components that ACS cannot correct because Customer premises equipment is inaccessible.
- Interruption of or delay in transportation such as road closings, emergency response vehicles, etc.
- Circumstances beyond the control of ACS or Force Majeure events (as defined in the applicable service agreement)



Exhibit II Summary

Quote Date **April 15, 2015**

Customer Legal Name: **City of Kodiak**
 Customer Billing Address: **710 Mill Bay Road**
 Customer Contact: **Lee or David**
 Phone Number: **[907] 260-8607**
 Email Address: **[907] 260-8607**

Customer Want Date: **Proposal/Budgetary**
 Existing Customer?: **YES**
 Acct #: **[907] 398-1554**

ACS Account Manager: **Yvonne Pierce**
 Account Manager Email: **Yvonne.Pierce@acsalaska.com**
 Account Manager Phone: **[907] 260-8607**
 Sales Engineer: **Mark Hartman**
 O: **[907] 564-1288**

Scope of Work
 ACS will provide a (8) Site VPLS Layer 2 WAN network with Internet Access consisting of the seven address locations below along with associated speeds. Each location ACS will handoff an Ethernet connection (CAT5) to the customer.

Site Name	Address	Number of Sites	BW	MRC	NRC
1	Police Dept 2160 Mill Bay Road, Kodiak	8	100 \$	629 \$	-
2	Harbor 403 Marine Way, Kodiak		10 \$	277 \$	-
3	Public Works 2410 Mill Bay Road, Kodiak		10 \$	277 \$	-
4	Waste Water 2853 Spruce Cape Road, Kodiak		10 \$	277 \$	-
5	Parks and Rec 1222 Chichenof Street, Kodiak		10 \$	277 \$	-
6	Fire Dept 219 Mill Bay Road, Kodiak		100 \$	629 \$	-
7	City Hall 710 Mill Bay Road, Kodiak		270 \$	2,441 \$	-
8	Pool 800 Mill Bay Road, Kodiak		10 \$	277 \$	-
			TOTAL MRC \$	5,084	
			TOTAL NRC \$	-	

1st Month Bill Pro-rated
 Taxes and Surcharges Not Included
 Early Termination Liability Applies

Alaska Communications Authorized Signature: _____
 Date of Signature: _____

Customer Authorized Signature: _____
 Date of Signature: _____

Alaska Communications Authorized Printed Name _____

Customer Authorized Printed Name _____

This document, along with the Alaska Communications Standard Enterprise Services Terms and Conditions, and any attached Exhibits and/or Attachments, including but not limited to Service Descriptions, Scope of Work, Network Topology, Deployment Schedules, and Test and Acceptance Documents constitutes the entire agreement between the customer and Alaska Communications for the services, products, agreement term, and prices listed above. Customer authorized representative signature indicates customer acceptance of the terms and rates provided herein. Rates, services, and scope of work provided herein are valid for 30 days from the date shown unless otherwise executed as agreement. The person signing above on behalf of the companies indicated herein certifies that he/she has (1) read and understood the Alaska Communications Standard Enterprise Services Terms and Conditions, and (2) is authorized to sign this Contract on behalf of the entities listed herein. Accordingly, the parties have signed this Contract as of the date set forth above.

Customer Legal Name: **City of Kodiak**
 Customer Billing Address: 710 Mill Bay Road
 Customer Contact: Lee or David
 Phone Number: [907] 260-8607
 Email Address: [907] 398-1554

Customer Requested Due Date: []
 Existing Customer? YES
 Account # []
 Yvonne Pierce
 Yvonne.Pierce@acsalaska.com
 Mark Hartman
 Mark.Hartman@acsalaska.com

Phone: [907] 260-8607
 Mobile: [907] 398-1554
 Phone: [907] 564-1288
 Mobile: [907] 223-6546

Date: 04/15/15
 Proposal Good for 30 Days
 Number of Sites: 8
 TOTALS: MRC \$ 5,084
 NRC \$ -



EXHIBIT II

Location:	Police Dept	Street:	2160 Mill Bay Road	City:	Kodiak	TERM	3 Year	
Contact:	Lee or David	Phone:	907 486 8519	Email:				
SERVICES	EME<->VPLS	NO	UNIT	TYPE	CoS	NOTES	MRC PRICE	NRC PRICE
Ethernet Private LAN (L2EPLAN)			100	Mbps Access	CosGold	Main site feed by Fiber- EPLAN 1	\$ 629	\$ -
			0					
Clear Information			100			Restore Pricing Formulas	TOTAL \$ 629	\$ -

Location:	Harbor	Street:	403 Marine Way	City:	Kodiak			
Contact:	Lee or David	Phone:	907 486 8519	Email:				
SERVICES	EME<->VPLS	NO	UNIT	TYPE	CoS	NOTES	MRC PRICE	NRC PRICE
Ethernet Virtual Private LAN (L2EVPLAN)			10	Mbps Access	Cos127	EPLAN 2	\$ 277	\$ -
						Inside Wiring Details:		
			10	Bandwidth			TOTAL \$ 277	\$ -

SITE 1

SITE 2

Customer Legal Name **City of Kodiak** Customer Requested Due Date **Proposal/Budgetary**

Location: Public Works		Street: 2410 Mill Bay Road		City: Kodiak	
Contact: Lee or David		Phone: 907 486 8519		Email:	
SERVICES	EME<->VPLS	NO	UNIT	TYPE	CoS
Ethernet Virtual Private LAN (L2EVPLAN)					
			10	Mbps Access	CoS127
					EVPLAN 2
				Inside Wiring Details:	
			10	Bandwidth	
			TOTAL	\$	277 \$

SITE 3

Location: Waste Water		Street: 2853 Spruce Cape Road		City: Kodiak	
Contact: Lee or David		Phone: 907 486 8519		Email:	
SERVICES	EME<->VPLS	NO	UNIT	TYPE	CoS
Ethernet Virtual Private LAN (L2EVPLAN)					
			10	Mbps Access	CoS127
					EVPLAN 2
				Inside Wiring Details:	
			10	Bandwidth	
			TOTAL	\$	277 \$

SITE 4

Location: Parks and Rec		Street: 1222 Chichenof Street		City: Kodiak	
Contact: Lee or David		Phone: 907 486 8519		Email:	
SERVICES	EME<->VPLS	NO	UNIT	TYPE	CoS
Ethernet Virtual Private LAN (L2EVPLAN)					
			10	Mbps Access	CoS127
					EVPLAN 2
				Inside Wiring Details:	
			10	Bandwidth	
			TOTAL	\$	277 \$

SITE 5

Customer Legal Name		City of Kodiak		Customer Requested Due Date		Proposal/Budgetary		!!!			
Comments:											
Quote Provided By											
Account Manager		Yvonne Pierce		Phone		(907) 260-8607		Email			
Sales Engineer		Mark Hartman		Phone		(907) 564-1288		Email			
								Yvonne.Pierce@acsalaska.com			
								Mark.Hartman@acsalaska.com			
								TOTAL MRC		\$ 5,084	
								TOTAL NRC		\$ -	



Alaska Communications Business Services Agreement

Order Type: <input type="checkbox"/> New <input checked="" type="checkbox"/> Existing <input type="checkbox"/> Win Back <input type="checkbox"/> Move						
Market:	<input type="checkbox"/> Anchorage	<input type="checkbox"/> Delta Junction	<input type="checkbox"/> Fairbanks	<input type="checkbox"/> Homer	<input type="checkbox"/> Juneau	<input type="checkbox"/> Kenai
	<input checked="" type="checkbox"/> Kodiak	<input type="checkbox"/> North Pole	<input type="checkbox"/> Sitka	<input type="checkbox"/> Soldotna	<input type="checkbox"/> Other:	

Customer Information			
Name of Business:	City of Kodiak	Account Number:	Multiple
Billing Address – Line 1:	PO Box 1397	Service Street Address*:	Multiple
Billing Address – Line 2:		Service Address – Line 2:	
City, State Zip:	Kodiak, AK 99615	Service City, State Zip*:	
Order Contact:	Lee Peterson	Contact Phone #	486-8619
Contact Email:	lpeterson@city.kodiak.ak.us	Customer Reference #	
Requested Due Date(s):		Inside Wiring Requested?	<input type="checkbox"/> No <input type="checkbox"/> Yes (Detail in Notes)

* If multiple addresses, state "Multiple" here and note specific addresses below.

Service Order Information			
<input checked="" type="checkbox"/> Local Service Order	3 Years	<input type="checkbox"/> Business Easy Choices	N/A
<input type="checkbox"/> Business Internet (DSL)	N/A	<input type="checkbox"/> Preferred Long Distance	N/A
<input type="checkbox"/> Metro Ethernet	N/A	<input checked="" type="checkbox"/> Gold Long Distance	3 Years
<input type="checkbox"/> Business Extreme Broadband (BxB)	N/A	<input type="checkbox"/> Toll Free Number Request	N/A
<input checked="" type="checkbox"/> PRI 3 Years	<input type="checkbox"/> SIP Trunking N/A	<input type="checkbox"/> Private Line N/A	<input type="checkbox"/> DSS N/A

SMALL BUSINESS BUNDLES			
<input type="checkbox"/> Centrex	N/A	3 Year Term	<input type="checkbox"/> Voice over Internet N/A 3 Year Term

Additional Information
Add Gold .05/.05 Inter/Intrastate Long Distance to all accounts.
~Account 1044133: Add 3 Year Business Partner Plan Contract and Alaska Communications Special Discount of \$33.24/month. Monthly charges will be \$99.26 + taxes/surcharges
~Account 1144615: Add 3 Year Business Partner Plan Contract. Monthly Charges will be \$67.20 + taxes/surcharges
~Account 1047035: Add 3 Year Business Partner Plan Contract and Alaska Communications Special Discount of \$833.50/month. Renew PRI Circuits for 3 years 45.ISPA.114379..ACS and 45.ISPA.114377..ACS. Monthly Charges will be \$2,954.82 + taxes/surcharges
~Account 1044134: Add 3 Year Business Partner Plan Contract. Monthly Charges will be \$1,357.40 + taxes/surcharges
~Account 1046856: Add 3 Year Business Partner Plan Contract. Monthly Charges will be \$403.20 + taxes/surcharges
~Account 1044991: Add 3 Year Business Partner Plan Contract and Alaska Communications Special Discount of \$16.67/month. Monthly Charges will be \$16.03 + taxes/surcharges
~Account 1045475: Add 3 Year Business Partner Plan Contract and Alaska Communications Special Discount of \$16.67/month. Monthly Charges will be \$83.23 + taxes/surcharges
~Account 1162310: Add 3 Year Business Partner Plan Contract and Alaska Communications Special Discount of \$83.35/month. Monthly Charges will be \$828.95 + taxes/surcharges
 **Total Monthly Savings \$1,550.02

Letter of Authorization (For Local and Long Distance Carrier Changes)
 I desire to change the Services marked below to Alaska Communications for the numbers listed on the Service Order. I authorize orders to be placed for me on my behalf by Alaska Communications.

Local Telephone Service
 In-State Long Distance
 Out-of-State Long Distance

I agree that Alaska Communications may provide Customer Proprietary Network Information (CPNI) detail to me or any employee or agent of mine at my request, without the need for further authentication or authorization, based on the methods specified in the **Confidentiality and Privacy** section of the **Alaska Communications Business Services Agreement**.

I acknowledge I have received and read this Alaska Communications Business Services Agreement and applicable Service Pricing (collectively "**Agreement**"), and that I am authorized to sign, and if signing on behalf of an entity, I represent that I am authorized to sign on its behalf, and I agree to be jointly responsible with the entity for payment of any sums that become due under, and to be bound by the rates, terms and conditions for Services as described in the Agreement (including limitation of liability and arbitration provisions). The Agreement, referenced documents in the Agreement, and any attachments as described above, are the complete and exclusive statement of the Agreement between Alaska Communications and me, and supersede all other proposals, oral or written, and all other communications between Alaska Communications and me relating to the Services. Services under this Agreement may provide for a minimum term commitment as noted above, and **I UNDERSTAND AND AGREE THAT EARLY TERMINATION MAY RESULT IN EARLY TERMINATION CHARGES.**

	<u>Customer</u>	<u>Alaska Communications</u>
Signature:	_____	_____
Name:	_____	_____
Company:	City of Kodiak	Alaska Communications
Date:	_____	_____

Alaska Communications Business Services Agreement

PLEASE READ CAREFULLY. By signing the Alaska Communications Business Services Agreement, You have agreed to be bound by the terms contained herein and the applicable service descriptions. This Agreement constitutes an agreement between ACS Long Distance, LLC, ACS Internet, LLC., and subsidiaries, affiliates, agents, and/or licensors (collectively "Alaska Communications", "we" or "us"), and the end-user customer subscribing to the Services, including employees, directors, agents and representatives ("Customer" or "You"). The Effective Date of this Agreement for any individual Service is the date on which You subscribe to or use the Service. Your signature represents and warrants that You are at least 18 years of age and that You possess the legal right and ability to enter into this Agreement. You represent and warrant that Your business name and contact information are true and correct. You agree to be responsible for Your use of the Services and the use of anyone who uses or accesses any Service provided to You ("User"). When You apply for, subscribe to or use the Service after the Effective Date, You are accepting the terms of this Agreement. If You do not agree with the terms of this Agreement, You must notify Alaska Communications prior to the Effective Date to disconnect the Services and terminate the Agreement. You will be responsible for all applicable charges incurred prior to termination. THIS AGREEMENT CONTAINS AN ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

1. Services Covered. This Agreement applies to Alaska Communications Services to which You subscribe, except for Services provided under (a) a Tariff; or (b) another agreement between You and Alaska Communications (unless that other agreement references this Agreement) ("Services"). This Agreement does not apply to wireless services or products. Upon the expiration of any applicable term commitment, if You have not requested that Services be disconnected, this Agreement will continue on a month to month basis until Services are disconnected or You enter into another agreement with Alaska Communications for the Services, whichever occurs first. Rates applicable under this Agreement may be subject to change upon the expiration of any applicable term commitment.

2. Responsibilities of the Parties. Alaska Communications will provide Services to You, subject to availability and operational limitations of systems, facilities and equipment and subject to the terms of this Agreement. You are responsible in all instances for the use of the Services by any Users of the Services provided to You. YOU ARE RESPONSIBLE FOR MAINTAINING THE CONFIDENTIALITY OF ANY PASSWORDS, PINS OR OTHER CONFIDENTIAL INFORMATION REQUIRED TO ACCESS THE SERVICES. YOU ARE RESPONSIBLE AND LIABLE FOR ALL ACTIVITIES CONDUCTED THROUGH YOUR ACCOUNT, EVEN IF THESE ACTIVITIES OCCUR WITHOUT YOUR PERMISSION. YOU AGREE TO NOTIFY ALASKA COMMUNICATIONS IMMEDIATELY AND IN WRITING OF ANY UNAUTHORIZED OR FRAUDULENT USE OF YOUR ACCOUNT. YOU AGREE TO INDEMNIFY ALASKA COMMUNICATIONS AGAINST ANY AND ALL THIRD PARTY CLAIMS AND ALL RELATED LIABILITIES ARISING OUT OF OR RELATING TO, THE USE OF YOUR ACCOUNT. ALASKA COMMUNICATIONS WILL NOT BE LIABLE FOR ANY DAMAGES RESULTING FROM THE UNAUTHORIZED OR FRAUDULENT USE OF YOUR ACCOUNT. ALASKA COMMUNICATIONS RESERVES THE RIGHT, AT ITS SOLE DISCRETION, TO CHANGE CERTAIN ACCOUNT INFORMATION, INCLUDING YOUR PIN OR PASSWORD, IF IT BELIEVES SUCH CHANGES ARE REASONABLY NECESSARY TO PREVENT FRAUDULENT USE OF YOUR ACCOUNT OR TO ASSIST ALASKA COMMUNICATIONS IN PROVIDING OR UPGRADING THE SERVICES. You are responsible for ensuring that all of the equipment used with the Services is compatible with the Services. You may not resell the Services to third-parties without Alaska Communications' written consent. You must comply with the Alaska Communications Acceptable Use Policy ("AUP") which may be modified from time to time and is available on our website at www.alaskacommunications.com, and incorporated herein by reference as if originally set forth here. Your continued use of Services after the effective date of a modification to the AUP constitutes your agreement to its terms as modified. You must comply with all applicable state and federal laws and regulations. "Content" includes information made available, displayed or transmitted in connection with the Services. No action or inaction by Alaska Communications shall constitute review or approval of any use or Content. If You suspect that the Services provided to You have been fraudulently used, You must notify Alaska Communications immediately, and You are solely responsible for the access and use by all Users of the Services. You shall defend, indemnify and hold harmless Alaska Communications from and against all damages arising out of third party claims relating to You or any Users' use of the Services or Content or performance of the Services.

3. Access to Premises and Hazards. You agree to grant access to, or obtain permission for Alaska Communications to access, premises and equipment that are not under Alaska Communications control to provide the Services. You agree to cooperate with Alaska Communications' efforts to procure such access rights for the portions of the property not under Your control. Access includes the right to construct, install, repair, maintain, replace and remove access lines and network facilities, as well as the use of ancillary equipment space within the building necessary for connection to Alaska Communications network using Alaska Communications-owned or Alaska Communications-leased facilities; and You further agree to make such access available 24 hours a day, 7 days a week. You agree to ensure that premises at which Alaska Communications installs, maintains or provides Services is free of any hazards that pose an unreasonable risk to health, safety or property of Alaska Communications and its employees. If Alaska Communications encounters any such hazards at a Service location, Alaska Communications may terminate the affected Service, or suspend performance until You remove the hazard.

4. Equipment and Software. The Services may include use of certain equipment owned, leased or controlled by Alaska Communications that is located at Your premises, including but not limited to telephones, modems, and routers, ("Alaska Communications Equipment"). Title to Alaska Communications Equipment will not pass to You. Upon termination of Your Services, all equipment must be returned to Alaska Communications. Software may be provided subject to the terms of a separate license between You and the licensor or the manufacturer. Your placement of an order for software is Your agreement to comply with such separate agreement. All Software is provided "AS IS" without warranty of any kind.

5. Ownership and Proprietary Rights. Except for Internet Protocol addresses ("IP addresses"), domain names and telephone numbers expressly registered in Customer's name, all IP addresses, Alaska Communications-based domain names and telephone numbers shall remain, at all times, the property of Alaska Communications and shall be nontransferable. You shall have no right to use such IP addresses, Alaska Communications-based domain names or telephone numbers upon termination or expiration of the applicable Service. You acknowledge and agree that any and all intellectual property rights ("IP Rights") associated with the Services are, and shall remain, the exclusive property of Alaska Communications and/or its licensors. Nothing in this Agreement is intended to or shall transfer any IP Rights to, or to vest any IP Rights in You. You are only entitled to the limited use of the IP Rights granted to You in this Agreement. You agree that You will not take any action to jeopardize, limit or interfere with any IP Rights. You acknowledge and agree that any unauthorized use of the IP Rights is a violation of this Agreement, as well as a violation of applicable intellectual property laws. You acknowledge and understand that all title and rights in and to any third party content that may be accessed through the Services is the property of the respective content owners and may be protected by applicable patent, copyright, or other intellectual property laws and treaties. You may not copy, distribute, sell, resell, license, sub-license, reproduce, disclose, lend, transfer, convey, modify, decompile, disassemble or reverse engineer the Services and/or any of Alaska Communications' technology or software for any purpose whatsoever.

6. Charges/Payments. You agree to pay Alaska Communications for all use of the Services at the charges specified in the Service Order, as amended in writing from time to time, without deduction, setoff or delay for any reason. When payment for Service is made by check, applicable fees will be

charged for each check returned to Alaska Communications unpaid for any reason, whether or not the check was returned for insufficient funds. A service charge of 1.5% per month, or the maximum rate allowed by law, will be added to past due accounts. Payments mailed to Alaska Communications will be deemed made only when received and credited to Your account. Alaska Communications may require You to pay a deposit as a condition of providing Services. Payment of a deposit does not relieve You from Your obligation to pay for Services when due, and does not affect Alaska Communications' right to suspend or disconnect Services for nonpayment. Alaska Communications has the right to apply the deposit against any past due amounts at any time. At the termination of this Agreement, Alaska Communications will refund any deposit balance remaining, without interest. You authorize Alaska Communications to investigate Your credit and share information about You with credit reporting agencies.

7. Payment Disputes. You must provide written notice to Alaska Communications specifically identifying all disputed charges and the reason for nonpayment within 60 days after the date of the invoice, or You waive the dispute. Payment of such disputed charges will not be considered overdue pending investigation by Alaska Communications, provided that nothing contained in this Agreement shall relieve You of promptly paying all undisputed charges and providing reasonable security for payment of any withheld amounts upon demand by Alaska Communications. Payment of any disputed charges that are determined by Alaska Communications to be correct as a result of such investigation must be paid within fourteen (14) days of Alaska Communications' notice to You, and the amounts due will be assessed the service charge, calculated from the date that payment was originally due.

8. Termination / Disconnection of Service. If you want to disconnect or modify any Service or delete one or more sites, you must provide Alaska Communications with 30 days prior written notice. You will be responsible for all charges incurred until Services are disconnected. Alaska Communications may suspend or disconnect a Service and terminate the Agreement if You: (i) fail to pay any charges when due; (ii) utilize the Services to commit a crime; or (iii) fail to perform or observe any material term of this Agreement. Additionally, if Alaska Communications determines that Your data usage patterns are inconsistent with its AUP, Alaska Communications may immediately suspend, restrict or disconnect Services without prior notice. Alaska Communications may disconnect Services and terminate this Agreement immediately upon notice to You if You become insolvent, cease operations, are the subject of a bankruptcy petition, or You have made an assignment for the benefit of creditors. You may terminate this Agreement by giving written notice to Alaska Communications no later than 30 days prior to the date of termination. You will be responsible for all charges incurred until Services are disconnected. You must take all reasonable steps required by Alaska Communications to disconnect the Services. If You disconnect some but not all of the Services, this Agreement remains in effect for those Services that are not disconnected. You are liable for all charges related to a Service until the Services are disconnected according to Alaska Communications' standard practices. If You terminate Services prior to any minimum term commitment You have agreed to pursuant to this Agreement and the Service Order, You will be subject to Early Termination Charges as identified below, or in an applicable tariff. Following any termination, You will be responsible for payment of all amounts due under this Agreement as of the last day of the calendar month in which Your termination is effective and such payment must be made within thirty (30) days of the termination effective date.

9. Early Termination Charges: If You terminate this Agreement, or discontinue selected Services prior to the completion of Your minimum term commitment, Early Termination Charges will apply, which may include charges required by tariff, repayment of all discounts and installation fees, payment of the Monthly Recurring Charges (MRC) multiplied by the number of months remaining in the then-current Agreement term, and any termination charges imposed by any access providers. All Alaska Communications Equipment must be returned to Alaska Communications upon termination. Due to the special nature of this transaction, You and Alaska Communications acknowledge and agree that in the event of an early termination by You, (i) it will be impractical or extremely difficult to determine damages suffered by Alaska Communications, (ii) You wish to have a limitation placed upon Your potential liability to Alaska Communications for Your early Termination, and (iii) the Early Termination Charge represents a reasonable estimate of the damages which Alaska Communications will sustain in such event. Notwithstanding the foregoing, You will have no liability for Early Termination Charges in the event of termination as a result of a breach by Alaska Communications or a Force Majeure event as described below.

10. Confidentiality and Privacy. You and Alaska Communications are responsible for complying with the privacy laws to which each is subject and will not disclose any confidential information pertaining to the other unless required to do so under applicable law or regulation. You understand that information on rates and Services You receive from Alaska Communications may contain specialty pricing that is confidential and proprietary to Alaska Communications, and You agree to maintain that information as confidential from all other telecommunications providers. Under federal law Alaska Communications has a duty to protect the confidentiality of Your Customer Proprietary Network Information (CPNI), which is information Alaska Communications obtains solely as a result of providing services to You. CPNI includes the quantity, technical configuration, types, destination, location and amount of use of telecommunications services You purchase and similar information on Your bills. In order to better serve You and to identify, offer and provide new products and services tailored to meet Your specific needs, Alaska Communications needs Your permission to share this information among our company affiliates, agents and contractors. If checked on page 1 of the Agreement, You agree to permit Alaska Communications to share Your CPNI among these authorized entities. Your permission remains valid until You notify us that You wish to withdraw it, which You can do at any time by calling Alaska Communications at 800-808-8083. Withdrawing Your permission will not affect the status of any Services You currently have with Alaska Communications. If you agreed on page 1 of the Agreement that Alaska Communications may provide Your CPNI to You without further authentication, Alaska Communications will provide CPNI detail to You in response to Your requests either when You contact Your assigned Alaska Communications Business sales representative directly by telephone or email, or You submit a request by FAX or email on Your company's letterhead signed by Your authorized representative. Please note that Alaska Communications may also disclose CPNI to comply with any laws, court orders or subpoenas or as necessary to provide You Services.

11. Disclaimer of Warranties, Limitation of Liability and Indemnification.

a. **Disclaimer of Warranties.** The Services are provided "AS IS" and "AS AVAILABLE." ALASKA COMMUNICATIONS MAKES NO EXPRESS OR IMPLIED WARRANTY AND DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, DIRECT OR INDIRECT, EXPRESS OR IMPLIED, WRITTEN OR ORAL, INCLUDING BUT NOT LIMITED TO, IMPLIED OR EXPRESS WARRANTIES OF SUITABILITY, DURABILITY, MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT OR THOSE ARISING FROM USAGE OF TRADE OR COURSE OF DEALING WITH RESPECT TO THE (1) SERVICES OFFERED, (2) EQUIPMENT USED TO PROVIDE SERVICES, (3) SOFTWARE USED TO ACCESS INTERNET RESOURCES, INCLUDING SOFTWARE MADE AVAILABLE BY ALASKA COMMUNICATIONS INTERNET, IF ANY, AND (4) ANY AND ALL CONTENT WHICH MIGHT BE ENCOUNTERED ON THE INTERNET FROM TIME TO TIME. THE ENTIRE RISK ASSOCIATED WITH THE USE OF THE SERVICES SHALL BE BORNE SOLELY BY YOU. ALASKA COMMUNICATIONS MAKES NO WARRANTY THAT TELEPHONE CALLS OR OTHER TRANSMISSIONS WILL BE CORRECTLY ROUTED OR COMPLETED WITHOUT ERROR OR INTERRUPTION (INCLUDING CALLS TO 911). ALASKA COMMUNICATIONS MAKES NO WARRANTY ON UP-TIME, MEAN-TIME BETWEEN FAILURES, QUALITY OF SERVICE, OR THE QUALITY OF VOICE OR FAX COMMUNICATIONS. ALASKA COMMUNICATIONS MAKES NO WARRANTY THAT THE SERVICES WILL MEET YOUR REQUIREMENTS, OR THAT THE SERVICES WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR FREE. ALASKA COMMUNICATIONS IS NOT RESPONSIBLE FOR MESSAGES OR INFORMATION LOST OR MISDIRECTED DUE TO INTERRUPTIONS OR FLUCTUATIONS IN THE SERVICES OR THE INTERNET IN GENERAL. ALASKA COMMUNICATIONS DOES NOT WARRANT THE ACCURACY OR RELIABILITY OF THE RESULTS OBTAINED THROUGH USE OF THE

SERVICES OR ANY DATA OR INFORMATION DOWNLOADED OR OTHERWISE OBTAINED OR ACQUIRED THROUGH THE USE OF THE SERVICES. YOU ACKNOWLEDGE THAT ANY DATA OR INFORMATION DOWNLOADED OR OTHERWISE OBTAINED OR ACQUIRED THROUGH THE USE OF THE SERVICES IS AT YOUR SOLE RISK AND DISCRETION AND ALASKA COMMUNICATIONS WILL NOT BE LIABLE OR RESPONSIBLE FOR ANY DAMAGE TO YOU OR YOUR PROPERTY. ALASKA COMMUNICATIONS MAKES NO REPRESENTATIONS OR WARRANTIES THAT THE SERVICES ARE FREE OF RIGHTFUL CLAIMS OF ANY THIRD PARTY FOR INFRINGEMENT OF PROPRIETARY RIGHTS. NO ADVICE OR INFORMATION, WHETHER ORAL OR WRITTEN, OBTAINED BY YOU FROM ALASKA COMMUNICATIONS, ITS EMPLOYEES, OR THROUGH OR FROM THE SERVICES SHALL CREATE ANY WARRANTY NOT EXPRESSLY STATED IN THESE TERMS AND CONDITIONS. NO WARRANTY IS MADE AS TO THE COVERAGE AVAILABILITY OR GRADE OF SERVICE PROVIDED BY ALASKA COMMUNICATIONS. ALASKA COMMUNICATIONS' ENTIRE LIABILITY, AND YOUR EXCLUSIVE REMEDY, FOR ANY AND ALL DAMAGES, REGARDLESS OF THE FORM OF THE ACTION NOT CAUSED BY YOUR NEGLIGENCE, SHALL BE LIMITED AND CAPPED IN THEIR ENTIRETY TO THE APPLICABLE CREDITS SPECIFIED IN THE RELEVANT AND APPLICABLE TARIFF, OR IF NO CREDITS ARE SPECIFIED, AN AMOUNT EQUAL TO THE MONTHLY FEES ALASKA COMMUNICATIONS CHARGED YOU DURING THE ONE (1) MONTH IMMEDIATELY PRIOR TO THE DATE THAT THE EVENTS GIVING RISE TO THE ACTION OR CLAIM FIRST OCCURRED. THE LIMITATION OF LIABILITY REFLECTS THE ALLOCATION OF RISK BETWEEN THE PARTIES. THE LIMITATIONS SPECIFIED IN THIS SECTION WILL SURVIVE AND APPLY IN ANY AND ALL CIRCUMSTANCES.

b. **Limitation of Liability.** IN NO EVENT SHALL ALASKA COMMUNICATIONS, ITS OFFICERS, EMPLOYEES, AGENTS, PARTNERS AND LICENSORS BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO, DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, DATA OR OTHER INTANGIBLE LOSSES (EVEN IF ALASKA COMMUNICATIONS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), RESULTING FROM: (I) THE USE OR INABILITY TO USE THE ALASKA COMMUNICATIONS INTERNET SERVICES; (II) THE COST OF PROCUREMENT OF SUBSTITUTE GOODS AND SERVICES RESULTING FROM ANY GOODS, DATA, INFORMATION OR SERVICES PURCHASED OR OBTAINED OR MESSAGES RECEIVED OR TRANSACTIONS ENTERED INTO THROUGH OR FROM THE ALASKA COMMUNICATIONS INTERNET SERVICES; (III) UNAUTHORIZED ACCESS TO OR ALTERATION OF YOUR TRANSMISSIONS OR DATA; (IV) STATEMENTS OR CONDUCT OF ANY THIRD PARTY USING ALASKA COMMUNICATIONS INTERNET SERVICES; (V) IMPROPER INSTALLATION OF EQUIPMENT; OR (VI) ANY OTHER MATTER RELATING TO SERVICES. THIS LIMITATION OF LIABILITY SHALL APPLY REGARDLESS OF THE FORM OF THE ACTION, WHETHER FOR BREACH OF CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY IN TORT, OR OTHERWISE.

c. **Indemnification.** You shall defend, indemnify and hold harmless Alaska Communications, its officers, directors, employees, affiliates and agents, from and against any and all claims, demands, suits, liabilities, judgments, costs, causes of action, losses, expenses (including reasonable attorney's fees), and damages resulting from (1) any negligent acts, omissions or willful misconduct by You, (2) Your use of the Services including claims against anyone utilizing Your Alaska Communications Internet account, whether or not known or allowed by You., (3) any breach of this Agreement by You, (4) Your violation of any law or of any rights of any third party, (5) for libel, slander or infringement of copyright from the material transmitted using the Services, and (6) for any claim arising in any way, directly or indirectly, in connection with this Agreement or Your use of the Services. The provisions of this paragraph 10 are for the benefit of Alaska Communications and its officers, directors, employees, agents, licensors, suppliers, and any third-party information providers. Each of these individuals or entities shall have the right to assert and enforce those provisions directly against You on its own behalf. This indemnification obligation shall survive the termination of this Agreement. including claims against anyone utilizing Your Alaska Communications Internet account, whether or not known or allowed by You.

d. **Survival and Applicability.** These disclaimers, limitations of liability and indemnification provisions will apply regardless of the form of action, whether in contract, tort, strict liability or otherwise and whether damages were foreseeable. These disclaimers, limitations of liability and indemnification provisions will survive failure of any exclusive remedies provided in this Agreement.

12. Excusable Delay and Failure to Perform. Neither Party shall not be liable for any delay, failure in performance, loss or damages due to a force majeure event including but not limited to fire, theft, embargo, explosion, power failure or interruption, earthquake, avalanche, volcanic action, flood, war, water, the elements, labor disputes or unrest, including strikes, slowdowns, picketing, or boycotting, civil disturbances, any law, order, regulation, ordinance, or requirement of any government or legal body, or any representative of any such government or legal body, or military authority, acts of God or public enemies, inability to secure raw materials, inability to secure equipment or transportation facilities, acts or omissions of carriers, or other causes beyond the reasonable control of Alaska Communications.

13. Copyright Infringement and Alaska Communications Property Rights. Materials may be made available through the Service by third parties not within Alaska Communications' control. Alaska Communications is under no obligation to, and does not review content transmitted, sent or received using the Service for purposes of determining copyright infringement. However, Alaska Communications reserves the right to suspend Service or disconnect the Service and terminate the Agreement if You or a User infringes on others' copyrights.

14. UNIVERSAL SERVICE FUND CUSTOMER FILING REQUIREMENTS AND EARLY TERMINATION CHARGE WAIVER. The Universal Service Fund ("USF"), is administered by the Universal Service Administrative Company ("USAC"), and is a support program authorized by Congress to provide reduced rates to rural health care providers ("HCPs") and Schools and Libraries ("eRate Recipients") for telecommunications services and Internet access charges related to the use of telemedicine, tele-health, and school and library functions.

(a) HCPs are subject to certain filing requirements, which, if not met, will subject the HCP to direct billing from Alaska Communications for the full amount of the Services being provided. Alaska Communications requires that all HCPs receiving Services from Alaska Communications file all required forms including, but not limited to, Forms 466 and 466A with USAC for reimbursement within sixty (60) days after receipt of their first bill from Alaska Communications. If an HCP fails to comply with the above requirements, Alaska Communications will directly bill the HCP for the full amount of the Services. Alaska Communications will use the Application Status report on the USAC website to determine the filing status of the forms being submitted at <http://www.usac.org>.

(b) USAC also funds a Schools and Library Program ("eRate Program"). Schools and Library Recipients of eRate funding are required to meet certain eligibility and filing requirements. Schools and Library eRate Recipients are subject to certain filing requirements, which, if not met, will subject the Schools and Library eRate Recipients to direct billing from Alaska Communications for the full amount of the Services being provided. Alaska Communications requires that all Schools and Library eRate Recipients receiving services from Alaska Communications file all required forms including, but not limited to, Form 486 with USAC for reimbursement within sixty (60) days after receipt of their first bill from Alaska Communications. If a School or Library fails to comply with the above requirements, Alaska Communications will directly bill the School or Library for the full amount of the services. Alaska Communications will use the Application Status report on the USAC website to determine the filing status of the forms being submitted at <http://www.usac.org>.

(c) **Early Termination Charge Waiver.** (i) In the event that USAC ceases providing subsidies under the applicable USF Program for eRate Recipients, the Customer may terminate this Agreement without incurring Early Termination Charges as set forth in this Agreement, by providing sixty (60) days' written notice to Alaska Communications. If You have followed all of the guidelines for participation in the applicable USAC program and submitted Your application to USAC in a timely manner, the Early Termination Charges will not apply if You fail to receive a Funding Commitment Letter ("FCL").

This Section does not apply if You fail to receive a FCL for any other reason. (ii) Other Conditions for Waiver of Early Termination Charge. Alaska Communications recognizes that there are Customer organizations that receive funding from federal, state, local, and other grant programs (other than identified above) that fund purchases of telecommunications services and internet access charges ("Telecommunications Services Purchase Grants"), and that such funding may be reduced or discontinued during the term of this Agreement. Therefore, if Telecommunications Services Purchase Grants provided to a Customer for Services under this Agreement are terminated by the granting agency during the term of this Agreement, the Customer may terminate this Agreement without liability for Early Termination Charges as set forth in this Agreement, by providing sixty (60) days' written notice to Alaska Communications, including proof that funding is being terminated from the granting agency. This Section does not apply if the Customer fails to receive a Telecommunications Services Purchase Grant for any other reason, including, but not limited to the failure to timely apply for such funding.

15. General. Alaska Communications reserves the right to disconnect Services and terminate this Agreement if You use abusive or threatening language to Alaska Communications employees. If upon termination of this Agreement, Your account has either a nominal credit or amount due that is less than \$1.00, You will not receive a refund of the credit or will not be billed for the amount due. You shall pay to Alaska Communications all costs and expenses, including without limitation reasonable attorneys' fees, and the fees of any collection agencies and court costs, incurred by Alaska Communications in enforcing or exercising any of its rights or remedies under the Agreement. Your use of the Services constitutes Your agreement that any and all damages which might arise from Your use of the Services, equipment supplied, software or Internet content shall be Your responsibility and shall not be the responsibility of Alaska Communications. Your use of Services constitutes Your waiver of any and all claims against Alaska Communications for any and all such damages. The failure of Alaska Communications to enforce or insist upon compliance with any of the terms or conditions of this Agreement, the waiver of any term or condition of this Agreement, or the granting of an extension of time for performance shall not constitute the permanent waiver of any term or condition of this Agreement. No modification hereof shall be binding upon either party unless the modification is in writing and signed by a duly authorized representative of both parties. If any provision of this Agreement is found to be invalid or unenforceable, the rest of the Agreement remains enforceable. The foregoing does not apply to the prohibition against class or representative actions that is part of the Arbitration provisions above; if that prohibition is found to be unenforceable, only the Arbitration clause shall be null and void. This Agreement shall be governed and interpreted according to the laws of the state of Alaska. No assignment or transfer, in whole or in part, of this Agreement shall be binding upon Alaska Communications without its express written consent. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, administrators, legal representatives, heirs, and assigns, where permitted by this Agreement. The captioned headings have been included in this Agreement are for convenience of reference, and are not considered part of, or used in interpreting, this Agreement. Notices to You shall be in writing and shall be deemed to have been duly delivered when sent by registered or certified mail, return receipt requested, or by overnight courier as evidenced by a delivery receipt, to each party's respective address as set forth in this Agreement.

Alaska Communications Voice Over Internet and SIP Trunking Service– Additional Terms of Service and Requirements

If You have subscribed to our Voice Over Internet or SIP Trunking Service, the following additional terms and requirements apply:

16. Registration of Physical Location Required.

You must register the physical location ("Registered Location") where You will be using Voice Over Internet or SIP Trunking Service for each phone line You purchase from Alaska Communications. You have full responsibility for updating Your Registered Location when You use Voice over Internet or SIP Trunking Service from a new location. Regardless of what address You register, emergency calls You make will be routed to a third-party 911 provider for delivery to a 911 Public Safety Answering Point (PSAP). **IMPORTANT:** If You do not update Your Registered Location, **911 calls You make with Voice Over Internet or SIP Trunking Service will be routed based on Your previously provided Registered Location and therefore may not be routed to the appropriate PSAP for Your current location.** In addition, You must update Your Registered Location to ensure that the 911 provider transmits accurate location information to the PSAP. You may update Your Registered Location by logging onto Your online account and updating Your location information through Your customer portal on the Alaska Communications website. For purposes of 911 dialing, You may only register one Registered Location for each Alaska Communications line. You agree to provide true, accurate, current and complete Registered Location information to Alaska Communications as part of the service initiation process and to update Your Registered Location with true, accurate, current and complete information whenever You use Voice Over Internet or SIP Trunking Service from a new location as soon as possible. If You provide Registered Location information that is, or that Alaska Communications suspects to be, false, inaccurate, not current, or incomplete, Alaska Communications has the right to suspend or disconnect the service and terminate the Agreement and refuse any and all current or future use of all Services, or any portion thereof.

17. IMPORTANT LIMITATIONS OF 911 VOICE OVER INTERNET AND SIP TRUNKING SERVICE, DIALING 911 AND REACHING EMERGENCY RESPONSE SERVICES

You may use Voice Over Internet or SIP Trunking Service to reach emergency response services by dialing 911. HOWEVER, because 911 Voice Over Internet or SIP Trunking Service operates differently than traditional 911 service, **there are circumstances under which 911 Voice Over Internet or SIP Trunking Service may not be available or may be in some way limited in comparison to traditional 911 service.** Such circumstances include:

- **Necessity of Relocation of Your IP equipment.** If You relocate Your IP phone, Analog to IP Converter (ATA) with traditional phone, or Alaska Communications equipment, You must immediately update Your Registered Location by accessing Your customer portal via the Alaska Communications website. **If You do not update Your Registered Location, any 911 call You make using the service will be routed based on Your previously provided Registered Location and therefore may not be routed to the appropriate PSAP for Your current location.** Once You change Your Registered Location, there may be a delay in making the new Registered Location available to correctly route 911 calls and to advise PSAPs of Your new Registered Location.
- **Internet connection failure.** If the connection to the Internet over which Your Voice Over Internet is provided is interrupted, there may be packet loss and delay which will interfere with the quality of Your call or You may not have access at all to Voice Over Internet during the interruption and therefore would not have access to 911 service during the interruption.
- **Loss of electrical power.** Unless You have a backup system to power both Your Internet connection and any device (PC with softphone, IP phone, ATA with traditional phone, or other device) that You use to access Voice Over Internet, You will not have phone service or 911 service during a power outage. Because access to Voice Over Internet via any battery-powered device such as a PC with Voice Over Internet and softphone requires an Internet connection, 911 service will not be available unless You have a backup system to power Your Internet connection even if other devices can still operate using battery power.

18. Notify All Users. You should inform all business colleagues, household residents, guests and other third-parties who may be present at the physical location where You utilize Voice Over Internet or SIP Trunking Service that 911 may not be available or may be in some way limited in comparison to traditional 911 service.

19. Disclaimer of 911 Liability. ALASKA COMMUNICATIONS DISCLAIMS ALL RESPONSIBILITY FOR THE CONDUCT OF PSAPS AND ALL OTHER THIRD-PARTIES INVOLVED IN THE PROVISION OF EMERGENCY RESPONSE SERVICES. ALASKA COMMUNICATIONS DOES NOT HAVE ANY CONTROL OVER PSAPS OR OTHER THIRD PARTIES AND IS THEREFORE NOT RESPONSIBLE FOR WHETHER THEY ANSWER 911 CALLS MADE USING VOICE OVER INTERNET OR SIP TRUNKING SERVICE, HOW THEY ANSWER THESE CALLS, OR HOW THEY HANDLE THESE CALLS. ALASKA COMMUNICATIONS RELIES ON THIRD-PARTIES TO ASSIST IT IN THE PROVISION OF 911 SERVICE, AND DISCLAIMS ANY AND ALL LIABILITY FOR ACTS OR OMISSIONS BY THIRD-PARTIES IN THE PROVISION OF 911 SERVICE. NEITHER ALASKA COMMUNICATIONS NOR ITS OFFICERS OR EMPLOYEES MAY BE HELD LIABLE FOR ANY CLAIM, DAMAGE, OR LOSS (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES) BY, OR ON BEHALF OF, YOU OR ANY THIRD-PARTY USER OF SERVICE ARISING FROM THE ABILITY OR INABILITY TO DIAL 911 OR ACCESS EMERGENCY SERVICES.

ALASKA VOICE® APP Additional Terms of Service and Requirements. The Alaska Voice App uses Voice Over Internet. When used on smartphones or tablets, the Alaska Voice App cannot be used for making 911 calls. YOU ACKNOWLEDGE AND AGREE THAT THE ALASKA VOICE APP IS NOT A SUBSTITUTE FOR A TRADITIONAL TELEPHONE AND THAT YOU WILL NOT USE THE ALASKA VOICE APP TO CALL 911.

NO 911 CALLING
USING THE ALASKA VOICE APP ON A SMARTPHONE OR TABLET

NO CALLING USING AN IPOD OR ITOUCH

THE ALASKA VOICE APP CANNOT BE USED TO MAKE OR RECEIVE CALLS, INCLUDING 911 CALLS, FROM ANY IPOD OR ITOUCH DEVICE EVEN THOUGH THE ALASKA VOICE APP WILL DISPLAY A RINGOUT DIAL-PAD ON SUCH DEVICES.

**** IN AN EMERGENCY, EXIT THE ALASKA VOICE APP AND DIAL 911 FROM A TRADITIONAL PHONE DEVICE (LANDLINE OR WIRELESS PHONE) WITH 911 DIALING CAPABILITIES.**

20. Additional Agreements. Access to the Alaska Voice App requires the user to download and install the Alaska Voice App for the appropriate mobile device (e.g., iPhone, Android, etc.). Use of the Alaska Voice App is governed by the Alaska Voice App End User License Agreement ("EULA"). Your use of the Alaska Voice App may be governed by one or more other agreements with Alaska Communications in addition to the terms set forth herein and in the EULA. By downloading and installing the Alaska Voice App you agree to the terms of the EULA. If You access the Alaska Voice App through the Alaska Communications website, You also agree to be bound by the terms of use for the Alaska Communications website.

21. Registration Procedures. Upon installing the Alaska Voice App and at subsequent times as requested by Alaska Communications, You agree to provide true, accurate, current and complete name, contact information, and other data to Alaska Communications. If You provide information that is, or that Alaska Communications suspects to be, false, inaccurate, not current, or incomplete, Alaska Communications has the right to suspend Service, or disconnect Service and terminate the Agreement, and refuse any and all current or future use of all Services, or any portion thereof. At all times, You must maintain and promptly update registration data as applicable. You must immediately notify Alaska Communications if any unauthorized use of Your Services or any other breach of security has occurred. In no event will Alaska Communications be liable for any unauthorized use of Services.

22. Waiver of Claims. YOU WAIVE ALL CLAIMS OR CAUSES OF ACTION, WHETHER IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), OR ANY OTHER FORM OF LIABILITY, ARISING FROM OR RELATING TO THE PROVISION OF 911 SERVICE OR FAILURE TO PROVIDE ACCESS TO 911 SERVICE, UNLESS THE CLAIMS OR CAUSES OF ACTION ARISE FROM ALASKA COMMUNICATIONS' GROSS NEGLIGENCE, RECKLESSNESS, OR WILLFUL MISCONDUCT.

23. Authorized Uses; Prohibited Uses

In addition to all terms of the AUP, You understand and agree that You will not Creating a false caller identity ("ID spoofing") or otherwise attempting to mislead others as to the identity of the sender or the origin of any communication made using the Services. You are solely liable for any transmissions sent through the Services, including Alaska Voice App and that Alaska Communications has no control over the content of any transmission. You will not attempt to gain unauthorized access to the Service, other accounts, or computer systems or networks connected to the Service, through password mining or any other means. You are solely responsible for all acts or omissions that occur under Your account or password, including the content of Your transmissions through the Alaska Voice App.

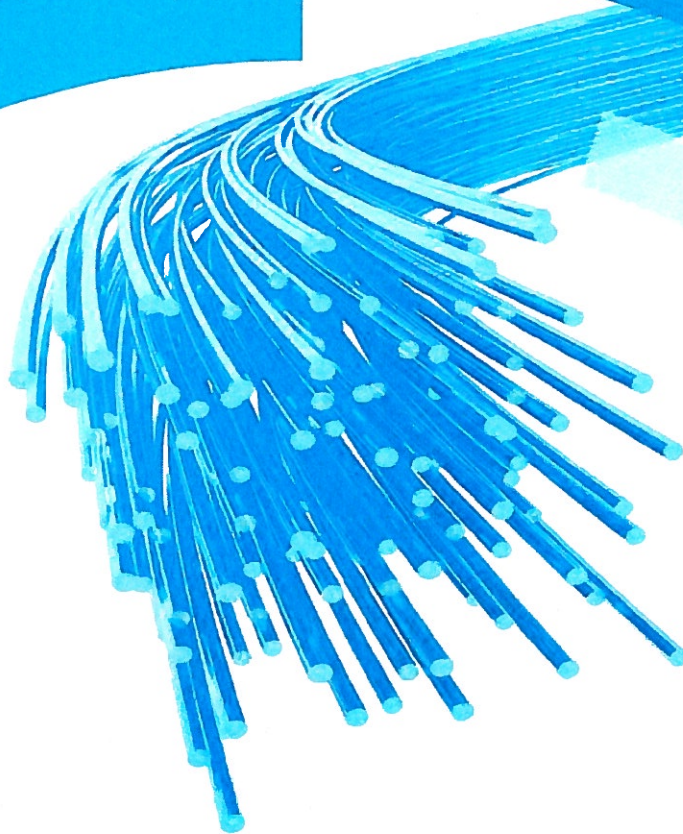
24. Unsolicited Advertisements. The transmission of certain unsolicited calls, facsimiles, or otherwise using Services for broadcasting or transmitting unsolicited advertisements is prohibited by federal law, including the Federal Telephone Consumer Protection Act of 1991 (<http://ftp.fcc.gov/cgb/consumerfacts/unwantedfaxes.html>), and a number of similar state laws. Distribution of unsolicited advertisements through the Alaska Voice App is prohibited. You shall not use the Alaska Voice App to send or transmit any unsolicited communications or advertisements and understand that, if You do, Alaska Communications may immediately suspend and terminate Your right to use the Alaska Voice App without any liability of any kind and You may be liable and subject to monetary and other penalties related. At Alaska Communications' sole discretion and without further notice, Alaska Communications may use technologies and procedures, such as filters, that may terminate such unsolicited advertisements without delivering them. You hereby release and agree to hold harmless Alaska Communications from and against any damages or liabilities of any kind related to any voicemail, broadcast and/or other bulk or unsolicited materials that You may send and/or receive using the Alaska Voice App.

25. Termination or Modification of the Alaska Voice App

You understand and agree that Alaska Communications may at any time, and without additional notice to You suspend, disconnect, discontinue, or block access to some or all of the features of the Alaska Voice App in the following instances:

- Alaska Communications determines that Your use of the Alaska Voice App violates or has at any time violated this Agreement or any other applicable agreement between You and Alaska Communications;
- Alaska Communications determines that such action is necessary to maintain or improve the Alaska Voice App, to prevent fraud or misrepresentation by affirmative acts and/or omissions, to protect other users or third-parties, or for any other good cause;
- Alaska Communications chooses to discontinue or modify the scope of the Alaska Voice App or Services.
- For any other reason Alaska Communications deems it necessary or advisable to restrict Your access to the Alaska Voice App or other Services, including but not limited to compliance with requests by law enforcement or other government agencies.

Upon any termination in accordance with the foregoing, Alaska Communications may immediately deactivate or delete Your account and all related information and files in Your account and/or bar any further access to such files, information, or the Alaska Voice App and other Services. Alaska Communications shall not be liable to You or any third-party for any reason for terminating Your use or access to the Alaska Voice App or other Services. If You or Alaska Communications terminate Your right to use the Alaska Voice App, You will not be entitled to any refund or pro ration of any pre-paid amounts or credits.



CITY OF KODIAK

INTERNET AND TELECOMMUNICATIONS SERVICES

PREPARED FOR: City of Kodiak

DATE: May 13, 2015

IN RESPONSE TO: Request for Proposal Issued April 13, 2015

SUBMITTED BY: **Alaska Communications**
Yvonne "Vonnie" Pierce, Client Account Manager
600 Telephone Avenue - Anchorage AK 99503
Yvonne.Pierce@acsalaska.com
(907) 260-8607 Office
(888) 260-8650 Toll Free



May 13, 2015

Aimee Kniazowski, City Manager
City of Kodiak
710 Mill Bay Road, Room 219
Kodiak AK 99615

Subject: Response to RFP issued April 13, 2015, for Internet and Telecommunication Services

Dear Aimee:

An upgraded network and faster Internet without increasing costs are essential for the City of Kodiak to achieve its goals. Such a challenge demands an experienced provider, an advanced design, innovative ways to cut costs, and an eye for reducing risk.

The benefits to the City of awarding this contract to Alaska Communications include boosting the City's Internet bandwidth nearly seven times (from 3 to 20 Mbps) and boosting network connectivity bandwidth to your five remote sites ten times (from 1 to 10 Mbps). Additionally, Alaska Communications will install new fiber optic cabling between City Hall and the Police Department and will activate dark fiber between City Hall and the Fire Department. Your existing network will be upgraded to provide better security, greater reliability, simpler management, and enhanced performance. This network will support data, video, and voice, plus provide built-in flexibility that can grow as your needs change.

Further, the City has two additional opportunities to cut its overall telecommunications costs. First, upon contract award to Alaska Communications we will substantially discount your current monthly Local telephone service rates with us; we project this could result in a \$55,800 savings over the contract's base term of 36 months. Second, the City can slash its current \$0.09 per minute Long Distance rate to only \$0.05 per minute by choosing Alaska Communications as its LD provider.

Taken as a whole, accepting our offer means the City can upgrade its network, get faster Internet, and significantly reduce its monthly rates on Local and Long Distance services, all for less than it is spending today for these services.

Our offer includes an implementation plan which, when combined with our standardized policies and procedures, minimizes risk during the vendor transition process, enabling everyone to work together to achieve a quick, seamless integration.

Our offer is good for 90 days from the RFP's May 13 proposal submission deadline or through Tuesday, August 11, 2015. This proposal document is organized as requested in the RFP. Alaska Communications is willing and able to perform the services described in the RFP and will make staff and other required

Aimee Kniazowski, City Manager
Response to RFP for Internet and Telecommunication Services
May 13, 2015



resources available for the life of your contract. With my signature below, I certify I have the authority to bind Alaska Communications in this matter.

Alaska Communications has provided ongoing telecommunications services in Kodiak for nearly half a century. This experience affords us a comprehensive appreciation of the City's needs and how to fulfill them.

As your partner in serving the citizens of Kodiak, Alaska Communications is committed to earning your business every day. Thank you for this opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bill Bishop', with a large, sweeping underline that extends to the right.

William H. "Bill" Bishop
Vice President, Sales

Enclosures

WHB/ksc

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EXECUTIVE SUMMARY

The City’s RFP sets out its primary needs as more bandwidth, particularly to its remote sites; fewer network outages; and more secure communications among City Hall and the seven sites connected to it, all without spending more than it does today.

Alaska Communications’ offer is summarized as follows:

The City Requires	Alaska Communications’ Solution Provides
Internet access speed increased to 20 Mbps	Our Dedicated Internet Access service has no overage charges and no data caps. You get the speed you pay for because it is dedicated 100% to you, no sharing of your connection with nearby businesses and homes, as is the case with cable Internet.
Increased bandwidth of 10 Mbps to the five remote sites and minimum 100 Mbps between City Hall, Fire, and Police	Faster connections, and future increases beyond these minimums are possible without purchasing more equipment. In many cases, all you need do is ask us to “turn it up.”
Uptime ¹ for Police and Fire of at least 99% and uptime for the other sites of at least 95% (99.99% desirable)	Uptime that meets or exceeds the RFP’s 99% for Police and Fire and 95% for the other sites.
WAN connectivity that supports data, video, and voice	A Virtual Private LAN Service (VPLS) that allows data, video, and voice traffic among your sites to be prioritized differently via industry-standard Quality of Service (QoS) protocols.
WAN connectivity that supports a high level of security	The VPLS architecture provides the City a true “private network” that allows any site on your network to communicate privately with any other site on your network without exposing data, video, or voice communications to hackers on the public Internet.
A high level of performance	A world-class network design, implementation, and ongoing monitoring certified as among the best in the world by the independent Metro Ethernet Forum (MEF).
Pricing that does not exceed the City’s current monthly spend	Value pricing plus special incentives to award this contract to Alaska Communications that can result in substantial reductions in what the City current spends on Local and Long Distance services.

OUR PROMISE

As our customer, you can always expect to get the services as promised to you by an Alaska Communications representative. If you are not satisfied, we will work with you to provide a solution that meets your satisfaction.

¹ Uptime is defined as the uninterrupted amount of time in a month your circuit is working and available to users.



1 FIRM QUALIFICATIONS AND REFERENCES

The City of Kodiak will benefit from the wisdom and experience gained by our having been a technology pioneer in Alaska. Alaska Communications understands how to create complex data networks—we do it every day, for customers as well as for ourselves.

Table 1 – Alaska Communications’ Firsts in Leading Alaska in Technological Advancement

Year	Alaska Communications Achievement
1893	The Juneau Douglas Telephone Company (later acquired by Pacific Telecom and now a part of Alaska Communications) begins operations
1968	Glacier Telephone (later acquired by Pacific Telecom and now a part of Alaska Communications) begins operations in Kodiak
1994	1st Internet Service Provider in Alaska (acquired by Alaska Communications in 2000)
1996	1st to launch Metro Ethernet (aka Transparent LAN services) *
2000	1st to launch Multi-Protocol Label Switching (MPLS)
2009	1st to offer geographically diverse connectivity to the Lower 48 – tripled the bandwidth leaving Alaska
2012	1st to launch Virtual Private LAN Services (VPLS)
2013	1st in Alaska, 2nd in the USA, and 3rd in the world to achieve Carrier Ethernet 2.0 certification for reliable, scalable, secure business data services from the Metro Ethernet Forum. An elite achievement!

* Metro Ethernet evolved into Carrier Ethernet, which was designed to offer Ethernet services spanning any distance. Carrier Ethernet 2.0 is a standardized, carrier-class service and network defined by five attributes that distinguish it from familiar LAN-based Ethernet: 1) standardized services, 2) scalability, 3) reliability, 4) Quality of Service (QoS), and 5) service management.

1.1 Ability to Design and Implement Complete Network Infrastructure

We have completed millions of feet of fiber optic cable design/builds for customers’ private networks. We conceived, designed, built, and operate the Alaska Communications Rural Healthcare Network (ACRHN), a private network that connects over 25 healthcare sites across Alaska and complies with HIPAA and HITECH security and reliability standards. We have also helped hundreds of businesses, municipalities, school districts, and government agencies switch their existing infrastructure over to us; for example, in 2014 the State of Alaska transitioned management and operations of its entire core network from its former network provider to Alaska Communications.

For ourselves, we operate and continue to build out our own complex network of copper and fiber optic (both terrestrial and marine) cable, delivering services to three-fourths of Alaska’s population. Ours is the most geographically diverse and resilient undersea fiber optic network between Alaska and the Lower 48. Taken as a whole, this infrastructure ensures the City of Kodiak will receive reliable, available connectivity within Alaska and around the globe.

An Objective Measure For Judging High Quality

The international Metro Ethernet Forum (MEF) is an independent body that evaluates telecommunications companies worldwide to determine which ones meet their stringent standards for Ethernet network design and service. In 2014, the MEF selected Alaska Communications as **third in the world** and second in the U.S. to receive its prestigious Carrier Ethernet 2.0 certification for excellence in design and service. **No other Alaska-based provider has been so honored.**

1.2 Pricing

For details, please refer to *Section 2, Pricing*.

1.3 Experience and Ability in Handling Complex Networks and Security

With a corporate history over a hundred years in the making, Alaska Communications today is a leading provider of complex integrated telecommunications technology to customers throughout Alaska and beyond.

BENEFITS OF NETWORKS THAT MEET METRO ETHERNET FORUM (MEF) CE 2.0 CERTIFICATION

IT DELIVERS HIGH PERFORMANCE

- Business applications requiring high-quality bandwidth are more reliable and more efficient.
- Network performance sensitive applications such as Voice Over IP and video also perform more reliably.

IT PROVIDES SECURITY and PRIVACY

- Privately transport IP and non-IP traffic—Layer 2 Virtual Private Network.
- Maintain complete control over network routing and management.
- No sharing of address and routing information with the service provider.

IT SIMPLIFIES MANAGEMENT

- Eliminates the need for expensive equipment and assures network interoperability.
- Operating to known standards reduces training requirements and additional costs.

Table 2 – References for Similar Deployments and Experience Designing and Implementing Complete Networks

Customer	Services Provided	# of Sites	Reason for Selecting Alaska Communications	Contact Details
City of Soldotna	Network connectivity, local telephone service	11	Value pricing, the professionalism of team	Brice Cunningham MIS Manager (907)714-1238 bcunningham@soldotna.org
KANA	Network connectivity, local telephone service, Internet	6	Provided an all-terrestrial network solution	Chad Burnside Network Manager (907) 486-9809 Chad.Burnside@kanaweb.org
Kodiak Electric	Flat-rate IT services and desktop management, local telephone service	1	Able to offer the only end-to-end managed solution	Alice C. Job Mgr, Finance & Admin (907) 486-7708 ajob@kodiak.coop

1.4 Methodology and Timeframe for Implementation

1.4.1 Dedicated Internet Access Provides Enhanced Value

Along with your upgraded network, the City will receive increased Internet bandwidth of 20 Mbps, nearly seven times your current 3 Mbps. Our exclusive Dedicated Internet Access (DIA) service provides enhanced value to the City in two important ways. First, there are no overage charges and no data caps, so your monthly bills remain consistent, making budgeting more predictable. Second, you will receive a **dedicated** connection, dedicated 100% to you—there is no sharing your bandwidth with nearby businesses and homes, as is the case with cable Internet—ensuring you get all the speed you pay for.

1.4.2 Network Connectivity—Superior Benefits Through Superior Design

The City will receive a total network upgrade to the eight sites listed in the RFP (City Hall, Police, Fire, and the five remote sites) as illustrated in *Section 6, Topology Map*.

Specifically, Alaska Communications will provide an eight-site Virtual Private LAN Service (VPLS) Layer 2 Wide Area Network (WAN), along with Internet access. Please refer to *Table 4, Pricing for MEF-Certified VPLS Connectivity Services*, for the detailed list of address locations and associated bandwidth speeds at each. Physical transport will be via existing cabling for City Hall, Fire Department, and the five remote sites and via a new fiber connection for the Police Department. We also will include a CAT5 Ethernet connection at each location for connecting our equipment to the City's existing network infrastructure.

Your new VPLS service will be delivered via Alaska Communications' exclusive MEF-certified Carrier Ethernet 2.0 core. Your users benefit from the increased productivity of a faster, more reliable, more secure service, and your technical staff benefits from the simplified management of its advanced technical features. For example, with VPLS the City receives a network out of the box that fully supports industry-standard Quality of Service (QoS) protocols for reliably handling voice and video traffic. Further, because VPLS provides a Layer 2 network solution that is not router based, the City will benefit long term through a lesser need for complex (and expensive) City-owned equipment, as compared to common router-based Layer 3 networks, helping the City to manage capital costs.

To comply with the RFP's requirements, *Section 6, Topology Map*, shows City Hall as the network's hub; however, should the City want the Police Department as hub, we can accommodate that design change with no change in price. Our design can also accommodate other services the City may choose.

A final design best suited to your needs will be confirmed in the course of contract negotiation.

Superior Design Assures Your Traffic Remains Secure

The City's new VPLS design is a true, end-to-end "private network" that utilizes the public Internet solely for communications with destinations outside your WAN, assuring all inter-site communications— all data, all video, all voice—stay secure and private behind your firewall, away from the outside world.

Figure 1 illustrates how the Alaska Communications solution provides truly secure, reliable connectivity independent from your Internet traffic. Other solutions often route your network through the public Internet, increasing your vulnerability of exposing sensitive information.

Quality of Service Prioritization Means the City Can Now Use Its Network for Video and Voice

Quality of Service (QoS) refers to the ability of a network to prioritize one type of transmission over another. When data is broken up into packets for transmission, QoS mechanisms can give higher priority to real-time data, such as video or voice, over non-real-time data, such as web browsing or file transfers. From Day One the City's new VPLS network will fully support QoS protocols for site-to-site traffic within it, and you can institute your own prioritization for multimedia traffic. VPLS also allows for converged use of data, video, and voice over a single interface as well as allows for multiple Ethernet Virtual Connections (EVC's) or VLANs necessary for traffic segmentation at its sites.

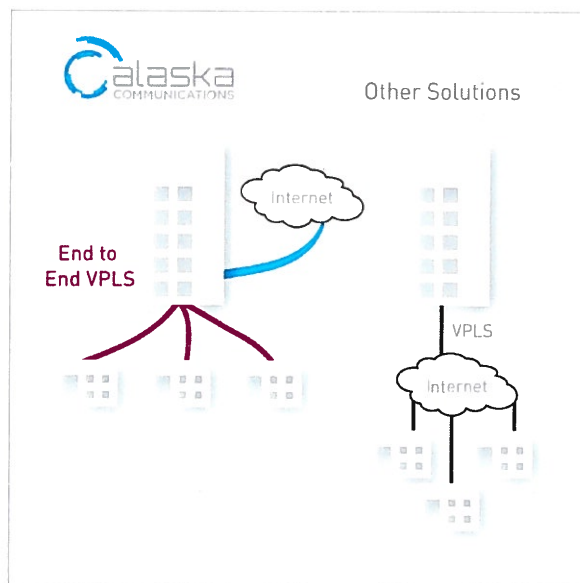


Figure 1 – A secure design avoids exposing site-to-site communication to the Internet or outside world

The Internet does not honor QoS mechanisms, treating every packet sent through it the same as every other packet. QoS priorities are ignored as soon as packets enter the Internet cloud.

In contrast, the Internet does not honor QoS mechanisms, treating every packet sent through it the same as every other packet. Whatever QoS priority a packet may start out with at its point of origination is ignored as soon as it enters the Internet cloud.

Fiber Build To Connect the Network Hub to the Police Department

The City will also benefit from Alaska Communications' investment in the construction of a new fiber optic cable connection between the network hub and the Police Department. For estimated timing, please refer to *Section 3, Timeframe for Completion of Project*.

1.4.3 Additional Capabilities Available to the City Beyond RFP's Scope

Alaska Communications has extensive capabilities to offer services beyond the scope of this proposal. While we have focused on including design and pricing for the RFP's requested services, there is a significant range of options available to the City to help minimize management duties and increase network efficiency. We look forward to future discussions with you about expanded services and solutions tailored to meet your growing needs.

1.4.4 Timeframe for Implementation

For details, please refer to *Section 3, Timeframe for Completion of Project*.

1.5 Response Time for Outages

Planned Outages. Alaska Communications agrees to schedule planned outages affecting Police communications for mid-week and after business hours; we will schedule all other planned outages for after normal business hours. For **major outages** (emergency services, 9-1-1 system(s) and/or more than one location being affected), we agree to notify the City IT department at least one week in advance. For **minor outages** (single service or location being affected with the exception of 9-1-1 and emergency services), we agree to notify the City IT department at least 24 hours in advance. Should any planned outage exceed one hour, Alaska Communications agrees to communicate with City IT personnel either by phone or in person, unless directed otherwise by City IT personnel.

Unplanned Outages. Within one hour of initial contact from any City personnel, we agree that either a service technician or staff from our Integrated Network Management Center (INMC) will call to notify the City IT department of incident status and expected time for repair (if known). The technician or INMC staff will also notify the City IT department upon the incident’s resolution and/or repair. Should any unplanned outage exceed one hour, Alaska Communications agrees to communicate on an hourly basis with City IT personnel either by phone or in person, unless directed otherwise by City IT personnel.

2 PRICING

The City of Kodiak will receive high-quality telecommunications services while controlling costs.

Prices include applicable installation, setup, configuration, and ongoing maintenance fees. Prices exclude those taxes, surcharges, and/or fees the City of Kodiak is not exempt from paying, and these will be billed in addition to the prices quoted in this offering. Alaska Communications will consolidate your services into a single invoice with detailed line items. Please note prices assume all demarcation points are to the minimum point of entry (MPOE).

Table 3 – Pricing for Dedicated Internet Access (DIA) Service

Location	Bandwidth	Monthly Rate
City Hall, 710 Mill Bay Road	20 Mbps	\$ 1,319

Table 4 – Pricing for MEF-Certified VPLS Connectivity Services

Location	Bandwidth	Monthly Rate
1. City Hall, 710 Mill Bay Rd	200 Mbps	\$ 1,122
2. Police, 2160 Mill Bay Rd	100 Mbps	629
3. Fire, 219 Mill Bay Rd	100 Mbps	629
4. Public Works, 2410 Mill Bay Rd	10 Mbps	277
5. Water Treatment Plant, 2853 Spruce Cape Rd	10 Mbps	277
6. Harbor, 403 Marine Way	10 Mbps	277

Table 4 – Pricing for MEF-Certified VPLS Connectivity Services

Location	Bandwidth	Monthly Rate
7. Parks & Rec, 1222 Chichenof St	10 Mbps	277
8. Pool, 800 Mill Bay Rd	10 Mbps	277
Total		\$ 3,765

2.1 Optional Incentives Can Provide Additional Benefits to the City

Upon contract award, the City can enjoy immediate savings for both Local and Long Distance services.

Should the City award this contract to Alaska Communications, we will agree to discount your Local telephone service over your current rates, as show in *Table 5* below. This offer is available to the City only when bundled with this Internet and network services contract.

Table 5 – Incentive Pricing for Local Telephone Service When Bundled with Internet/Network Services

Account #	Current Monthly Rate	Discounted Rate	Savings
1044133	\$ 158.66	\$ 99.99	\$ 59.40
1144615	84.00	67.20	16.80
1047035	3,823.64	2,954.82	868.82
1044134	1,544.50	1,357.40	187.10
1046856	504.00	403.20	100.80
1044991	37.33	16.03	21.30
1041475	121.33	83.23	38.10
1162310	1,086.65	828.95	257.70
Totals	\$ 7,360.11	\$ 5,810.09	\$ 1,550.02
	Projected Savings Over 36-Month Contract Term		\$ 55,800.72

In addition, per *Table 6* below, we will offer you highly competitive Long Distance rates over the \$0.09 charged by your current provider.

Table 6 – Incentive Pricing for Switching Long Distance Service to Alaska Communications

Per-Minute Rate, In-State Calls	Per-Minute Rate, Out-of-State Calls	Fees, Minimums/Maximum Requirements
\$0.05	\$0.05	No monthly fees, no minimums, no maximum usage required. You pay only for what you use.

3 TIMEFRAME FOR COMPLETION OF PROJECT

Upon contract award, Alaska Communications will start work to build your new network. The below estimated schedule assumes receipt of the Notice of Award no later than **June 1, 2015**. The final implementation schedule will be confirmed with the City in the course of contract negotiation.

Table 7 – Estimated Implementation Plan and Schedule, Based on a June 1 Award Date

ID	Task	Duration	Start	Finish
	Notice of Award – June 1, 2015	1 day	6/01/2015	6/01/2015
1	Order Entry	3 days	6/02/2015	6/04/2015
2	Weekly Updates to City of Kodiak	ongoing	6/17/2015	8/19/2015

Table 7 – Estimated Implementation Plan and Schedule, Based on a June 1 Award Date

ID	Task	Duration	Start	Finish
3	Outside Plant Engineering	10 days	6/02/2015	6/15/2015
4	Permitting, 4-6 weeks	32 days	6/16/2015	7/30/2015
5	Construction/Fiber placement	10 days	8/03/2015	8/14/2015
6	Installation	3 days	8/17/2015	8/19/2015
7	Install Complete at All Sites			8/19/2015
	Project Summary *	57 days	6/01/2015	8/19/2015

* All 3rd party commitments and permitting are out of our control, and slippage could impact completion dates.

4 QUALITY ASSURANCE AND TECHNICAL SUPPORT

The City will receive reliable service that maximizes uptime because of fast, professional responses to network issues. Alaska Communications will manage the City’s service to stringent Service Level Agreement (SLA) standards, backed by our Integrated Network Management Center (INMC) monitoring your network 24/7/365 for faults.

Integrated Network Management Center—Alaska’s Fully Physically Diverse NOCC

Alaska Communications has dual Network Operations Control Centers (NOCCs), one in Anchorage and the other in Hillsboro, Oregon. These two centers comprise our Integrated Network Management Center (INMC). Through this sophisticated facility and its physically diverse network management system, Alaska Communications has the best available facilities to continually manage circuits.

Personnel Essential to the City’s Contract and Service Support

Table 8 – Alaska Communications’ Team Assigned to the City of Kodiak Account

Team Member	Name	Account Responsibilities and Experience
Service Delivery Manager	Tammy Romans	Tammy will be your single point of contact for service delivery from contract signing through installation, testing, and cutover. She has over 24 years of telecommunications experience.
Client Account Manager	Yvonne “Vonnie” Pierce	Vonnie is responsible for understanding the City’s overall telecommunications needs, for communicating those needs internally within Alaska Communications, and for ensuring proper implementation. She has over 15 years’ experience in telecommunications.
Kodiak Field Services	Ted Goossen	Ted is Foreman of Kodiak Field Services. He and his team of field technicians will be responsible for installing and maintaining the City’s services, including terrestrial (buried and aerial) Copper and Fiber Optic Plant as well as nodes, access points, and cross-connects. He has worked in Kodiak for Alaska Communications since 1977.
Sales Engineer	Mark Hartman	Mark is responsible for the City’s network design and engineering requirements. He has over 20 years’ telecommunications experience.

4.1 Uptime Service Level Agreement

Alaska Communications' design will meet or exceed the RFP's requirements of $\geq 99\%$ for emergency services (Police and Fire) and $\geq 95\%$ for the other sites.

Alaska Communications' Technical Support Team

To provide the fastest response and continue a high level of customer service, Alaska Communications' technical support and escalation path is outlined in *Table 9* below:

Table 9 – Alaska Communications' Technical Support Team and Escalation Path

Level	Staff	Telephone	Email Address
1	INMC	(907) 565-4227	ACS.Managed.Services@acsalaska.com
2	Managed Services On-Duty Foreman Donna Graham Barry Schimmack	(907) 550-8372 (907) 564-1643	Donna.Graham@acsalaska.com Barry.Schimmack@acsalaska.com
3	Service Assurance Manager Charles Shaw	(907) 375-1172	Charles.Shaw2@acsalaska.com
4	Senior Manager Tom Brewer	(907) 565-6604	Thomas.Brewer@acsalaska.com
5	Senior Vice President, Managed Services Randy Ritter	(907) 564-7030	Randy.Ritter@acsalaska.com

5 CONTRACT CONSIDERATIONS

Upon contract award, Alaska Communications will provide our industry-standard contract which contains provisions waiving liability for both parties for indirect, incidental, or consequential type damages and limiting Alaska Communications' liability for direct damages to an amount related to the costs of the services provided.

Insurance Provisions

Alaska Communications requests an adjustment to page 8 of the RFP's insurance requirements for specific forms of insurance for General Liability and Auto Liability to allow for self-insured vendors.

Also, on page 9 of the RFP, "All Insurance," we request the entire paragraph be waived, as some of our carriers may not agree to such provisions.

Contract Term

This offer is for a base contract term of 36 months and includes an option for two additional 12-month renewals.

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniaziowski, City Manager 

Thru: Lon White, Harbormaster 

Date: June 11, 2015

Agenda Item: V. d. Authorization of Extension of Office Use Agreement With the Maritime Museum

SUMMARY: The City Council has provided office space at the St. Herman Harbor support building to the Kodiak Maritime Museum at no cost since 2002. The same office space is shared with Harbor staff who work in St. Herman Harbor. Additionally, the building houses the St. Herman Harbor maintenance shop and public restrooms. Extension of this office use agreement through June 2016 has been requested by the Museum. Staff recommends Council approve the requested FY2016 lease extension and authorize the City Manager to sign document for the City.

PREVIOUS COUNCIL ACTION: Council has approved office use agreements with the Maritime Museum since 2002.

DISCUSSION: The City Council has approved the lease of office space in the St. Herman Harbor support building by the Kodiak Maritime Museum since 2002. The Museum has requested an extension to the agreement for one year for the use of the space. Neither the City nor the Maritime Museum is proposing a change in terms or conditions of the agreement. It should be noted that use of the building by the Maritime Museum is not the only use. In addition to the office space, which is shared with harbor staff working in St. Herman Harbor, the building also contains public restrooms and the Harbor's maintenance shop for St. Herman Harbor.

ALTERNATIVES:

- 1) Approve the lease extension and authorize the City Manager to sign the document on behalf of the City, which is staff's recommendation.
- 2) Do not authorize the lease extension, which would require the Museum to find another facility.

STAFF RECOMMENDATION: Staff recommends Council authorize the Kodiak Maritime Museum's request to renew their office use agreement for FY2016 for the use of office space in the St. Herman Harbor support building.

CITY MANAGER'S COMMENTS: The City has provided a no-cost use of office space in the St. Herman Harbor building to the Maritime Museum since 2002. The Museum has made regular requests

for extensions to the lease agreement and Council has approved the extensions on a year-to-year basis since 2004. I support the Museum's request for an extension to the agreement for FY2016, especially since the Harbor Department is willing to share the office space and does not require exclusive use of it.

ATTACHMENTS:

Attachment A: FY2016 Lease Extension Agreement

Attachment B: Kodiak Maritime Museum request for extension, dated April 23, 2015

PROPOSED MOTION:

Move to authorize the FY2016 Lease Extension Agreement with the Kodiak Maritime Museum through June 2016 and authorize the City Manager to sign the agreement on behalf of the City.

JUNE 11, 2015
Agenda Item V. d. Memo, Page 2 of 2

**LEASE EXTENSION AGREEMENT
CITY OF KODIAK AND KODIAK MARITIME MUSEUM**

THIS LEASE, initially made the 10th day of May 2002, by and between the CITY OF KODIAK, an Alaska municipal corporation, herein referred to as “Lessor,” and Kodiak Maritime Museum, herein referred to as “Lessee,” provides as follows:

1. Leased Premises. Upon the terms and conditions herein set forth and subject to the prompt payment and performance by Lessee of each and every sum and other obligation herein-after referred to, the Lessor does hereby lease, let, and demise to the Lessee, and the Lessee does hereby lease from the Lessor the following described premises: St. Herman Harbor Office space at 500 Alimaq Drive (formerly Dog Salmon Bay Road) comprising approximately 200 square feet. The leased premises is hereinafter referred to as the “Site.”

2. Term. This Lease shall be extended and continue in effect from July 1, 2015, through June 30, 2016, provided, however, that either party shall have the right to cancel this Lease upon thirty (30) days written notice in advance of the date of such cancellation, such notice to be by certified mail sent to the usual mailing address of the party to be notified.

3. Rental. Lessor agrees to provide the space at no cost.

4. Conditions of Lease. The premises shall be used solely as an office for the Kodiak Maritime Museum

5. Improvements. Lessee is not authorized to make any structural improvements to the Site without the written consent of the Lessor.

6. Maintenance. Except as otherwise specifically provided herein, the Lessee shall, at all times and at its sole expense, keep and maintain the premises in good repair, and in neat, orderly, and sightly condition.

7. Insurance. (a) Workers’ Compensation Insurance. The Lessee shall maintain Workers’ Compensation insurance, if applicable, which shall contain an express waiver of any right of subrogation against City.

(b) Public Liability Insurance. The Lessee shall maintain Public Liability Insurance with a minimum of \$1,000,000 per occurrence and/or aggregate combined single limit, personal injury, bodily injury, and property damage.

(c) Additional Insured. The following shall be listed as Additional Insureds: “The City of Kodiak, including all elected and appointed officials, all employees and volunteers, all boards, commissions and/or authorities and their board members, employees, and volunteers. This coverage shall be primary to the City of Kodiak and not contributing with any other insurance or similar protection available to the City of Kodiak, whether other available coverage be primary, contributing, or excess.”

(d) Indemnification. To the fullest extent permitted by law, Lessee agrees to defend, indemnify and hold harmless the City of Kodiak, its elected and appointed officials, employees, and volunteers against any and all liabilities, claims, demands, lawsuits, or losses, including costs

and attorney fees incurred in defense thereof, arising out of or in any way connected or associated with this Lease.

(e) Notice of Cancellation Required. Sixty (60) days Notice of Cancellation or Change, Non-Renewal, Reduction and/or Materials Change shall be sent to: City Clerk, 710 Mill Bay Road, Kodiak, AK 99615.

(f) Evidence of Coverage Required. Lessee shall provide to the City of Kodiak at the time that the lease is presented to the City for execution, certificates of insurance acceptable to the City of Kodiak as listed below:

One (1) copy of Certificate of Public Liability Insurance

One (1) copy of Workers' Compensation Insurance

(g) Continuation of Coverage. If the above coverage expires during the term of this Lease, Lessee shall deliver renewal certificates and/or policies to the City of Kodiak at least ten (10) days prior to the expiration date. Lessee shall not commence with operations under this agreement until they have obtained the coverage required under the terms of this agreement. All coverage shall be with insurance carriers licensed and admitted to do business in the State of Alaska. All coverage shall be with carriers acceptable to the City of Kodiak. If Lessee fails to comply with the insurance requirements of this agreement, the City of Kodiak may terminate the agreement on ten (10) day's written notice. Lessee covenants to maintain all insurance policies required in this agreement for the period of time in which a person may commence a civil action as prescribed by the applicable statute of limitations. The coverage required by this agreement shall cover all claims arising in connection with Lessee's use under this agreement, whether or not asserted during the term of this agreement and even though judicial proceedings may not be commenced until after this agreement expires.

8. Condition of Site. The Lessee takes the Site in its present condition; and the Lessor shall have no responsibility for its condition or for any damage suffered by the Lessee or any other person due to such conditions.

9. Assignment and Subleasing. Lessee may not assign or sublease the premises, either in whole or in any portion, without prior written permission signed by the city manager and approved by the council. Approved subleases shall be in writing and subject to the terms and conditions of the original lease.

10. Default and Re-Entry. If Lessee fails to cure any default of the conditions of this Lease within thirty (30) days after written notice thereof by Lessor, or in the event insolvency proceedings should be instituted by or against Lessee, then Lessor may terminate the Lease as of such date and re-enter the premises and remove all property there from and Lessee shall remain liable for the payment of rental to the extent provided by law.

11. Applicable Law. Lessee shall, at all times, in its use and occupancy of the premises and in the conduct of its operations thereon, comply with all applicable federal, state, and local laws, ordinances, and regulations.

IN WITNESS WHEREOF, the parties executed this instrument the day and month first above written.

CITY OF KODIAK

LESSEE/KODIAK MARITIME MUSEUM

Aimée Kniazowski, City Manager

Attest:

Witness:

Debra L. Marlar, City Clerk



KODIAK MARITIME MUSEUM

PO Box 1876 Kodiak, AK 99615
907-486-0384
info@kodiakmaritimemuseum.org www.kodiakmaritimemuseum.org

April 23, 2015

Kodiak City Clerk
710 Mill Bay Rd.
Room 216
Kodiak, AK 99615

Re: Kodiak Maritime Museum Office Lease

Dear Mayor Branson and City Council Members:

The Kodiak Maritime Museum greatly appreciates the City Council's continued support of our museum through the in-kind granting of city-owned office space in the St. Herman Harbor building on Alimaq Drive on Near Island.

The use of this office space is essential to the museum as we work to recognize, preserve, and interpret Kodiak's maritime heritage. Your generosity is an example of the high degree of local support which non-profit entities such as Kodiak Maritime Museum receive from the City. We would not be able to operate without this office space.

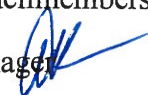

We have made good use of this office space this year, with programs such as the Harbor Lights Festival, Kodiak King Crab Fishery Portrait Series, and our continuing efforts to move the *Thelma C* Project forward.

We therefore request an extension of our office lease through the 2016 fiscal year.

Sincerely,

Toby Sullivan
Director

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniaziowski, City Manager 
Thru: Ronda Wallace, Chief of Police 
Date: June 11, 2015

Agenda Item: V. e. **Authorization of Janitorial Services for the Kodiak Police Station**

SUMMARY: The Kodiak Police Department (KPD) is requesting the Council to authorize a three-year contract with Tuan's Island Professional Cleaning Service to provide regular janitorial services at the Kodiak Police Department. This contract would commence on July 1, 2015, for three years expiring on June 30, 2018. Staff recommends the Council authorize this contact in the amount of \$52,615 for each year of the contract, with funds to come from the FY2016 Kodiak Police Department, Operation Budget, Janitorial Services.

PREVIOUS COUNCIL ACTION:

- June 24, 2010, Council originally authorized this three-year contract ending June 30, 2013.
- May 23, 2013, Council authorized a two-year contract ending June 30, 2015.

DISCUSSION: Staff has developed a janitorial services matrix that details daily, weekly, monthly, quarterly, bi-annual, and annual cleaning services for the Kodiak Police Department. Each of these tasks meets the manufacturer's specifications for cleaning and maintenance for items such as flooring, walls, and different surfaces. Proper cleaning of the police department will continue to prolong the life of the building.

The City of Kodiak outsources its janitorial services to qualified vendors. The Kodiak Police Department is 16,025 square feet, and the scope of services must accommodate this large building. Tuan's Island Professional Cleaning Service is a locally owned and operated company. Their client list contains some of the larger facilities within our community. They have provided satisfactory janitorial services for the past five years and meet the security requirements to access the restricted facility. Tuan's agreed to continue to provide the services for three years at the rate of \$52,615 per year.

ALTERNATIVES:

- 1) Authorize the contract with Tuan's Island Professional Cleaning Service in the amount of \$52,615. This is staff's recommendation.

- 2) Do not authorize this contract. This is not recommended because it would be detrimental to police department operations.

FINANCIAL IMPLICATIONS: The contract amount is reflected in the Kodiak Police Department's FY2016 operational budget for janitorial services.

LEGAL: KCC 3.12.070 (a) and (d) provide exceptions to bidding requirements that allow the City Manager to recommend award of a contract to a preferred provider based on special vendor qualifications or where the City Manager determines that there is only one source. This contract meets the qualification as the type of work is extensive and specific to the police station and the contractor is able to maintain security clearances to access this restricted building.

STAFF RECOMMENDATION: Staff recommends Council authorize this contract in the amount of \$52,615, with funds to come from FY2016 Kodiak Police Department, Operational Budget, Janitorial Services.

CITY MANAGER'S COMMENTS: I support staff's recommendation that Council authorize this three-year contract for the Kodiak Police Department. Tuan's provides a consistently good level of service to the department and keeps the police station in good, clean condition.

ATTACHMENTS:

Attachment A: Tuan's Island Professional Cleaning Service Matrix and signature page

Attachment B: KPD Janitorial Services Matrix

PROPOSED MOTION:

Move to approve a three-year contract for janitorial services for the Kodiak Police Department with Tuan's Island Professional Cleaning Services in the amount of \$52,615 annually, with funds to come from FY2016 Kodiak Police Department, Operational Budget, Janitorial Services account and authorize the City Manager to sign the contract on behalf of the City.

Kodiak Police Station, 2160 Mill Bay Road, Kodiak, Alaska 99615
JANITORIAL SERVICES MATRIX

Revised: 4/4/15

DAILY SERVICES	Sunday - Thursday, excluding City Holidays														
	<table border="1"> <tr> <td data-bbox="363 285 1385 323">Vestibules/lobbies/entryways; General/common areas; Administrative offices</td> </tr> <tr> <td data-bbox="363 323 1385 361">Empty trash receptacles, wipe down wastebaskets of dirt build-up, replace all plastic liners</td> </tr> <tr> <td data-bbox="363 361 1385 422">Sweep and damp mop all uncarpeted areas (DISPATCH FLOORING REQUIRES USE OF <i>Armstrong S-392 Static Dissipative Polish ONLY</i>)</td> </tr> <tr> <td data-bbox="363 422 1385 459">Vacuum carpeted areas and walk-off mats</td> </tr> <tr> <td data-bbox="363 459 1385 497">Clean interior glass doors and windows</td> </tr> <tr> <td data-bbox="363 497 1385 535">Restrooms/locker rooms; Fitness area</td> </tr> <tr> <td data-bbox="363 535 1385 573">Empty trash receptacles, wipe down wastebaskets of dirt build-up, replace all plastic liners</td> </tr> <tr> <td data-bbox="363 573 1385 611">Sweep and damp mop all uncarpeted areas</td> </tr> <tr> <td data-bbox="363 611 1385 648">Vacuum carpeted areas and walk-off mats</td> </tr> <tr> <td data-bbox="363 648 1385 686">Clean and sanitize with antibacterial solution: bathroom fixtures/fitness equipment</td> </tr> <tr> <td data-bbox="363 686 1385 724">Wipe down vertical/horizontal tiled surfaces</td> </tr> <tr> <td data-bbox="363 724 1385 762">Exterior areas including public parking lot/walkways; employee parking</td> </tr> <tr> <td data-bbox="363 762 1385 800">Empty trash receptacles, wipe down wastebaskets of dirt build-up, replace all plastic liners</td> </tr> <tr> <td data-bbox="363 800 1385 846">Clean cigarette receptacles</td> </tr> </table>	Vestibules/lobbies/entryways; General/common areas; Administrative offices	Empty trash receptacles, wipe down wastebaskets of dirt build-up, replace all plastic liners	Sweep and damp mop all uncarpeted areas (DISPATCH FLOORING REQUIRES USE OF <i>Armstrong S-392 Static Dissipative Polish ONLY</i>)	Vacuum carpeted areas and walk-off mats	Clean interior glass doors and windows	Restrooms/locker rooms; Fitness area	Empty trash receptacles, wipe down wastebaskets of dirt build-up, replace all plastic liners	Sweep and damp mop all uncarpeted areas	Vacuum carpeted areas and walk-off mats	Clean and sanitize with antibacterial solution: bathroom fixtures/fitness equipment	Wipe down vertical/horizontal tiled surfaces	Exterior areas including public parking lot/walkways; employee parking	Empty trash receptacles, wipe down wastebaskets of dirt build-up, replace all plastic liners	Clean cigarette receptacles
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WEEKLY SERVICES	<table border="1"> <tr> <td data-bbox="363 846 1385 884">Vestibules/lobbies/entryways; General/common areas; Administrative offices</td> </tr> <tr> <td data-bbox="363 884 1385 921">Dust horizontal surfaces readily available</td> </tr> <tr> <td data-bbox="363 921 1385 959">Dust vertical wall panels</td> </tr> <tr> <td data-bbox="363 959 1385 997">Wipe down all door/window jams and sills</td> </tr> <tr> <td data-bbox="363 997 1385 1035">Kitchen</td> </tr> <tr> <td data-bbox="363 1035 1385 1073">Clean and sanitize with antibacterial solution: Tables, sink, stove top, counter tops</td> </tr> <tr> <td data-bbox="363 1073 1385 1110">Evidence Submission Room</td> </tr> <tr> <td data-bbox="363 1110 1385 1148">Empty trash receptacles, wipe down wastebaskets of dirt build-up, replace all plastic liners</td> </tr> <tr> <td data-bbox="363 1148 1385 1186">Sweep and damp mop all uncarpeted areas</td> </tr> <tr> <td data-bbox="363 1186 1385 1224">Forensic Bay/Exterior walkways</td> </tr> <tr> <td data-bbox="363 1224 1385 1262">Sweep</td> </tr> </table>	Vestibules/lobbies/entryways; General/common areas; Administrative offices	Dust horizontal surfaces readily available	Dust vertical wall panels	Wipe down all door/window jams and sills	Kitchen	Clean and sanitize with antibacterial solution: Tables, sink, stove top, counter tops	Evidence Submission Room	Empty trash receptacles, wipe down wastebaskets of dirt build-up, replace all plastic liners	Sweep and damp mop all uncarpeted areas	Forensic Bay/Exterior walkways	Sweep			
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MONTHLY SERVICES	<table border="1"> <tr> <td data-bbox="363 1341 1385 1379">FLOORING (uncarpeted areas)</td> </tr> <tr> <td data-bbox="363 1379 1385 1404">Spray buff/wax uncarpeted flooring following manufacturers' guidelines</td> </tr> </table>	FLOORING (uncarpeted areas)	Spray buff/wax uncarpeted flooring following manufacturers' guidelines												
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QUARTERLY SERVICES	<table border="1"> <tr> <td data-bbox="363 1404 1385 1442">KITCHEN</td> </tr> <tr> <td data-bbox="363 1442 1385 1480">Clean coffee urn, oven and refrigerator</td> </tr> </table>	KITCHEN	Clean coffee urn, oven and refrigerator												
KITCHEN															
Clean coffee urn, oven and refrigerator															
BI-ANNUAL SERVICES	<table border="1"> <tr> <td data-bbox="363 1556 1385 1593">Clean all carpeted areas following manufacturers' guidelines</td> </tr> <tr> <td data-bbox="363 1593 1385 1631">Upholstered furniture cleaned as needed (Priced per item)</td> </tr> </table>	Clean all carpeted areas following manufacturers' guidelines	Upholstered furniture cleaned as needed (Priced per item)												
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Upholstered furniture cleaned as needed (Priced per item)															
ANNUAL SERVICES	<table border="1"> <tr> <td data-bbox="363 1707 1385 1745">Uncarpeted flooring stripped and wax reapplied following manufacturers' guidelines</td> </tr> </table>	Uncarpeted flooring stripped and wax reapplied following manufacturers' guidelines													
Uncarpeted flooring stripped and wax reapplied following manufacturers' guidelines															

TUAN'S ISLAND PROFESSIONAL CLEANING SERVICE

P.O.BOX 1700

KODIAK, AK 99615

PHONE# (907)486-4582

CELL# (907)539-6789

E-MAIL ADDRESS: tuangoctran@hotmail.com

LETTER OF CONTENT

May. 14, 2015.

To whom it might concern, this letter of content is to follow up of our Janitorial Services Proposal was dated back in Mar. 13, 2015 to the Kodiak Police Department of Kodiak City, Alaska 99615. Located at 2160, Mill Bay Rd.

The price list in the proposal is included. The new price will be started beginning on ~~June~~^{July} 01, 2015. All terms are agreed. The quotation will be carried on for three (3) years without increase if approved by authorized person(s).

Please call and let me know if any further assists I can do.

Tuan's Island Professional Cleaning Service



By: Tuan N. Tran (owner)

Date: May 14, 2015

City Of Kodiak/ Kodiak Police Department

By: _____

Date: _____

POBOX 1700 KODIAK, AK 99615

PHONE# (907)486-4582 CELL# (907)539-6789

E-MAIL ADDRESS: tuanngoctran@hotmail.com

Janitorial Services Matrix

Mar.13, 2015

This proposal to provide the Janitorial Services of Kodiak Police Station of Kodiak City, Alaska. Locate at 2160, Mill Bay rd. Kodiak, AK 99615.

TIP Cleaning Services will provide all supplies such as: paper towel; toilet tissues; trash can liners; hand soaps; cleaning agents, and equipments to perform the job.

*****DAILY SERVICES:** will be performed five (5) days per week. Excluding City Holidays. Between 7:00pm-7:00am. (as term conditions)

\$ 3,255.00/month.

*** **WEEKLY SERVICES:** will be performed on Sundays (as term condition)

\$ 399.00/month.

*****MONTHLY SERVICES:** spray buff uncarpeted flooring (last Sundays of the month)

\$ 84.00/month.

*****QUARTERLY SERVICES:** clean coffee urn, oven and refrigerator.

(Sep; Dec; Mar; Jun)

\$ 78.75/each quarter.

*** **BI-ANNUAL:** clean all carpeted areas.

\$ 1,727.00/each time.

Upholstered furniture clean as needed (price per item)

*** **ANNUAL SERVICES:** strip and re-finish all uncarpeted areas.

\$3,990.00/each time.

This quotation will be carried on for three (3) years without increase if approved by authorized person(s)

Please call and let me know if anv further assists I can do.

Tuan's Island Professional Cleaning Service

Tuan

By: Tuan N. Tran (owner)

Date: Mar. 13, 2015

City Of Kodiak/Kodiak Police Department

By: _____

Date: _____

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniaziowski, City Manager
Debra Marlar, City Clerk *DM*

Date: June 11, 2015

Agenda Item: V. f. Recommendation of City Appointment to the Planning and Zoning Commission

SUMMARY: Three of the seven seats on the Planning and Zoning Commission are designated as City seats. Patricia Olsen was appointed to a City seat for a term ending December 2016. Ms. Olsen resigned from the Planning and Zoning Commission, and the Council needs to recommend an applicant for appointment. At Tuesday's work session, Mayor Branson and Councilmembers interviewed Kyle Crow, the sole applicant for the vacant City seat on the Planning and Zoning Commission.

BACKGROUND: Alaska Statute 29.40.020 provides that an appointment to the Planning and Zoning Commission is made by the Borough Mayor for a three-year term from a list of recommendations submitted by the City Council. The Borough Clerk's Office advertised for the vacant position, and received one application from City resident Kyle Crow. Historically, the Council has submitted the names of one or more applicants for recommendation of appointment. If the Council has had a preference of who is appointed, this list contained only those name(s).

ATTACHMENTS:

Attachment A: Planning and Zoning Application and Member List

PROPOSED MOTION:

Move to recommend Kyle Crowe for appointment to the vacant City seat on the Planning and Zoning Commission.

JUNE 11, 2014
Agenda Item V. F. Memo Page 1 of 1

Angela MacKenzie

From: noreply@civicplus.com
Sent: Friday, May 22, 2015 9:59 AM
To: Clerks
Subject: Online Form Submittal: Board Application Form

The following form was submitted via your website: Board Application Form

Select the Board, Commission, or Committee applying for: Planning and Zoning Commission

Designated seat or group representation (if applicable): : City of Kodiak

Full Name: Kyle William Crow

Residence Address: 410 west rezanof dr, Kodiak AK 99615

Mailing Address : 410 west rezanof dr kodiak ak 99615

Email Address (This address will be used for correspondence): kylecrow@yahoo.com

Home Phone Number (numeric only): 9077389283

Work Number (numeric only): 9077389283

Cell or Fax Number (numeric only): 9077389283

Employer/Occupation: consultant @ kyle w crow

Length of residency in Kodiak: 40

Registered to vote in Kodiak?: Yes

Length of Residence in Service Area: 20+

Are you currently serving on other Boards, Commissions, or Committees?: Yes

If yes, which: Alternate City of Kodiak Rep on Cook Inlet Citizens Advisory Council

Organizations you belong to or participate in: various

Explain your main reason for applying: I am interested in serving the citizens of the Kodiak Island Borough as a member of the Planning and Zoning Commission to help ensure the laws are fairly applied and ammended as needed to achieve the expressed derires for a less restrictive Government.

What background, experience, or expertise will you bring to the board/committee/commission membership?: Please see my submitted resume. to be provided via e-mail to the Borough Clerk

Are you available for regular meetings?: Yes

FOR CLERKS OFFICE STAFF ONLY:

Registered Voter of the Borough: Y N :

Applicant's Residence: Borough _____ City :

Date of Appointment:

Term Expires On:

Appointment Letter:

Roster:

Oath of Office:

APOC POFD Statement: N/A _____ Attached _____ On File _____:

Additional Information:

Form submitted on: 5/22/2015 9:58:47 AM

Submitted from IP Address: 65.74.85.14

Referrer Page: No Referrer - Direct Link

Form Address: <http://www.kodiakak.us/Forms.aspx?FID=72>



KODIAK ISLAND BOROUGH

PLANNING AND ZONING COMMISSION

NAME	TERM	HOME PHONE	WORK PHONE	CELL PHONE	EMAIL
Scott Arndt (B) Chair PO Box 76 Kodiak, AK 99615	2015	481-3745	FAX 481-3333	414-791- 3745	sla3745@yahoo.com
Jay Baldwin (B) Vice Chair 3343 Eider St Kodiak, AK 99615	2016			942-0386	Jay.baldwin@kibplanning.org kodiakjay@yahoo.com
Kathy Drabek (C) 220 Mill Bay Road Kodiak, AK 99615	2015		486-4449	654-4905	kathy.drabek@kibplanning.org
Maria Painter (B) 3901 Woodland Dr. Kodiak, AK 99615	2015			942-2560	maria.painter@kibplanning.org
Alan Schmitt (C) 3295 Woody Way Loop Kodiak, AK 99615	2017	486-5314			alan.schmitt@kibplanning.org
Greg Spalinger (B) PO Box 2635 Kodiak, AK 99615	2017	486-8366	486-3725		greg.spalinger@kibplanning.org
VACANT (C)	2016				

B=Borough Seat
C=City Seat

This commission is governed by Kodiak Island Borough Code 2.105

STAFF:

CDD DIRECTOR, BOB PEDERSON	486-9360	bpederson@kodiakak.us
ASSOCIATE PLANNER, MARTIN LYDICK	486-9361	mlydick@kodiakak.us
ASSISTANT PLANNER, JACK MAKER	486-9362	jmaker@kodiakak.us
CODE ENFORCEMENT OFFICER, NEIL HORN	486-9364	nhorn@kodiakak.us
CDD SECRETARY, SHEILA SMITH	486-9363	ssmith@kodiakak.us

COMMUNITY DEVELOPMENT DEPARTMENT
710 MILL BAY ROAD
ROOM 205
KODIAK, AK 99615

Revision Date: 4/06/2015
Revised by: AM