

City of Kodiak Special Council Meeting Agenda for March 17, 2016
7:30 p.m., at 612 Egan Way, Public Library Multi-Purpose Room

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

- II. Previous Minutes**
Approval of Minutes of the February 25, 2016, Regular Council Meeting.....1

- III. Persons to Be Heard**
 - a. Public Comments (limited to 3 minutes) (486-3231)

- IV. Unfinished Business**
None

- V. New Business**
 - a. First Reading, Ordinance No. 1344, Repealing Kodiak City Code 12.08.030, Obstructions; Amending Kodiak City Code 12.12.030, Outdoor Dining Permit/Encroachment Permit Required; and Enacting Kodiak City Code Chapter 12.18, Encroachment Permits, Regarding the Permission of Encroachments on City Sidewalks and Other City Property10
 - b. First Reading, Ordinance No. 1345, Enacting Kodiak City Code 3.16.015, Definitions, Kodiak City Code 3.16.025, Investment Committee, and Kodiak City Code 3.16.027, Investment Manager; And Amending Kodiak City Code 3.16.020, Treasury Management, and Kodiak City Code 3.16.030, Permissible Investments; to Provide for an Investment Committee to Oversee Investments of City Funds, Professional Management of the Investments and Related Matters18
 - c. First Reading, Ordinance No. 1346, Authorizing a Lease Between the City of Kodiak and United States Department of Transportation, Federal Aviation Administration Alaska Region for Pillar Mountain Communication Lease Site No. 12, Described as a Parcel of Land Within U.S. Survey 394524
 - d. Resolution No. 2016-11, Urging the Governor of the State of Alaska to Appoint a Kodiak Representative to the North Pacific Fishery Management Council38
 - e. Authorization of the First Amendment to Fisheries Analyst Contract44
 - f. Authorization of Banking Services Contract 70
 - g. Authorization of Repairs to Fire Station Overhead Doors 110
 - h. Authorization of Reimbursement of Dockage and Wharfage Fees at Pier I 114
 - i. Authorization of the First Amendment to Professional Services Contract with Solstice Alaska Consulting Inc to Assist in Permitting for the Channel Transient Float Replacement Project No. 8525122
 - j. Authorization of Data Storage System Purchase134

- 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. Executive Session

- a. City Manager's Annual Evaluation and Contract Review..... 140

XI. Adjournment

<p>DRAFT</p>

**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF KODIAK
HELD THURSDAY, FEBRUARY 25, 2016
IN THE BOROUGH ASSEMBLY CHAMBERS**

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

Mayor Pat Branson called the meeting to order at 7:30 p.m. Councilmembers Laura B. Arboleda, Randall C. Bishop, Charles E. Davidson, Gabriel T. Saravia, Richard H. Walker, and John B. Whiddon were present and constituted a quorum. City Manager Aimée Kniazowski, City Clerk Debra L. Marlar, and Deputy Clerk Michelle Shuravloff-Nelson were also present.

Salvation Army Sergeant Major Dave Blacketer gave the invocation and the Pledge of Allegiance was recited.

II. PREVIOUS MINUTES

Councilmember Whiddon MOVED to approve the minutes of the February 11, 2016, regular meeting as presented.

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

III. PERSONS TO BE HEARD

a. Proclamation: Declaring February as School Board Recognition Month

Councilmember Walker read this proclamation, which urges all citizens to recognize the dedication and hard work of local school board members and work with them to mold an education system that meets the needs of both today's and tomorrow's children.

Rick Kniazowski, School Board Member, and **Marilyn Davidson**, Assistant Superintendent, accepted the proclamation on behalf of the School Board.

b. Public Comments

Russell Anderson thanked the Mayor and Council for being great communicators for the citizens. He said ordinances and meeting management are well done.

IV. UNFINISHED BUSINESS

a. Second Reading and Public Hearing, Ordinance No. 1343, Authorizing a Lease of a Communication Site on an Unsubdivided Portion of U.S. Survey 4947 on Near Island to Kodiak Island Broadcasting Co., Inc.

Mayor Branson read Ordinance No. 1343 by title. The City has leased a communication site on Near Island to Kodiak Island Broadcasting Co., Inc. (KIBCI) since prior to the year 2000. The last five-year lease extension in 2010 expired in November 2015 and has been honored on a

month-to-month basis until the new lease could be approved by Council. KIBCI notified staff of its desire to continue a lease, and staff worked with the City Attorney to prepare a new lease. Due to the lease's term and value, Council must approve it by an ordinance.

Councilmember Bishop MOVED to adopt Ordinance No. 1343.

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 Arboleda, Bishop, Davidson, Saravia, Walker, and Whiddon in favor. The motion passed.

V. NEW BUSINESS

a. Resolution No. 2016–09, Authorizing Formation of an Investment Committee

Mayor Branson read Resolution No. 2016–09 by title. The City currently self-manages the City's investments. These are invested based on the investment policy within the City of Kodiak municipal code at the discretion of the Finance Director. The Finance Director presented to the City Council on February 9, 2016, an overview of the City's investments, investment policy, and returns on investments. The Finance Director suggested that an Investment Committee be formed to oversee the selection of an Investment Advisory and Management Company and monitor the performance of the company chosen.

Councilmember Arboleda MOVED to adopt Resolution No. 2016–09.

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

b. Authorization of Professional Services Contract for Cash Flow Analysis/ Rate Study for Kodiak Harbors

In the Council's budget goals, rates for enterprise funds should be evaluated every five years. The last evaluation presented to Council in 2012 included harbor and cruise ship rates. The cruise ship rates were implemented but the harbor rates were not. Harbor rates have not been adjusted since 2011. The current proposed study is designed to update the information provided in 2012 and provide rate recommendations based on current financial factors.

Councilmember Bishop MOVED to authorize a professional services contract with Northern Economics Inc., in an amount not-to-exceed \$17,930 to conduct a cash flow analysis and rate study for Kodiak harbors, with funds from the Harbor Enterprise Fund, and authorize the City Manager to execute the documents on behalf of the City.

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

c. Authorization to Cancel the March 10, and 24, 2016, Regular Meetings and Authorize a Special Meeting for March 17, 2016

The regularly scheduled Council meetings for March 10 and March 24, 2016, may be cancelled to allow for elected official and staff travel schedules. Elected officials are traveling to the National League of Cities Conference in Washington D.C. and attending lobbying meetings in Juneau during the regular meeting dates. To account for these cancellations, a special meeting is scheduled for March 17, 2016.

Councilmember Walker MOVED to cancel the March 10 and March 24, 2016, regular meetings and authorize a special meeting for March 17, 2016.

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

d. Authorization of Purchase of a Loader for Composting Facility, Project No. 08-06/7517

The expired composting agreement with Quayanna Development Corporation (QDC) included the loader as part of the equipment they supplied to operate the facility. Staff located a used loader in Anchorage that would be suitable to operate the facility.

Councilmember Bishop MOVED to authorize the purchase of a used Case 521 E Loader and attachments from Yukon Equipment Inc. in the amount of \$162,770 with funds from the Sewer Fund, fund balance and authorize the City Manager to sign necessary documents on behalf of the City.

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

e. Authorization of a Professional Services Contract for Medical Director for Kodiak Fire Department

The City operates a medical treatment and transport (ambulance) service via the City of Kodiak Fire Department. As required by the State of Alaska, a licensed physician has been retained to perform the duties of Medical Director. The Medical Director is responsible for medical oversight, protocol and policy development, quality improvement activities, liaison with PKIMC, and corrective actions related to patient care actions by providers. The Fire Department's current Medical Director, Dr. Mark Withrow has announced his retirement after more than 15 years of service as Medical Director. Dr. Gregory Culver has submitted his letter of interest in assuming the position.

Councilmember Davidson MOVED to authorize professional services contract No. 221998 with Dr. Gregory L Culver MD, FAAFP for Medical Director Services for the Kodiak Fire Department in the amount of \$25,000 a year for two-years with an option to extend, and authorize the City Manager to execute the necessary documents for the City.

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

f. Appointment of Councilmember to Investment Committee

The City currently self-manages the City's financial investments. These are invested based on the investment policy within the City of Kodiak municipal code at the discretion of the Finance Director. The Finance Director presented to the City Council on February 9, 2016, an overview of the City's investments, investment policy, and returns on investments. The Finance Director suggested that an Investment Committee be formed to oversee the selection of an Investment Advisory and Management Company and, thus, monitor the performance of the company chosen. Earlier in the meeting the Council adopted Resolution No. 2016-09, Authorizing Formation of an Investment Committee. Per Council discussion at the February 9 work session, the committee will include one Councilmember. The next step would be to appoint a Councilmember to the committee by motion.

Councilmember Whiddon MOVED to appoint Councilmember Davidson to the Investment Committee established by Resolution No. 2016-09 to serve until a replacement is appointed.

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

VI. STAFF REPORTS**a. City Manager**

Manager Kniazowski gave an overview of the Alaska Municipal League (AML) meeting, which focused on the State of Alaska budget and potential budget cuts. She said the legislature is looking at reducing staff and reducing areas of shared revenue programs. She said Senator MacKinnon indicated the State of Alaska's Education and Health and Human Services departments will be impacted by budgetary cuts. Manager Kniazowski expressed her concern about the PERS unfunded liability for the City, which the State paid 49 percent last year; the City paid 22 percent. She said the Governor's balanced budget plan was discussed, and she highlighted they had a good visit with Senator Gary Stevens. She gave a brief capital projects update: Monashka Pumphouse is operating at eight million gallons of water a day; the compost facility is progressing; the downtown lift stations are underway, and pre-construction meetings will begin in March; Golder and Associates will be working on dam safety inspections, and the Public Work's staff is collecting data and clearing brush in the area; Pier III is down to punch list items; the Pedestrian Pathway project is moving forward, and a public hearing is scheduled for March 8 at the Convention Center. She referred to pictures of the decorative garbage cans that have been placed in the downtown area, and she thanked Bruce Schactler and Anjuli Graham for their work on the project. She said she will attend SWAMC with the Mayor and several Councilmembers next week and thanked Deputy Manager Tvenge and staff for the regular meeting packet preparation last week.

b. City Clerk

City Clerk Marljar informed the public of the next scheduled Council work session, special meeting and the upcoming dates for the fisheries work group meetings.

VII. MAYOR'S COMMENTS

Mayor Branson stated she attended AML and indicated Senator MacKinnon and Senator McGuire spoke on a budget bill, and Senator Murkowski gave her annual speech to the Alaska Legislature and mentioned the great partnership between the City of Kodiak, KEA, and Matson about the flywheels used for the new crane. She said the main concern from municipalities is the continued State contribution to PERS. She said there will be some budgetary cuts, although the specifics are still unknown for revenue increases. She shared her concern for changes in the revenue sharing and encouraged the citizens to monitor the ferry system. She participated in a meeting at the legislative office testifying on the sustainability plan developed by AML and expressed her opposition to increasing the sales tax. She said there will be opportunities to testify on March 2 at the LIO office on the House of Representatives operating budget. She said there was a positive joint work session with the Kodiak Island Borough to discuss the fisheries analyst contract, and they plan to move forward jointly with some minor modifications to the professional services contract.

VIII. COUNCIL COMMENTS

Councilmember Bishop said he attended the United States Coast Guard (USCG) appreciation dinner and thanked the Chamber of Commerce and sponsors for their work to host the event, and he thanked the Coast Guard for their service and their sacrifices. He said the Joint Building Code Review Committee had a meeting to review the 2012 International Residential Engineering Codes and they postponed their vote until the March 9, 2016, meeting. He said the State will be adopting updated National Electrical Codes and the Uniform Plumbing Codes. He indicated he attended the Fisheries Work Group meeting recently and complimented Mayor Branson and Councilmembers Whiddon and Saravia for their contribution to this work group.

Councilmember Saravia thanked the USCG for their service, and he thanked the City department heads and citizens for their attendance at the meeting.

Councilmember Whiddon said the City/Borough joint work session went well, and there was good communication during the meeting. He said there was consensus for the Managers to move forward with some changes to the fisheries analyst contract, and he hopes that will be resolved soon. He said the structure of the fisheries work group was discussed, and there will be review of the City/Borough joint resolutions that formed FWG at their March 14 meeting. He said the March 16 FWG meeting will include discussion with processors to promote the seafood industry in Kodiak.

Councilmember Arboleda thanked Mr. Anderson for his positive public comments. She complimented the garbage cans placed in the downtown area, and said she looks forward to recycle bins in the future. She said she will attend SWAMC next week.

Councilmember Davidson said he attended the AML meetings and said sustainability was the topic of discussion. He said there was concern expressed about the potential loss of the Permanent Fund, and he commented that this is the lowest budget in decades and predicts it will impact employment within the State. He said he believes there will need to be alternate sources of revenue for sustainability. He said he was pleased with the outcome at the joint work session, and he

shared he could not attend the USCG dinner because he was traveling and expressed his appreciation for their services.

Councilmember Walker said he appreciated being a part of the Council and thanked them for their service.

IX. AUDIENCE COMMENTS

None

X. EXECUTIVE SESSION

a. Discussion About Future Costs Related to the Reconstruction of Pier III

Councilmember Davidson MOVED to enter into executive session pursuant to AS 44.62.310(c)(1) to discuss matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the City, specifically, future costs related to the reconstruction of Pier III.

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

The Council entered into executive session at 8:20 p.m.

The Mayor reconvened the regular meeting at 9:16 p.m.

X. POTENTIAL ACTION FOLLOWING EXECUTIVE SESSION

a. Resolution No. 2016–10, Appropriating \$350,000 From the Cargo Terminal Fund to the Cargo Development Capital Project Fund to Pay for Additional Construction and Project Management Services Needed in the Pier III Replacement Project No. 11-07/8024

Mayor Branson read Resolution No. 2016–10 by title. Resolution No. 2016–10 authorizes additional funding for project management and construction services for the Pier III Replacement Project No. 11-07/8024 for the amount of \$350,000. Pacific Pile & Marine’s (PPM) schedule for completion of the project has slipped at least five months causing the need for additional project management, legal, and construction services.

Councilmember Arboleda MOVED to adopt Resolution No. 2016–10.

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

b. Authorization of Amendment to the Professional Services Contract for Pier III Project Management with ARCADIS US Inc.

Amendment No. 7 to the ARCADIS contract is for additional construction phase project management services for the Pier III replacement project. Roe Sturgulewski submitted a proposal to

provide extended project management services beyond what was anticipated in previous amendments.

Councilmember Davidson MOVED to authorize Amendment No. 7 to the professional services contract with ARCADIS US Inc. in an amount not-to-exceed \$75,000 for project management services, Project No. 11-07/8024, with funds from the Cargo Development Capital Project Fund and authorize the City Manager to execute the documents on behalf of the City.

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

c. Authorization of Change Order No. 12 With Pacific Pile and Marine for Pier III Replacement, Project No. 11-07/8024

Authorization of Change Order No. 12 to Pacific Pile and Marine LP (PPM) in the amount of \$50,878 reflects a combination of additions and deletions implemented during construction.

Councilmember Whiddon MOVED to authorize Change Order No. 12 to Pacific Pile and Marine in the amount of \$50,878 for the Pier III replacement project with funds coming from the Cargo Development Capital Project Fund, Pier III Replacement, Project No. 11-07/8024, and authorize the City Manager to execute the documents on behalf of the City.

The roll call vote was Councilmembers Arboleda, Bishop, Davidson, Saravia, and Whiddon in favor. Councilmember Walker was opposed. The motion passed.

X. ADJOURNMENT

Councilmember Davidson MOVED to adjourn the meeting.

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

The meeting adjourned at 9:26 p.m.

CITY OF KODIAK

MAYOR

ATTEST:


CITY CLERK

Minutes Approved:

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NEW BUSINESS

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniazowski, City Manager 
Thru: Mike Tvenge, Deputy City Manager
Date: March 17, 2016

Agenda Item: V. a. **First Reading, Ordinance No. 1344, Repealing Kodiak City Code 12.08.030, Obstructions; Amending Kodiak City Code 12.12.030, Outdoor Dining Permit/Encroachment Permit Required; and Enacting Kodiak City Code Chapter 12.18, Encroachment Permits, Regarding the Permission of Encroachments on City Sidewalks and Other City Property**

SUMMARY: The Kodiak City Code has a brief reference to encroachment permits; however, there is no mention of a means to issue them. The City has issued encroachment permits for many years, and the City's Schedule of Fees, Charges, and Tariffs includes an encroachment permit fee. There has been an increase in public requests for such permits, and the City Attorney recommended that sections of Title 12 need to be amended to allow such permits to be issued.

PREVIOUS COUNCIL ACTION: On September 9, 2015, Council supported a staff recommendation that the Kodiak City Code be amended to clarify the issuance of encroachment permits as an administrative function. On March 15, 2016, Council reviewed Ordinance No. 1344 at the work session to begin the code amendment process.

DISCUSSION: In 2015, a downtown business in the Mall wanted to install two seating benches to accommodate waiting patrons on the City owned sidewalk in front of their business. Staff worked with the business to come up with a way to accommodate the request, believing an annual encroachment permit would be the best way to make that happen. Also, a local church asked for parking space on City owned property to accommodate 12 or more vehicles. These requests lead to the research and finding of the need to establish authority to issue encroachment permits by amending sections of Title 12 of the KCC to allow for such action.

Kodiak City Code 12.12.030 **Outdoor dining permit/encroachment permit required** *Outdoor dining is not allowed without an outdoor dining permit and an encroachment permit as set forth in KCC 12.12.100.* This reference to an encroachment permit does not provide the authority elsewhere to issue such a permit. The Building Department has issued encroachment permits for several years for building and access related issues. These variances are issued by "Permit" hence likely the beginning of the encroachment permit.

This proposed ordinance will clear up any ambiguity and provide a section in Code for the issuance and provisions for revocation of such a permit. Approval of any and all encroachment permits will be through the City Manager or designee.

ALTERNATIVES:

- 1) Pass Ordinance No. 1344 in the first reading and move to second reading at the next regular or special Council meeting, which is staff's recommendation because it allows for well-defined and safe alternative uses of City owned property and rights of way.
- 2) Amend or do not pass Ordinance No. 1344, which is not recommended because it would continue the lack of authority to issue the permits and create confusion as to how to enact this aspect of the City Code.

FINANCIAL IMPLICATIONS: Once adopted by ordinance, the issuance of encroachment permits will be relatively infrequent, and therefore of little financial impact. The permit template exists, the Building Department will provide the permit on request, the applicant will complete the permit form, return, if approved by the City Manager or designee, a \$30.00 fee will be charged to the applicant and the issued permit will expire in twelve months. Earlier permits issued currently have no expiration date or provision for revocation.

LEGAL: The Deputy Manager has worked with the City Attorney to make the proposed Code revisions.

STAFF RECOMMENDATION: Staff recommends Council adopt Ordinance No. 1344 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting. This would provide a means to accommodate specific use of City owned property and rights of way.

DEPUTY CITY MANAGER'S COMMENTS: I support the adoption of Ordinance No. 1344. This permit has a review process and is revocable in situations where there is misuse. The two requests we currently have for such permits are completely reasonable and will provide a means to grant the public access for their request.

CITY MANAGER'S COMMENTS: The encroachment permit has been in use for many years and has worked as a means to provide a simple and fair way to accommodate requests by the community for access to some City property and rights of way. The Deputy Manager worked with the City Attorney to make sure the City Code is consistent with current practices and a way to allow for the issuance of time-specific encroachment permits, like the one for the benches in the Mall area. I support Mike's efforts and think this will help clean up our Code and make it reflect current practices.

ATTACHMENTS:

Attachment A: Ordinance No. 1344

Attachment B: Encroachment Permit Form

PROPOSED MOTION:

Move to pass Ordinance No. 1344 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

**CITY OF KODIAK
ORDINANCE NUMBER 1344**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK REPEALING
KODIAK CITY CODE 12.08.030, OBSTRUCTIONS; AMENDING KODIAK CITY
CODE 12.12.030, OUTDOOR DINING PERMIT/ENCROACHMENT PERMIT
REQUIRED; AND ENACTING KODIAK CITY CODE CHAPTER 12.18,
ENCROACHMENT PERMITS, REGARDING THE PERMISSION OF
ENCROACHMENTS ON CITY SIDEWALKS AND OTHER CITY PROPERTY**

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

- Section 1:** Kodiak City Code 12.08.030, Obstructions prohibited, is repealed.
- Section 2:** Kodiak City Code 12.12.030 Outdoor dining permit/encroachment permit required, is amended to read as follows:
 - 12.12.030 Outdoor dining permit/encroachment permit required**
Outdoor dining is not allowed without an outdoor dining permit ~~and an encroachment permit~~ as set forth in KCC 12.12.100
- Section 3:** Kodiak City Code Chapter 12.18, Encroachment Permits, is enacted to read as follows:

CHAPTER 12.18—ENCROACHMENT PERMITS

Section	
12.18.010	Definitions
12.18.020	Sidewalk encroachments prohibited; exceptions
12.18.030	Encroachment permit—Sidewalk
12.18.040	Encroachment permit—Other city property
12.18.050	Indemnification of city
12.18.060	Assignment and transfer of permit
12.18.070	Repair of damage
12.18.080	Right of city to enter.

12.18.010 Definitions.

As used in this chapter:

“Adjacent property” means property immediately adjacent to a sidewalk.

“Emergency” means an event or condition that presents an imminent hazard to public safety.

“Permit” means an encroachment permit issued under this chapter.

“Permittee” means any person granted a permit under this chapter.

“Sidewalk” means a paved surface in a City right-of-way that has been improved for pedestrian travel.

"Storefront" means the first story street frontage of a building that is used or occupied by a single owner or lessee for commercial purposes, and through which the public is given access to the interior of the building.

12.18.020 Sidewalk encroachments prohibited; exceptions.

No person may place an object of any kind on or over a sidewalk that in any manner prevents or restricts pedestrian access to or movement upon the sidewalk, including without limitation any merchandise, furniture, container, vending machine, sign, equipment, structure, or barricade, except for the following:

(a) An object placed on or over a sidewalk by the owner or occupant of the adjacent storefront in accordance with the terms of an encroachment permit issued under section 12.18.030;

(b) An object placed on or over a sidewalk in accordance with an outdoor dining permit issued under Section 12.12.100;

(c) Work performed in accordance with a building permit issued by the City under Title 14 of this code;

(d) The construction or repair of a street or sidewalk by the City; or

(e) The construction or repair by a public utility of a utility facility located on, under or over a street or sidewalk with the permission of the City.

12.18.030 Encroachment permit--Sidewalk.

(a) The owner or occupant of a storefront may apply to the city manager for an encroachment permit on a form provided by the city manager, which shall include:

(1) The name and mailing address of the applicant;

(2) If an applicant is not a natural person, the business entity form and jurisdiction of incorporation or organization of the applicant;

(3) The name of the business owning or occupying the storefront adjacent to the sidewalk where the encroachment is to be located;

(4) A description of the objects that are to be placed on or over the sidewalk, and a drawing to scale showing their location and dimensions; and

(5) The encroachment fee specified in the City fee schedule.

(b) The city manager may grant an encroachment permit upon finding:

(1) the application meets the requirements of subsection (a) of this section;

(2) the permitted encroachment reasonably provides for the safe and unobstructed movement of pedestrians, and safe and unobstructed sidewalk access and building ingress and egress for fire and emergency purposes.

(c) The city manager may issue a permit for a sidewalk encroachment subject to such conditions as in the judgment of the city manager are necessary to protect the public health, safety and welfare.

(d) A permit for a sidewalk encroachment shall be issued for a term that expires on December 31 of the calendar year of its issuance. It shall identify the objects that are permitted to be placed on or over the sidewalk, and a drawing to scale showing their location and dimensions. It shall state that the permission granted is temporary in nature; that it grants no interest in real property; that it is revocable upon the city manager finding that a term of the permit has been violated or if the permitted use shall become contrary to public safety or convenience.

12.18.040 Encroachment permit—Other city property.

(a) A person desiring to use or occupy city property other than a sidewalk may apply for an encroachment permit on a form provided by the city manager, which shall include:

- (1) The name and mailing address of the applicant;
- (2) If an applicant is not a natural person, the business entity form and jurisdiction of incorporation or organization of the applicant;
- (3) A description of the city property where the encroachment is to be located;
- (4) A description of the nature of the proposed use or occupancy of the city property, and its proposed duration, and a drawing to scale showing the area to be used or occupied and the location and dimensions of any objects to be placed therein; and
- (5) The encroachment fee specified in the City fee schedule.

(b) The city manager may grant an encroachment permit upon finding:

- (1) the application meets the requirements of subsection (a) of this section;
- (2) the permitted encroachment does not interfere with the city's use and occupancy of the property, and is consistent with public safety and convenience.

(c) The city manager may issue an encroachment permit subject to such conditions as in the judgment of the city manager are necessary to protect the public health, safety and welfare.

(d) An encroachment permit shall be issued for an indefinite term. It shall identify the nature of the permitted use or occupancy of the city property, and its duration, and a drawing to scale showing the area to be used or occupied and the location and dimensions of any objects to be placed therein. It shall state that it grants no interest in real property, and that it is revocable at any time by the city manager for the convenience of the city.

12.18.050 Indemnification of city.

The permittee shall be responsible for all claims and liabilities arising out of the use or activity that is the subject of the permit or failure to perform the permittee's obligations under the permit. The permittee shall indemnify, defend, save and hold harmless the city, and its officers and employees, from and against any and all lawsuits, claims or actions brought by any person for or on account of damage to property, or injury, disease, illness or death of persons, including all costs and expenses incident thereto, arising wholly or in part from or in connection with such use, activity or failure to perform.

12.18.060 Assignment and transfer of permit.

A permittee may not assign or transfer the permit or any rights thereunder. A permittee may not allow another person to conduct any activity or use under the authority of the permittee's permit.

12.18.070 Repair of damage.

Upon notice from the city manager, a permittee shall promptly repair any damage to city property that results from the permittee's activity or use under the permit, and until such repair is completed, take all measures that are required to

protect users of the property from injury resulting from such damage. If the permittee fails to make such repairs or take such measures within a reasonable time, the city may do so at the expense of the permittee.

12.18.080 Right of city to enter.

The city may enter upon any area that is the subject of a permit at any time to inspect the use or activity that is conducted under the permit for compliance with permit terms and conditions, to perform any required repair or maintenance to city property, or to respond to an emergency.

Section 4: This ordinance shall be effective one month following final passage and publication in accordance with Kodiak Charter article II section 13.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

First Reading:
Second Reading:
Effective Date:



CITY OF KODIAK
ENCROACHMENT PERMIT
INTO CITY OWNED PROPERTY OR RIGHT OF WAY

DATE		LEGAL ADDRESS	
NAME (print)		MAILING ADDRESS	
CITY		STATE	
HOME PHONE #		WORK PHONE #	

DESCRIPTION OF PROPOSED ENCROACHMENT:

ATTACH A SKETCH OF PROPOSED ENCROACHMENT. Show the property lines and the dimension of the proposed encroachment. It is suggested the encroachment be sketched on your property as-built drawing.

Subject to acceptance of this permit, the applicant must understand and agree to the following terms and conditions:

1. This is not an exclusive right to use the publicly owned area.
2. The encroachment shall be removed, at your expense, upon notice from the City of Kodiak if access is needed for utility and street maintenance.
3. Should the City of Kodiak decide to use the property or right of way, the encroachment shall be removed, at your own expense, and the applicant shall make different arrangements which do not result in a conflict with City of Kodiak's use of its property, or right of way.
4. The City of Kodiak maintains all of its rights and interest in the property, or right of way, and conveys no interest to the applicant other than permission to allow the encroachment until the City of Kodiak determines otherwise.

Applicant Signature:

Date: _____

Reviewed & Accepted by:

Date: _____

Mark Kozak, Public Works Director



Date: _____

Aimée Kniazowski, City Manager

FOR OFFICE USE ONLY:

Annual Permit- 12 months <input type="checkbox"/> \$30.00 per permit Total: \$ _____ Date _____	Instructions: Complete all requested information including signature and date. Return to City of Kodiak Building Department Room 208, 710 Mill Bay Road, Kodiak AK. 99615. For Additional information please call Building Department at 907-486-8070. Comments:
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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniazowski, City Manager 
Thru: Kelly Mayes, Finance Director 
Date: March 17, 2016

Agenda Item: V. b. **First Reading, Ordinance No. 1345, Enacting Kodiak City Code 3.16.015, Definitions, Kodiak City Code 3.16.025, Investment Committee, and Kodiak City Code 3.16.027, Investment Manager; And Amending Kodiak City Code 3.16.020, Treasury Management, and Kodiak City Code 3.16.030, Permissible Investments; to Provide for an Investment Committee to Oversee Investments of City Funds, Professional Management of the Investments and Related Matters**

SUMMARY: The City recently adopted Resolution No. 2016–09 to form an investment committee to enhance and improve the management of City financial assets. The Investment Committee’s responsibilities include, but are not limited to, the selection and oversight of an investment management and advisory firm to manage the City’s investments. Ordinance No. 1345 will amend the Kodiak City Code Chapter 3.16 investments and change the authority of investing City funds from the Finance Director to the Investment Committee.

PREVIOUS COUNCIL ACTION: Per the City Council work session on February 9, 2016, the Mayor and Council voiced support for a Councilmember to serve on the new Investment Committee. On February 25, 2016, the City Council adopted Resolution No. 2016–09 to form the Investment Committee. Responsibilities of the Investment Committee include selection and oversight of an investment firm to manage the City’s investments.

DISCUSSION: The Finance Director of the City of Kodiak has managed the City’s investment portfolios for many years. Due to a slowly recovering economy, many investments are not providing substantial returns on investments. The Finance Director researched information regarding investment advisory and management services. Due to the complexities of selecting an appropriate company to oversee the City’s investments, the Finance Director suggested a committee be formed for the selection, and periodic oversight, of the investment firm selected. The City Council agreed that additional solicitation, and formal RFPs would provide a greater potential for earning higher returns on City investments. The City Council also suggested that an elected City Councilmember serve on the committee. Resolution No. 2016–09 outlined the composition, responsibilities, and positions to be appointed to the Investment Committee.

The Finance Director discussed Resolution No. 2016–09 and KCC Chapter 3.16 and Chapter 3.28 with Tom Klinkner, City Attorney, and Michelle Shuravloff-Nelson, Deputy City Clerk on March 3, 2016. Mr. Klinkner provided insights on the amendments that would be required to the City of Kodiak Municipal Code. If adopted, Ordinance No. 1345 would amend KCC Chapter 3.16 references to alter the investing authority of City funds from the Finance Director to the Investment Committee and to hire, monitor, and direct an investment firm to manage City investments.

ALTERNATIVES:

- 1) Pass Ordinance No. 1345 in the first reading, which is recommended by staff and is supported by previous Council discussions and actions.
- 2) Amend or do not pass Ordinance No. 1345, which would not be consistent with the direction and support from the Council to strengthen the City’s investment portfolios.

FINANCIAL IMPLICATIONS: Once the Investment Committee is in place and a professional financial management firm is selected, the City’s returns on its various investments are expected to increase.

LEGAL: Staff worked with the City Attorney on this issue. The attorney also prepared the Ordinance No. 1345, which reflects necessary Code amendments.

STAFF RECOMMENDATION: Staff recommends Council pass Ordinance No. 1345 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

CITY MANAGER’S COMMENTS: It has been my hope for quite some time that the City take a closer look at ways to better manage investments than to expect the Finance Director to make investment decisions without the benefit of access to professional investment advisors. I am very happy that Kelly Mayes took this idea up, investigated it, and developed a path forward with the help of staff and the City Attorney. I strongly urge Council to pass this ordinance in the first reading and advance to second reading at the next regular or special meeting.

ATTACHMENTS:

Attachment A: Ordinance No. 1345

PROPOSED MOTION:

Move to pass Ordinance No. 1345 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

**CITY OF KODIAK
ORDINANCE NUMBER 1345**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK ENACTING
KODIAK CITY CODE 3.16.015, DEFINITIONS, KODIAK CITY CODE 3.16.025,
INVESTMENT COMMITTEE, AND KODIAK CITY CODE 3.16.027, INVESTMENT
MANAGER; AND AMENDING KODIAK CITY CODE 3.16.020, TREASURY
MANAGEMENT, AND KODIAK CITY CODE 3.16.030, PERMISSIBLE
INVESTMENTS; TO PROVIDE FOR AN INVESTMENT COMMITTEE TO OVERSEE
INVESTMENTS OF CITY FUNDS, PROFESSIONAL MANAGEMENT OF THE
INVESTMENTS AND RELATED MATTERS**

WHEREAS, historically, the Finance Director of the City of Kodiak managed all City investments; and

WHEREAS, given the increasing complexity of the investment environment, the Finance Director has recommended that the City establish an investment committee to oversee the investment of City funds, and that those investments be managed by a professional investment manager.

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

Section 1: Kodiak City Code 3.16.015, Definitions, is hereby enacted amended to read as follows:

3.16.015 Definitions

As used in this chapter:

“Committee” means the investment committee established under Section 3.16.025.

“Investment manager” means the person or persons with whom the city contracts to perform the services of investment manager under Section 3.16.027.

Section 2: Kodiak City Code 3.16.020, Treasury management, is hereby amended to read as follows (new text is **bold and underlined**, deleted text ~~stricken~~):

3.16.020 Treasury management

The finance director shall be responsible for treasury management, **and the committee shall be responsible for** ~~including~~ investment and reinvestment of all city funds.

Section 3: Kodiak City Code 3.16.025, Investment committee, is hereby enacted to read as follows:

3.16.025 Investment committee

(a) There shall be an investment committee, that shall have overall responsibility for and administration of the investment of all city funds.

(b) The committee shall consist of the following five voting members:

- (1) The city manager
- (2) The deputy city manager
- (3) The finance director
- (4) The city clerk
- (5) A member of the city council, appointed by motion of the city council.

(c) The finance director shall be the chair of the committee and preside at all committee meetings. The committee shall hold quarterly regular meetings, and special meetings as circumstances require. Three committee members shall constitute a quorum of the committee. The committee shall act by majority vote of the members present and constituting a quorum.

(d) The committee shall have the following powers and duties:

- (1) Review the city's investment policy periodically, and recommend changes to the investment policy to the city council.
- (2) Select one or more investment managers to perform the duties prescribed in Section 3.16.027.
- (3) Monitor the performance of each investment manager.

Section 4: Kodiak City Code 3.16.027, Investment manager, is hereby enacted to read as follows:

3.16.027 Investment manager

(a) An investment manager retained by the committee shall be licensed by the federal and state governments to perform its duties under this section.

(b) An investment manager retained by the committee shall have the powers and duties assigned by the committee, which may include without limitation the following:

- (1) Assisting the committee in strategic planning for the city's investments, including assistance in developing an investment policy, recommendations on asset allocation strategy, and investment vehicle structure.
- (2) Provide the committee with written reports on the performance of the city's investments at the frequency required by the committee.
- (3) Meet with the committee quarterly to review performance, suggest recommendations, and implement approved actionable ideas;
- (4) Manage the city's investments in a manner consistent with the investment objectives, guidelines, and constraints outlined in the city's investment policy and in accordance with applicable laws.
- (5) Act as a fiduciary with respect to the investments it manages.

Section 5: Kodiak City Code 3.16.030, Permissible investments, is hereby amended to read as follows (new text is **bold and underlined**, deleted text ~~stricken~~):

3.16.030 Permissible investments

City funds shall be invested ~~The finance director shall invest public funds~~ only in the following types of security investments:

(a) Bonds, notes, or other obligations, direct or otherwise, of the United States;

(b) Bonds and other evidence of indebtedness of the state of Alaska or its political subdivisions or other states of the United States;

(c) Savings accounts, certificates of deposit, bankers' acceptances, repurchase agreements, and such other security instruments as may be authorized by law; and

(d) The Alaska Municipal League Investment Pool, Inc., made in accordance with the terms of that pool's Common Investment Agreement.

Section 6: This ordinance shall be effective one month following final passage and publication in accordance with Kodiak Charter Article II Section 13.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

First Reading:
Second Reading:
Effective Date:

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniaziowski, City Manager
Date: March 17, 2016

Agenda Item: V. c. **First Reading, Ordinance No. 1346, Authorizing a Lease Between the City of Kodiak and United States Department of Transportation, Federal Aviation Administration, Alaska Region for Pillar Mountain Communication Lease Site No. 12, Described as a Parcel of Land Within U.S. Survey 3945**

SUMMARY: The City of Kodiak has leased Communication Site No. 12 on Pillar Mountain to the Federal Aviation Administration (FAA) since 2004. The most recent lease will expire in June and the FAA wishes to continue to lease the site. Due to the terms, the lease must be approved by ordinance. Staff recommends Council pass Ordinance No. 1346 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

PREVIOUS COUNCIL ACTION: The Council originally authorized a one year lease of Pillar Mountain Communication Site No. 12 with the FAA in 2004. The lease was renewed for a five-year term in 2005. Council approved a five-year lease in 2011, which will expire on June 30, 2016. Council reviewed the proposed new lease and Ordinance No. 1346 at the March 15, 2016, work session.

DISCUSSION: The FAA has leased Pillar Mountain Site No. 12 from the City since 2004. The most recent lease will expire at the end of June and needs to be renewed. The FAA and City staff reviewed the new lease and have agreed to the terms which are the same as those of the current lease.

ALTERNATIVES: Council may pass Ordinance No. 1346 in the first reading, which is staff's recommendation. Council may decline to pass the ordinance, which would require the lease to continue on a month-to-month basis. The Council may also cancel the existing lease, which is not recommended.

FINANCIAL IMPLICATIONS: At least seven years ago, the City revalued its communication site leases to reflect use, rather than appraised land value. The revaluation resulted in increased revenues for the City. The lease rate for commercial, nongovernment entities is \$12,000 annually. Government agencies are given a 50 percent discount and are charged \$6,000 annually.

LEGAL: The City Attorney drafted the lease and the ordinance to authorize the lease.

STAFF RECOMMENDATION: Staff recommends Council pass Ordinance No. 1346 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 recommend Council pass this ordinance in the first reading, so we can finalize a new lease for this site with the FAA.

ATTACHMENTS:

Attachment A: Ordinance No. 1346

Attachment B: Pillar Mountain Lease No. 12 FAA SLA#1

Attachment C: Pillar Mountain Lease No. 12 to FAA

Attachment D: Email Requesting renewal of lease from Mr. Katchatag

PROPOSED MOTION:

Move to pass Ordinance No. 1346 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

**CITY OF KODIAK
ORDINANCE NUMBER 1346**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK AUTHORIZING A LEASE BETWEEN THE CITY OF KODIAK AND UNITED STATES DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION ALASKA REGION FOR PILLAR MOUNTAIN COMMUNICATION LEASE SITE NO. 12, DESCRIBED AS A PARCEL OF LAND WITHIN U.S. SURVEY 3945

WHEREAS, the City owns property on Pillar Mountain known as Pillar Mountain Communication Lease Site No. 12 and

WHEREAS, United States Department of Transportation, Federal Aviation Administration (FAA) desires to lease Communication Lease Site No. 12, and FAA has requested that the City Council authorize the Lease Agreement – Pillar Mountain Communications Site No. 12 ("Lease") that now is before this meeting; and

WHEREAS, it is in the best interest of the City that the Lease be authorized.

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

Section 1: Notwithstanding anything to the contrary in Kodiak City Code Chapter 18.20, the Council of the City of Kodiak hereby authorizes the Lease, Contract No. 222120, with FAA for a term commencing July 1, 2016, and ending June 30, 2021, for the communications site described in the Lease, located on a portion of U.S. Survey 3945 on Pillar Mountain in the City of Kodiak.

Section 2: The form and content of the Lease between the City and FAA is in all respects authorized, approved, and confirmed; and the City Manager hereby is authorized, empowered, and directed to execute and deliver the Lease to FAA on behalf of the City, in substantially the form and content now before this meeting but with such changes, modifications, additions, and deletions therein as she shall deem necessary, desirable, or appropriate, the execution thereof to constitute conclusive evidence of approval of any and all changes, modifications, additions, or deletions therein from the form and content of said document now before this meeting, and from and after the execution and delivery of said document, the City Manager hereby is authorized, empowered, and directed to do all acts and things and to execute all documents as may be necessary to carry out and comply with the provisions of the Lease as executed.

Section 3: This ordinance shall be published in full within ten days after its passage.

Section 4: The Lease authorized by this ordinance is subject to the requirements of City Charter Section V-17. Therefore, if one or more referendum petitions with signatures are properly filed within one month after the passage and publication of this ordinance, this ordinance shall not go into effect until the petition or petitions are

finally found to be illegal and/or insufficient, or, if any such petition is found legal and sufficient, until the ordinance is approved at an election by a majority of the qualified voters voting on the question. If no referendum petition with signatures is filed, this ordinance shall take effect one month after its passage and publication.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

First Reading:
Second Reading:
Effective Date:



U.S. Department
of Transportation
**Federal Aviation
Administration**

SUPPLEMENTAL LEASE AGREEMENT

1a. Building Name Pillar Mt. Communications Site 12	1b. Building Address	
1c. City Kodiak	1d. State AK	1e. Zip Code 99615

THIS AGREEMENT, made and entered into and between the City of Kodiak whose address is 710 Mill Bay Road, Kodiak, AK 99615, hereinafter called the Lessor, and the UNITED STATES OF AMERICA, herein after called the Government:

WHEREAS, the parties hereto desire to amend the above Lease effective as of 15th day of August, 2011.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, as follows:

3. Term. The Term of this lease (“Term”) shall commence the 1st day of July, 2016 and shall expire at midnight on the 30th day of June 2021, unless sooner terminated as herein provided.
<Insert additional information or attachment(s) as necessary>

All other terms and conditions of the lease shall remain in force and effect.

Important: Lessor x is, is not required to sign this document and return 2 copies to the issuing office.

IN WITNESS WHEREOF, the parties subscribed their names as of the above date.

LESSOR:

BY _____
Signature Title Date

IN THE PRESENCE OF (witnessed by)

Signature Address

UNITED STATES OF AMERICA:

BY _____ Contracting Officer
Signature Title Date

LEASE AGREEMENT

PILLAR MT. COMMUNICATIONS SITE NO. 12 FEDERAL AVIATION ADMINISTRATION

LEASE AGREEMENT dated as of the 1 day of July 2016 by and between the **City of Kodiak**, a municipal corporation of the State of Alaska ("City"), whose address is 710 Mill Bay Road, Kodiak, Alaska 99615, and the **United States Department of Transportation, Federal Aviation Administration Alaska Region** ("Tenant"), whose address is 1601 Lind Ave. SW, Renton, WA 98057-3356. For and in consideration of the covenants and conditions contained herein, the parties agree as follows:

1. Premises. Subject to the terms and conditions herein, City leases to Tenant the premises ("Premises") described as a parcel of land within U.S. Survey 3945 in the Kodiak Recording District, Third Judicial District, State of Alaska, more particularly described as follows:

Commencing at a brass cap monument set in a gun turret "U.S. Army Corp of Engineers ALKOD RM 2";

Thence S 51° 43' 30" E, 212.27 feet to the True Point of Beginning;

Thence N 41° 19' 44" E, 76.13 feet;

Thence S 52° 56' 02" E, 80.87 feet;

Thence S 37° 03' 58" W, 75.92' feet;

Thence N 52° 56' 02" W, 86.53 feet to the True Point of Beginning.

Containing 6,354.6 square feet, more or less.

2. Authorized Uses of Premises. Tenant shall use the Premises only for the purpose of maintaining, operating and replacing existing communications equipment and for no other purpose without first obtaining the written consent of the City.

3. Term. The term of this Lease ("Term") shall commence the 1st day of July 2016 and shall expire at midnight on the 30th day of June 2021, unless sooner terminated as herein provided.

4. Rent. The annual rent for the Premises for the first year of the Term shall be Six Thousand Dollars (\$6,600.00) payable in advance in equal monthly installments of Five Hundred Dollars (\$550.00) on the first day of each month.

Payment shall be made by wire, check, bank draft or money order made payable to City of Kodiak. Tenant will abide by the Prompt Payment Act, 39 USC § 3901, et seq. If a monthly payment is not paid by the 7th of each month, interest on the amount due, but not paid, shall be computed as the rate of interest established by the Secretary of the Treasury for interest payments under Section 12 of the Contract Disputes Act of 1978 (41 USC § 611), which is in effect at the time Tenant accrues the obligation to pay a late payment interest penalty.

5. **Utilities.** Tenant shall pay for any utility service that it requires for its use of the Premises.

6. **Holding Over.** If Tenant continues to occupy the Premises following the expiration of the Term of this Lease or any renewal with the consent of the City, Tenant's occupancy shall be treated as a month-to-month tenancy at a rent equal to one hundred fifty percent (150%) of the rent in effect under this Lease immediately prior to the commencement of the holdover period.

7. **Improvements.** Tenant may not construct or install any permanent or temporary improvements on the Premises other than the facilities identified in Section 2 without first obtaining the written consent of the City. Tenant shall properly locate all improvements on the Premises, and shall not encroach upon other lands of the City or any other person.

8. **Maintenance of Premises.** Tenant shall at all times, and at Tenant's sole cost and expense, keep and maintain the entire Premises in a neat, orderly, and slightly condition. Tenant shall not cause or permit any junk, litter, debris, scrap or garbage to be accumulated or stored upon the Premises without the express written permission of the City.

9. **Surrender of Premises; Disposition of Improvements.** Upon the expiration, termination or cancellation of this Lease for any cause whatsoever, Tenant shall peacefully and quietly surrender the Premises in a condition as good as the Premises were at the beginning of the Term. Within one hundred eighty (180) days after such expiration, termination or cancellation of this Lease, Tenant shall either remove all of its improvements and personal property from the Premises and immediately repair any damage to the Premises caused by such removal, or with the consent of City sell such improvements and personal property to the succeeding tenant. City may extend the time for removal if Tenant demonstrates to City's satisfaction that the extension is required to avoid hardship to Tenant. During any period of time after termination or expiration of this Lease that Tenant's improvements or personal property remain on the Premises, Tenant shall pay rent at the rate provided in Section 6 for a holdover period. Title to any improvements or other property owned by Tenant that Tenant fails to dispose of as required by this section shall vest in City. Notwithstanding anything to the contrary in this section, Tenant may not remove any improvements without City consent during any period that Tenant is in default under this Lease.

10. **Liability.** In accordance with and subject to the conditions, limitations, and exceptions set forth in the Federal Tort Claims Act of 1948, as amended (28 USC 2671, et seq.), hereafter termed "the Act," Tenant will be liable to persons damaged by any personal injury, death, or injury to or loss of property, which is caused by a negligent or wrongful act or omission of any employee of Tenant while acting within the scope of his/her office or employment under circumstances where a private person would be liable in accordance with the laws of the place where the act or omission occurred. The foregoing shall not be deemed to extend Tenant's liability beyond that existing under the Act at the time of such act or omission or to preclude Tenant from using any defense

available in law or equity. Nothing in this agreement shall obligate the United States in violation of the Anti-deficiency Act.

11. Hazardous Material. Tenant shall not permit or cause any Hazardous Material to be brought upon, kept or used in or about the Premises by its employees, agents, contractors or invitees unless permission is granted by the City. If Tenant breaches this obligation, or if the presence of Hazardous Material on or about the Premises caused or permitted by Tenant results in contamination of the Premises, or if contamination of the Premises otherwise occurs for which Tenant is legally liable for damage resulting therefrom, then Tenant shall indemnify, defend and hold City harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including without limitation diminution in value of the Premises, damages for the loss or restriction of useable space or of any amenity of the Premises, and sums paid in settlement of claims, attorney fees, consultant fees and expert fees) that arise during or after the period in which this Lease is in effect as a direct result of such contamination. This indemnification includes without limitation reasonable and necessary costs incurred in connection with any investigation of Premises conditions or any clean-up, remedial, removal or restoration work required by any federal, state or local government agency or political subdivision because of Hazardous Material present in the soil or groundwater on or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises caused or permitted by Tenant results in any contamination of the Premises, Tenant shall take all actions at its expense as are necessary to return the Premises to the condition existing prior to Tenant's introduction of any such Hazardous Material to the Premises; provided that City's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises. As used herein, the term "**Hazardous Material**" means any hazardous or toxic substance, material or waste, that is or becomes regulated by any local governmental authority, the State of Alaska, or the United States Government. City agrees to indemnify, defend and hold harmless, at its expense, Tenant from any and all costs, losses, damages, claims, suits or other liabilities, including reasonable attorney fees, arising from or related to contamination occurring at the Premises released by City, its agents or its other tenants. Neither party shall have the duty to indemnify to the extent the damages are caused by the misconduct, fault or negligence of the indemnitee, its employees, agents or invitees.

12. Quiet Enjoyment. Provided Tenant is not in default of this Lease, Tenant shall have peaceful and quiet use and possession of the Premises without hindrance on the part of City, and City shall warrant and defend Tenant in such peaceful and quiet use and possession against the claims of all persons claiming by, through or under City.

13. Inspection. Tenant shall permit the authorized agents and employees of the City to enter upon the Premises at any reasonable time for the purpose of inspecting the condition of the Premises or the use thereof.

14. Liens. Tenant shall not cause or permit any lien or encumbrance to be imposed on the Premises or any part thereof. Tenant shall, at its sole expense, obtain

the release and discharge of any such lien or encumbrance by payment, bonding or otherwise, within thirty (30) days after receipt of written notice from the City.

15. Charges. Tenant shall pay when due all charges which are levied at any time during the Term upon its leasehold interest or any of its improvement on the Premises.

16. Compliance with Laws and Regulations. Tenant, at its sole cost and expense, shall comply with and shall cause the Premises to comply with all applicable federal, state, municipal and other governmental statutes, laws, rules, orders, regulations and ordinances affecting the Premises or any part thereof, or the use thereof, whether or not any such statutes, laws, rules, orders, regulations or ordinances which may be hereafter enacted involve a change of policy on the part of the governmental body enacting the same.

17. Assignment and Subleasing. Tenant may not assign all or any portion of this Lease without first obtaining the written approval of City. Any assignment approved by City shall be subject to all terms and provisions of this Lease. Any assignment executed without the written approval of City shall be void. Tenant may not sublease the Premises, either in whole or in part, without first obtaining the written approval of City.

18. Condemnation. If the Premises are taken by the power of eminent domain, the term of this Lease will end on the date Tenant is required to surrender possession of the Premises. City is entitled to all the condemnation proceeds, except Tenant will be paid the portion of the proceeds attributable to the fair market value of any improvements placed on the Premises by Tenant. Rent will also be adjusted to apply to the period ending on the date Tenant is required to surrender possession of the Premises.

19. Force Majeure. Either party may terminate this Lease upon thirty (30) days' written notice to the other, in accordance with Section 23, if any cause that occurs without the fault or negligence of either party renders the Premises unusable for more than 30 days. Such causes include without limitation acts of God or the public enemy, acts of the United States, fires, floods, epidemics, quarantine restrictions or strikes. No party shall be liable for any delay or failure in performance due to such events outside of the party's reasonable control. The obligations and rights of the excused party shall be extended on a day-to-day basis for the duration of the cause of the delay.

20. Termination. City may terminate this Lease and recover possession of the Premises by giving Tenant thirty (30) days' prior written notice, upon the happening of any of the events listed below, which are not cured within such thirty (30) day notice period:

- (a) Tenant's failure to pay when due the rents or fees specified in this Lease, including any increases made pursuant to this Lease.
- (b) The return for insufficient funds of checks for payment of rents or fees.
- (c) The use of the Premises by Tenant for any purpose not authorized by this Lease.

(d) The failure of Tenant to perform any obligation in this Lease. If it is not possible for Tenant to cure a default, other than a default in payment of the rents or fees specified in this Lease, within such thirty (30) day cure period, Tenant shall not be in default under this Lease if it has promptly commenced and is diligently pursuing the cure thereof.

Tenant may terminate this Lease with thirty (30) days' written notice if for any reason the Premises become unsuitable for its communications purposes, or if City fails to perform any obligation in this Lease. If it is not possible for City to cure a default within such thirty (30) day cure period, City shall not be in default under this Lease if it has promptly commenced and is diligently pursuing the cure thereof.

21. Remedies Cumulative; No Waiver. No reference to any specific right or remedy shall preclude City from exercising any other right or from having any other remedy or from maintaining any action to which it may otherwise be entitled at law or in equity. No failure by City to insist upon the strict performance of any agreement, term, covenant or condition hereof, or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial rent during the continuance of any such breach, shall constitute a waiver of any such breach, agreement, term, covenant or condition. No waiver by City of any breach by Tenant under this Lease shall affect or alter this Lease in any way whatsoever.

22. Successors and Assigns. This Lease and the covenants and conditions herein contained shall inure to the benefit of and be binding upon City and its successors and assigns, shall be binding upon Tenant and its successors and assigns, and shall inure to the benefit of Tenant and only such assigns of Tenant to whom the assignment of this Lease by Tenant has been consented to by City.

23. Notices. Any notice, request, demand, approval or consent given or required to be given under this Lease shall be in writing and shall be hand delivered or sent by registered or certified mail addressed as follows:

City of Kodiak:
Attn.: City Manager
710 Mill Bay Road
Kodiak, Alaska 99615
Telephone: (907) 486-8640

Federal Aviation Administration:
Real Estate and Utilities Group
1601 Lind Ave. SW
Renton, WA 98057-3356

Either party may, at any time, change its notice address for the above purposes by sending a notice to the other party stating the change and setting forth the new address.

24. Entire Agreement; Modification. This Lease is the final expression of the parties' agreement and a complete and exclusive statement of the terms thereof, all negotiations, considerations and representations between the parties having been incorporated herein. This Lease can be modified only by a writing signed by the party against whom the modification is to be enforced.

25. Severability. If any term or provision of this Lease, or the application thereof to any person or circumstance, shall be invalid or unenforceable, the remainder

of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

26. No Third Party Beneficiary. Nothing contained in this Lease shall confer any rights on a person other than the parties hereto.

27. Applicable Law. To the extent applicable, this Lease and the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the State of Alaska.

Special Condition: This lease superseded FAA Lease No. DTFAWN-11-L-00203.

IN WITNESS WHEREOF the parties hereto have executed this Lease as of the date first set forth above.

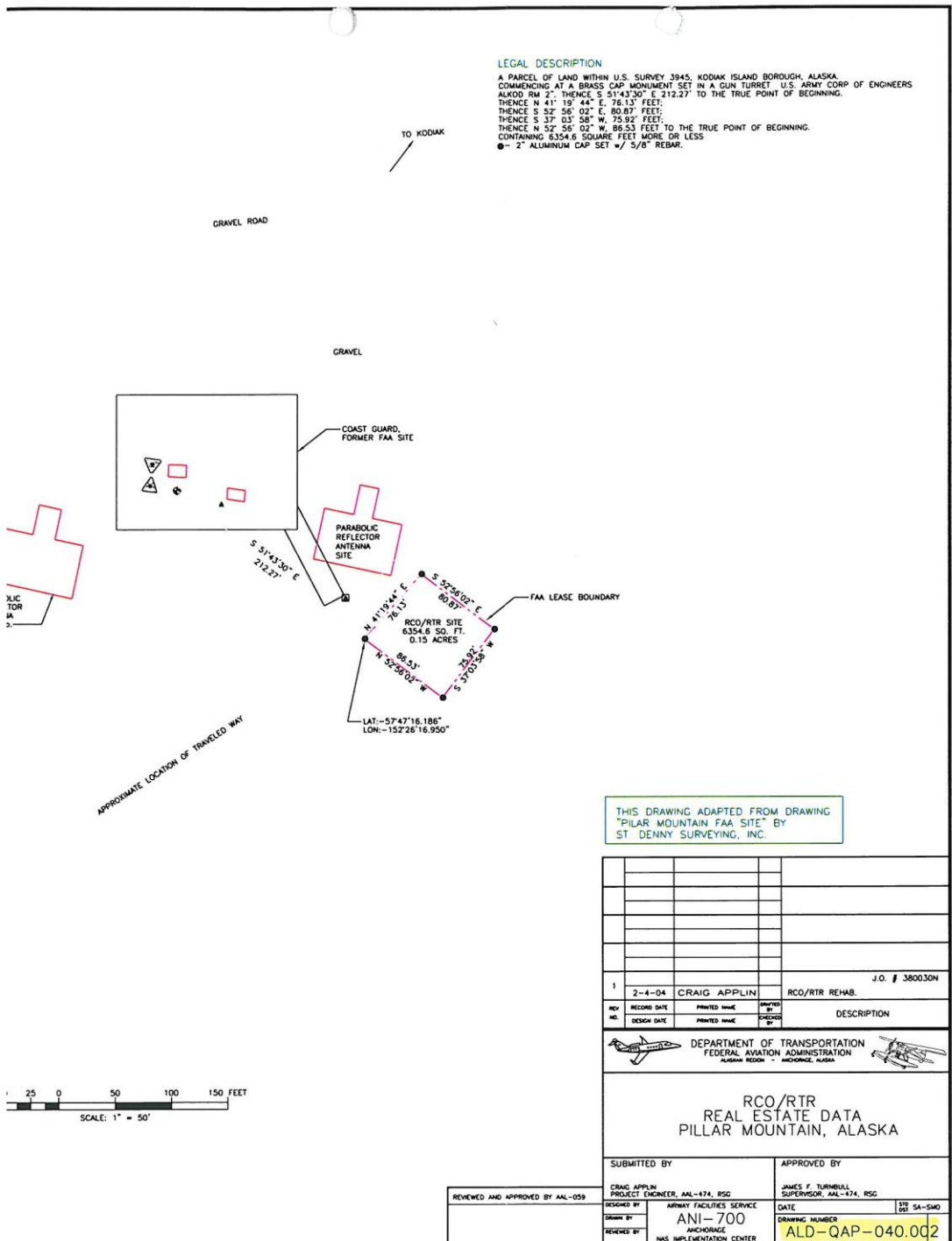
CITY OF KODIAK

**U.S. DEPARTMENT OF
TRANSPORTATION FEDERAL AVIATION
ADMINISTRATION
ALASKA REGION**

Aimee Kniazowski, City Manager

Attest:

City Clerk



LEGAL DESCRIPTION
 A PARCEL OF LAND WITHIN U.S. SURVEY 3945, KODIAK ISLAND BOROUGH, ALASKA, COMMENCING AT A BRASS CAP MONUMENT SET IN A GUN TURRET, U.S. ARMY CORP OF ENGINEERS ALKOD RM 2; THENCE S 51°43'30\"/>

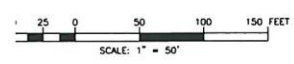
THIS DRAWING ADAPTED FROM DRAWING
 "PILAR MOUNTAIN FAA SITE" BY
 ST DENNY SURVEYING, INC.

1	2-4-04	CRAIG APPLIN	RCO/RTR REHAB.	J.O. # 380030N
REV	RECORD DATE	PRINTED NAME	DRAWN BY	DESCRIPTION
NO.	DESIGN DATE	PRINTED NAME	CHECKED BY	

DEPARTMENT OF TRANSPORTATION
 FEDERAL AVIATION ADMINISTRATION
 ALASKA REGION - ANCHORAGE, ALASKA

**RCO/RTR
 REAL ESTATE DATA
 PILLAR MOUNTAIN, ALASKA**

REVIEWED AND APPROVED BY AAL-059	CRAIG APPLIN PROJECT ENGINEER, AAL-474, RSC	APPROVED BY JAMES F. TURNBULL SUPERVISOR, AAL-474, RSG
DRAWN BY ANI-700	AIRWAY FACILITIES SERVICE	DATE
CHECKED BY HAS IMPLEMENTATION CENTER	ANCHORAGE	DRAWING NUMBER ALD-QAP-040.002



Pillar Mtn. Communication Site No. 12
 Federal Aviation Administration 2016-2021
 City Record No. 222120
 DTFAWN-16-L-00103
 Ord. 1346

Marlar, Debra

From: Paul.CTR.Katchatag@faa.gov
Sent: Thursday, June 25, 2015 2:32 PM
To: Marlar, Debra
Cc: Brad.Grooms@faa.gov; brian.schum@faa.gov
Subject: FAA Pillar Mt Lease

Hi Debra,

The FAA Lease for the RCO facility at your Pillar Mountain site, DTFAWN-11-L-00203 will be expiring 06/30/2016. We will be sending your office a DRAFT Supplemental Lease Agreement (SLA #1) to extend the term of the lease to September 30, 2021 for your review.

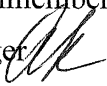
FAA Real Estate management has directed staff to begin the renewal process early so that there will be no lapses in coverage.

Please reply to this email with your intention to renew this lease.

Your assistance is greatly appreciated and thank you,

Paul S. Katchatag
Real Estate Management Specialist - ANM
Subsystem Technologies, Inc.
FAA Logistics Support Services Contract (LSSC)
ALO-810 & ALO-820 - Northwest Mountain Region (ANM)
Office: 425-227-2392
PKatchatag@subsystem.com

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniaziowski, City Manager 
Date: March 17, 2016

Agenda Item: V. d. **Resolution No. 2016–11, Urging the Governor of the State of Alaska to Appoint a Kodiak Representative to the North Pacific Fishery Management Council**

SUMMARY: The Mayor and City Council expressed the desire to introduce a resolution asking Governor Walker to consider the appointment of a Kodiak resident to a seat on the North Pacific Fisheries Management Council (NPFMC). This was important this year because the seat held by Duncan Fields, a long-term resident and representative to the Council, became vacant.

Kodiak is one of the top commercial fishing ports in the nation, coming in second place in terms of volume and represents a very diverse fleet of vessels using multiple types of gear fishing prosecuting many different species of fish. Having a representative on the NPFMC who understands the richness and complexities of commercial fisheries in the Kodiak area is always in the community's best interest.

PREVIOUS COUNCIL ACTION: Occasionally, the City Council will pass a resolution urging the Alaska Governor to nominate a Kodiak resident to a seat on the North Pacific Fisheries Management Council.

ALTERNATIVES: Council may adopt, amend, or fail to pass the resolution.

ATTACHMENTS:

Attachment A: Resolution No. 2016–11

Attachment B: Governor Walker's press release on NPFMC nominations, dated March 9, 2016

PROPOSED MOTION:

Move to adopt Resolution No. 2016–11.

**CITY OF KODIAK
RESOLUTION NUMBER 2016–11**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK URGING
THE GOVERNOR OF THE STATE OF ALASKA TO APPOINT A KODIAK REP-
RESENTATIVE TO THE NORTH PACIFIC FISHERYMANAGEMENT COUNCIL**

WHEREAS, the Kodiak fishing industry has had representation on the North Pacific Fishery Management Council for many years; and

WHEREAS, Kodiak is the second largest fishing port in the nation by volume and represents one of the most diverse fishing ports in the State and the nation, where multiple gear groups and multiple fisheries for different species come together in one community, and where the interaction of the gear groups is a necessity; and

WHEREAS, the regulations adopted by the North Pacific Management Council must be cognizant of the necessary interaction of the various fisheries in order to enhance and protect all of the abundant resource in the Gulf of Alaska; and

WHEREAS, a Kodiak representative would have the most first -hand knowledge of the necessary interaction of the regulations for all species, including State of Alaska regulations, than a representative from any other area; and

WHEREAS, regulatory issues currently before the North Pacific Fishery Management Council, e.g., Gulf of Alaska Trawl Bycatch Management, directly and significantly impact Kodiak; and

WHEREAS, in order to have a well-balanced and highly productive North Pacific Fishery Management Council, a Kodiak representative is crucial to their decision- making process.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, Governor Walker is urged to appoint at least one Kodiak Island Borough resident to the North Pacific Fishery Management Council to assure quality input from the most complex fishing area in Alaska, and to continue strong management for the best interests of the fishing industry and the various fish species in the Gulf of Alaska and throughout the State of Alaska.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:



Governor's Office > Press Room > Full Press Release

NOMINATIONS SUBMITTED TO FISHERIES COUNCIL

March 9, 2016 JUNEAU – Governor Bill Walker submitted his nominations for two seats on the North Pacific Fishery Management Council this week. In accordance with the Magnuson-Stevens Fishery Conservation and Management Act of 1976, Governor Walker submitted a primary nominee and two alternate nominees for each Alaska seat expiring on August 10, 2016.

The Governor selected Theresa Peterson of Kodiak and Michael “Buck” Laukitis of Homer as his primary nominees for the two vacant council seats. Eric Olson of Anchorage, Paul Gronholdt of Sand Point, Linda Behnken of Sitka, and Art Nelson of Anchorage were also recommended as the Governor’s alternate nominees.

“I am pleased to recommend Theresa Peterson, Buck Laukitis, and the four alternate nominees to the North Pacific Fishery Management Council,” said Governor Walker. “Each of these individuals provides balanced and insightful experience that will benefit the council, and contribute to fisheries management and conservation in the North Pacific region.”

Theresa Peterson of Kodiak has been a commercial and subsistence fisherman for over 30 years, and is the Outreach Coordinator for the Alaska Marine Conservation Council. She currently serves on the North Pacific Fishery Management Council Advisory Panel, and is an active member of Alaska Jig Association and the Community Fish Network.

Michael “Buck” Laukitis of Homer is a commercial fisherman and the owner of Magic Fish Company and Compass Rose Properties. In 2014, he helped develop the Alaska Maritime Workforce Development Plan. Mr. Laukitis is a longstanding member of the Homer Foundation Board of Trustees, whose mission is to promote philanthropic and charitable activities in the community of Homer.

One of eight regional councils established under the Magnuson-Stevens Act, the North Pacific Fishery Management Council manages groundfish in the Gulf of Alaska, Bering Sea, and Aleutian Islands. Additionally, the council makes allocation decisions for halibut in concert with the International Pacific Halibut Commission, and jointly manages salmon, crab, and scallop fisheries with the State of Alaska.

The 15-member council is made up of 11 voting members and four non-voting members. Seven of the voting members are appointed by the Secretary of Commerce upon recommendation by the governors of Alaska (five seats) and Washington (two seats). The four remaining voting members include Department of Fish and Game officials from Alaska, Oregon, and Washington and the Alaska regional Director for the National Marine Fisheries Service. Each member serves a three-year term on the council, and may be reappointed for up to three terms.

North Pacific Fishery Management Council website: <http://www.npfmc.org/>

Governor Walker’s Nomination Letter

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Aileen Cole

Deputy Press Secretary


aileen.cole@alaska.gov

Click [here](#) to subscribe to Governor Walker's press releases list.

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager 

Date: March 17, 2016

Agenda Item: V. e. Authorization of the First Amendment to Fisheries Analyst Contract

SUMMARY: The City Council and Borough Assembly have worked with a fisheries analyst since 2011 to help track and respond to fisheries resource management issues important to the Kodiak area. Following the resignation of the first analyst in late 2013, the City and Borough selected and hired McCarty and Associates for a two year contract with an option to renew. The majority of the two governing bodies agreed to a one year extension of the contract with some modifications at the joint work session on February 24, 2016. Staff worked with the contractor who agreed to Amendment No. 1 to the contract (Attachment A). The Borough Assembly is scheduled to approve the contract amendment at either a special meeting on March 10, 2016, or at their regular meeting on March 17, 2016. Staff recommends Council authorize the contract amendment at this meeting, which will extend Heather McCarty's services through February 2017.

PREVIOUS COUNCIL ACTION:

- December 8, 2011, Council authorized a contract with Resource Consultancy for the first fisheries analyst position
- February of 2014, both the City and Borough approved a two year contract with McCarty and Associates
- February 24, 2016, Council and Assembly members agreed to a one year contract extension for McCarty and Associates with several modifications and instructed the Managers to negotiate the renewal/amendment with the contractor
- March 15, 2016, Council reviewed and discussed Amendment No. 1 to the McCarty contract at the work session

DISCUSSION: The City Council and Borough Assembly established a fisheries work group to hold meetings and work with the jointly contracted fisheries analyst on fisheries issues of importance to Kodiak. The joint fisheries work group is made up of three Councilmembers and three Assembly members and both managers. Initially this group worked with the first analyst hired in 2011, Denby Lloyd.

The work group reviewed proposals for an analyst to replace Denby Lloyd and selected Heather McCarty and Associates to recommend to their respective bodies. Heather McCarty was hired in 2014 and has been working with the group on fisheries related management issues since that time. Her two

year contract had an option for two one-year renewals. Since the contract was expiring, discussions were held regarding an extension of the contract for an additional year.

Consensus was reached by both bodies after a discussion at the joint City Council – Borough Assembly meeting on February 24. The groups agreed to a one year extension with some changes to the agreement including some scope of services, contract administration, which are outlined in the attached amendment. The contract terms remain the same with an annual fee of \$60,000 or \$5,000 per month plus reimbursement for authorized expenses. The City pays pay half of all costs and the Borough pays the other half.

The Borough and City Managers worked with the contractor to negotiate the changes at several meetings in February and March. The contractor has agreed to the changes. Staff believes the contract amendment reflects the direction received by the elected officials and contractor and recommends Council to adopt the amendment.

As mentioned above, the Assembly is scheduled to take action on the contract as amended on either their special meetings of March 10 or March 17.

ALTERNATIVES: Council may approve, postpone, or not approve the contract amendment (Attachment A). Staff recommends Council approve the contract amendment as submitted since the need for an individual to advise the City and Borough on fisheries matters is important and ongoing. The amendment reflects direction expressed at the recent joint work session and is acceptable to the contractor as well.

FINANCIAL IMPLICATIONS: The cost for this professional service contract to the City is \$30,000 per year plus authorized expenses. Costs for this professional service are included in the Legislative section of the FY2016 budget and will be included in the FY2017 budget once awarded.

CITY MANAGER’S RECOMMENDATION AND COMMENTS: I have attended meetings of the joint fisheries work group and have seen the benefit of having advice provided from a professional fisheries analyst or consultant. The joint fisheries work group has worked well with Ms. McCarty and sees the importance of continuing this tripartite contract for another year. This one year amended contract has been supported by all parties, so I recommend Council authorize it as discussed at the City-Borough joint work session last month.

ATTACHMENTS:

- Attachment A: Amendment No. 1 to the contract with McCarty and Associates
- Attachment B: 2014-2016 contract with McCarty and Associates
- Attachment C: Letter of Interest from Heather McCarty, dated February 16, 2016

PROPOSED MOTION:

Move to authorize Amendment No. 1 to the professional services agreement with McCarty and Associates for fisheries analyst consulting and related services, effective from March 1, 2016, through February 28, 2017, in the amount of \$30,000 per year plus authorized expenses for the City's share of the contract costs, with funds coming from the General Fund Legislative professional services account, and authorize the City Manager to execute the documents on behalf of the City.

AMENDMENT #1 TO

**Professional Services Agreement with
McCarty and Associates
For Fisheries Analyst Consulting and Related Services**

THIS AMENDMENT # 1 TO PROFESSIONAL SERVICES AGREEMENT WITH MCCARTY AND ASSOCIATES FOR FISHERIES ANALYST CONSULTING AND RELATED SERVICES ("Amendment # 1") is made and entered into effective as of March 1, 2016, by and between the **KODIAK ISLAND BOROUGH**, organized under the laws of the State of Alaska, hereinafter referred to as the "**Borough**;" the **CITY OF KODIAK**, organized under the laws of the State of Alaska, hereafter referred to as the "**City**;" and **MCCARTY AND ASSOCIATES**, a sole proprietor company authorized to do business in Alaska, with offices located at Juneau, Alaska, hereinafter referred to as the "**Contractor**" (collectively referred to as the "**Parties**").

RECITALS

WHEREAS, the Parties entered into a Professional Services Agreement made as of February 7, 2014, for Contractor to monitor, analyze and report on fisheries issues and policy developments that may impact or affect the economy and community in Kodiak, Alaska; for a 2 year term ending on February 6, 2016("Agreement");

WHEREAS, the Parties desire to extend the Agreement and clearly delineate the Reporting Schedule and points of contact personnel between the Parties;

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby incorporated herein by reference, and of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Amendments to Agreement.** The following amendments are made to the Agreement by this Amendment # 1:

Section 2.0 'Term of Agreement' is amended in its entirety to read as follows:

This Agreement shall take effect on March 1, 2016. This Agreement shall remain in full force and effect for 1 year, expiring on February 28, 2017. This Agreement may be extended for one - one year option to extend upon approval by the Borough, City and Contractor. This Agreement may be amended only in writing and upon compliance with all applicable statutes, ordinances, and regulations.

Section 4.0 'Scope of Services' is amended in its entirety to read as follows:

The Borough, City, and Contractor have agreed upon a scope of work described in the Contractor's proposal, Exhibit A, to provide Fisheries Analyst Services based on approved standards and instructions [as specifically described in Exhibits A and B.] Contractor will attend monthly meetings of the Kodiak Fisheries Work Group. When available, Contractor will also attend local meetings of the Kodiak Fisheries Advisory Committee (KFAC) and the Kodiak Regional Aquaculture Association, KRAA, as requested. Contractor will attend Joint Work Sessions of the Assembly and Council as requested. Attendance at other meetings may be requested by the Borough/City Fisheries Work Group. Additional Contractor fee for additional meetings (if any) must be agreed to, in writing, and approved by the Borough/City Fisheries Work group.

This Scope of Services can only be changed in writing pursuant to Section 25.0 of this Agreement.

Section 5.0 'Report Schedule' is amended in its entirety to read as follows:

Written monthly reports shall be provided to the Borough and City to be presented at the scheduled Fisheries Work Group monthly meeting. Contractor shall report in writing or orally, to the Borough/City Fisheries Work Group on each fisheries meeting attended. Contractor shall attend and report to Borough/City Joint Work Sessions when requested by the Borough Assembly and City Council. Joint Work Sessions are anticipated to occur on a quarterly basis.

Section 6.0 'Personnel/Organization' is amended in its entirety to read as follows:

6.1 Key Personnel. Fisheries Analyst Services provided by the Contractor will be performed by:

Heather McCarty

6.2 Changes in Key Personnel. The Contractor shall give the Borough and City, through notice to the Contracting Officers, reasonable advance notice of any necessary substitution or change of key personnel and shall submit justification therefore in sufficient detail to permit the Borough and City to evaluate the impact of such substitution on this Agreement. No substitutions or other changes shall be made without the written consent of the Borough.

- 6.3 The contact person(s) on issues related to agenda setting of the Joint Work Group, or direction on topics identified in the contract scope of work are the most current co-chairs of the Fisheries Work Group.
- 6.4 The contact person(s) on the administration of this contract are the City Manager and Borough Manager
- 6.5 Every six (6) months the Contractor and the members of the Fisheries Work Group will discuss and evaluate the effectiveness and workability of their combined efforts.
- 6.6 Contractor will provide the Managers a listing of clients that are currently contracting with the Contractor. Any new clients will be divulged to the Managers.

Section 28.0 'Notices' is amended in its entirety to read as follows:

Any notices, bills, invoices, or reports required by the Agreement shall be sufficient if sent by the parties by electronic mail or by United States mail, postage paid, to the addresses noted below:

Kodiak Island Borough Attn: Borough Manager 710 Mill Bay Road, Room 125 Kodiak, AK 99615 broberts@kodiakak.us	McCarty and Associates Attn: Heather McCarty 1537 Pine Street Juneau, AK 99801 hdmccarty@gmail.com
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City of Kodiak
 Attn: City Manager
 710 Mill Bay Road
 Kodiak, AK 99615
akniazowski@city.kodiak.ak.us

2. Effect and Continuation of Agreement Terms. Except as specifically modified herein, all of the terms, provisions, covenants and conditions of the Agreement continue in full force and effect without modification or change. The Parties hereby covenant, ratify and reaffirm each and every of their respective obligations under the Agreement as amended by this Amendment #1.

3. Effective Date. This Amendment # 1 is effective as of March 1, 2016.

4. Authority. The Parties represent and warrant to each other that each has the full, complete and absolute authority to enter into this Amendment #1; that this Amendment #1 has been duly authorized by its local governing body or owners; that the person executing this Amendment # 1 on its behalf has the full power and authority to do so; and this Amendment # 1 is binding and enforceable against it in accordance with its

terms.

5. Counterparts. For the convenience of the Parties hereto, this Amendment #1 may be executed, including by facsimile signature, in one or more counterparts, each identical to the other, so long as the counterparts in a set contain the signatures of all the Parties to this Amendment.

IN WITNESS WHEREOF, the parties have entered into this Amendment #1 effective as of the date and year hereinabove first written.

Kodiak Island Borough

By: William "Bill" Roberts
Title: Acting Borough Manager

Date: _____

ATTEST:

Nova Javier, MMC
Borough Clerk
McCarty and Associates

(Borough Seal)

By: Heather McCarty
Title: Owner

Date: _____

SUBSCRIBED AND SWORN TO before me at _____, Alaska this ___ day of _____, 2016.

Notary Public in & for Alaska
My Commission Expires: _____

City of Kodiak

By: Aimée Kniazowski
Title: City Manager

Date: _____

ATTEST:

Debra Marlar, MMC
City Clerk

(City Seal)

**Professional Services Agreement with
McCarty and Associates
for Fisheries Analyst Consulting and Related Services**

This **AGREEMENT**, made and entered into this 7th day of February, 2014 by and between the **KODIAK ISLAND BOROUGH**, organized under the laws of the State of Alaska, hereinafter referred to as the "**Borough**", the **CITY OF KODIAK**, organized under the laws of the State of Alaska, hereafter referred to as the "**City**" and **MCCARTY AND ASSOCIATES** a sole proprietor company authorized to do business in Alaska, with offices located at Juneau, Alaska, hereinafter referred to as the "**Contractor**."

WITNESSETH

WHEREAS, the Borough and City wish to enter into a contract with an independent contractor to monitor, analyze and report on fisheries issues and policy developments that may impact or affect the economy and community in Kodiak, Alaska; and

WHEREAS, in response to a request for proposals, Contractor submitted a proposal asserting it is qualified to perform these services and able to do so in a timely manner;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1.0 DEFINITIONS

1.1 "Agreement" shall mean this Professional Services Agreement, including:

Exhibit A – McCarty & Associates proposal dated January 21, 2014

Exhibit B – Borough and City's request for proposals

1.2 "Change Order" is an addition to, or reduction of, or other revision approved by the Borough and City in the scope, complexity, character, or duration of the services or other provisions of this Agreement.

1.3 "Borough" shall mean the Kodiak Island Borough, Alaska.

1.4 "Borough/City Fisheries Work Group" is a sub-committee of the Borough Assembly and City Council consisting of three Assembly members and three Council members (KIB Assembly Resolution FY2013-32).

1.5 "City" shall mean the City of Kodiak, Alaska.

- 1.6 "Contracting Officers" shall mean Borough Manager and the City Manager, and include any successor or authorized representatives.
- 1.7 "Contractor" shall mean McCarty and Associates.
- 1.8 "Fisheries Analyst Services" shall include monitoring, analyzing, and reporting to the Borough and City on fisheries issues and policy developments that may impact or affect the economy and communities with the City and the Borough, as further described in the Borough's and City's request for proposals (Exhibit B) and Contractor's proposal (Exhibit A).

2.0 TERM OF AGREEMENT. This Agreement shall take effect on February 7, 2014. This Agreement shall remain in full force and effect for two years expiring on February 6, 2016. This Agreement may be extended for two one year options to extend upon approval by the Borough, City and Contractor. This Agreement may be amended only in writing and upon compliance with all applicable statutes, ordinances, and regulations.

3.0 FEES. Contractor will be paid \$5,000 per month, at the beginning of each month, and reimbursed for reasonable travel-related costs including airfare, local transportation, lodging and per diem for meals based on the current US Government Services Administration (GSA) agency schedule. The Contractor will submit monthly invoices, detailing work and expenses incurred. The Borough and City will each pay one half of each accurate monthly invoice.

4.0 SCOPE OF SERVICES. The Borough, City, and Contractor have agreed upon a scope of work described in the Contractor's proposal, Exhibit A, to provide Fisheries Analyst Services based on approved standards and instructions [as specifically described in Exhibits A and B.] When available, Contractor will also attend local meetings of the Kodiak Fisheries Advisory Committee (KFAC) and the Kodiak Regional Aquaculture Association (KRAA). Attendance at other meetings may be requested by the Borough/City Fisheries Work Group. Additional Contractor fee for additional meetings (if any) must be agreed to, in writing, and approved by the Borough/City Fisheries Work group.

This Scope of Services can only be changed in writing pursuant to Section 25.0 of this Agreement.

5.0 REPORT SCHEDULE. Written quarterly reports shall be provided to the Borough and City within 30 days following the end of each calendar quarter. Contractor shall also report, written and/or oral, to the Borough/City Fisheries Sub-committee after each fisheries meeting attended and attend Borough/City Joint Work Sessions when requested by the Borough/City Fisheries Sub-committee. Joint work sessions are anticipated to occur on a quarterly basis.

6.0 PERSONNEL/ORGANIZATION

6.1 Key Personnel. Fisheries Analyst Services provided by the Contractor will be performed by:

Heather McCarty

6.2 Changes in Key Personnel. The Contractor shall give the Borough and City, through notice to the Contracting Officers, reasonable advance notice of any necessary substitution or change of key personnel and shall submit justification therefore in sufficient detail to permit the Borough and City to evaluate the impact of such substitution on this Agreement. No substitutions or other changes shall be made without the written consent of the Borough.

7.0 STANDARD OF PERFORMANCE. The Contractor agrees to use its best efforts to provide Fisheries Analyst Services. The Contractor accepts the relationship of trust and confidence established between it and the Borough and City by this Agreement. The Contractor covenants with the Borough and City to furnish its best skill and judgment. The Contractor shall provide all services in a competent manner.

8.0 TIMELINESS OF PERFORMANCE. Time is of the essence in this Agreement.

9.0 COMPLIANCE WITH LAWS. The Contractor shall be familiar with and at all times comply with and observe all applicable federal, state and local laws, ordinances, rules, regulations, and executive orders, all applicable safety orders, all orders or decrees of administrative agencies, courts, or other legally constituted authorities having jurisdiction or authority over the Contractor, the Borough, or the service which may be in effect now or during performance of the services.

10.0 INDEMNITY. The Contractor shall indemnify, defend, and hold harmless the Borough and City from and against any claim of, or liability for, negligent acts, errors, and omissions of the Contractor under this Agreement, including attorney fees and costs. The Contractor is not required to indemnify, defend, or hold harmless the Borough or City for a claim of, or liability for, its (the Borough or City, as applicable) independent negligent acts, errors, and omissions. If there is a claim of, or liability for, a joint negligent act, error, or omission of the Contractor

and the Borough and City, the indemnification, defense, and hold harmless obligation of the Contractor, and liability of the parties, shall be apportioned on a comparative fault basis. In this provision, "Contractor", "Borough" and "City" include the employees, agents, and contractors who are directly responsible, respectively, to each. In this provision, "independent negligent acts, errors, and omissions of the Borough and City means negligence other than in the Borough's and City's selection, administration, monitoring, or controlling of the Contractor, or in approving or accepting the Contractor's work.

11.0 INSURANCE. The Contractor understands that no Borough or City insurance coverage, including Workers' Compensation, is extended to the Contractor while completing the services described in this Agreement. The Contractor shall carry adequate (commercially reasonable coverage levels) insurance covering Workers' Compensation, general public liability, automobile, professional liability, and property damage including a contractual liability endorsement covering the liability created or assumed under this Agreement. The Contractor shall not commence work under this Agreement until the Contractor provides the Borough and City with certificates of insurance evidencing that all required insurance has been obtained. These insurance policies and any extension or renewals thereof must contain the following provisions or endorsements:

- a. Borough and City are additional insured thereunder as respects liability arising out of or from the work performed by Contractor.
- b. Borough and City will be given thirty (30) days prior notice of cancellation or material alteration of any of the insurance policies specified in the certificate.
- c. Insurer waives all rights of subrogation against Borough and City and their employees or elected officials.
- d. The insurance coverage is primary to any comparable liability insurance carried by the Borough and City.

Upon request, Contractor shall permit the Borough and City to examine any of the insurance policies specified herein. Any deductibles or exclusions in coverage will be assumed by the Contractor, for account of, and at the sole risk of the Contractor.

The minimum amounts and types of insurance provided by the Contractor shall be subject to revision at the Contracting Officers' request in order to provide continuously throughout the term of the Agreement a level of protection consistent with good business practice and accepted standard of the industry.

12.0 GOVERNING LAW. The laws of Alaska will determine the interpretation, performance and enforcement of this Agreement.

13.0 OWNERSHIP OF WORK PRODUCTS. Payment to the Contractor for services hereunder include full compensation for all work products and other materials produced by the Contractor pertaining to this Agreement.

The originals of all material prepared or developed by the Contractor or its employees, agents, or representatives hereunder, including documents, drawings, designs, calculations, maps, sketches, notes, reports, data, models, computer tapes, and samples shall become the property of the Borough and City when prepared, whether delivered or not, and shall, together with any materials furnished the Contractor and its employees, agents, or representatives by the Borough and City hereunder, be delivered to the Borough and City upon request and, upon termination or completion of this Agreement. Materials previously created and copyrighted by the Contractor included in this project will remain property of the Contractor. Copies will be made available to the Borough and City upon request. Materials purchased from and copyrighted by third parties are not included in this provision.

14.0 PATENTS, TRADEMARKS, AND COPYRIGHTS. The Contractor agrees to defend, indemnify, and save the Borough and City harmless from and against any and all claims, costs, royalties, damages and expenses of any kind of nature whatsoever (including attorneys' fees) which may arise out of or result from or be reasonably incurred in contesting any claim that the methods, processes, or acts employed by the Contractor or its employees in connection with the performance of services hereunder infringes or contributes to the infringement of any letter patent, trademark, or copyright. In case such methods, processes, or acts are in suit held to constitute infringement and use is enjoined, the Contractor, within reasonable time and at its own expense, will either secure a suspension of the injunction by procuring for the Borough and City a license or otherwise, or replace such method, process, etc., with one of equal efficiency.

15.0 NONWAIVER. No failure of the Borough, City or Contractor to insist upon the strict performance by the other of any of the terms of this Agreement or to exercise any right or remedy herein conferred, shall constitute a waiver or relinquishment to any extent of its rights to rely upon such terms or rights on any future occasion. Each and every term, right, or remedy of this Agreement shall continue in full force and effect.

16.0 SAFETY/PERFORMANCE. The Contractor shall comply with all federal and state statutes, ordinances, orders, rules, and regulations pertaining to the protection of workers and the public from injury or damage, and shall take all other reasonable precautions to protect workers and the public from injury or damage.

17.0 SUSPENSION OR TERMINATION.

17.1 Fault Termination or Suspension. This Agreement may be terminated by any party upon ten (10) days written notice if another party fails substantially to perform in accordance with its terms. If the Borough or City terminates this Agreement, they will pay the Contractor a sum equal to the percentage of work completed and accepted that can be substantiated by the Contractor, offset by any amounts owed to the Borough or City. However, within the ten (10) day Notice of Intent to terminate the party in default shall be given an opportunity to present a plan to correct its failure.

17.2 Convenience Suspension or Termination. Any party may at any time terminate or suspend this Agreement upon 30 days' prior written notice to each of the other parties, for any reason including its own needs or convenience. In the event of a convenience termination or suspension for more than six (6) months, the Contractor will be compensated for authorized services and authorized expenditures performed to the date of termination or suspension. No fee or other compensation for the uncompleted portion of the services will be paid, except for already incurred indirect costs which the Contractor can establish and which would have been compensated but because of the termination or suspension would have to be absorbed by the Contractor without further compensation.

17.3 Activities Subsequent to Receipt of Notice of Termination or Suspension. Following receipt of a Notice of Termination or suspension and except as otherwise directed by the Contracting Officers, the Contractor shall:

- a. perform only work authorized under this Agreement through the termination or suspension date and to the extent specified in the Notice; and
- b. deliver in the manner, at the times, and to the extent directed by the Contracting Officers, work in progress, completed work, supplies, and other material produced as a part of, or acquired in respect of the performance of the work terminated or suspended by the Notice.

18.0 EQUAL EMPLOYMENT OPPORTUNITY. The Contractor shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, or because of age, physical handicap, sex, marital status, change in marital status, pregnancy, or parenthood when the reasonable demands of the position do not require distinction on the basis of age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood. The Contractor shall take affirmative action required by law to ensure that applicants are employed and that employees are treated during

employment without regard to their race, color, religion, national origin, ancestry, age, or marital status.

19.0 NO ASSIGNMENT OR DELEGATION. The Contractor may not assign, subcontract or delegate this Agreement, or any part of it, or any right to any of the money to be paid under it without written consent of the Contracting Officers.

20.0 INDEPENDENT CONTRACTOR. The Contractor shall be an independent contractor in the performance of the work under this Agreement, and shall not be an employee or agent of the Borough or of the City.

21.0 PAYMENT OF TAXES. As a condition of performance of this Agreement, the Contractor shall pay all federal, state and local taxes incurred by the Contractor and shall require their payment by any other persons in the performance of this Agreement.

22.0 PRECEDENCE AND DIVISIBILITY. The provisions of this Agreement shall fully govern the services performed by the Contractor. If any term, condition, or provision of this Agreement is declared void or unenforceable, or limited in its application or effect, such event shall not affect any other provisions hereof and all other provisions shall remain fully enforceable.

23.0 ENTIRE AGREEMENT. This Agreement contains the entire agreement between the parties as to the services to be rendered by the Contractor. All previous or concurrent agreements, representations, warranties, promises, and conditions relating to the subject matter of this Agreement are superseded by this Agreement.

24.0 CLAIMS AND DISPUTES. Venue for all claims and disputes under this Agreement, if not otherwise resolved by the parties, shall be in the appropriate Alaska State court in Anchorage or Kodiak, Alaska.

25.0 CHANGES IN SCOPE OF WORK.

25.1 General. Additional services not specifically provided for in this Agreement will not be compensated.

25.2 Changes in Scope of Work. The Contracting Officers may, at any time, by a written Change Order delivered to the Contractor, make changes to the scope of work, or authorize additional work outside the scope of work to the extent authorized by Borough and City appropriations.

25.3 Compensation to the Contractor. If any Change Order for which compensation is allowed under this Article causes an increase or decrease in the estimated cost of, or time required for, the performance of

any part of the work under this Agreement, or if such change otherwise affects other provisions of this Agreement, an equitable adjustment will be negotiated. Such an adjustment may be:

- a. in the estimated cost or completion schedule, or both;
- b. in the amount of fee to be paid; and
- c. in such other provisions of the Agreement as may be affected, and the Agreement shall be modified in writing accordingly.

25.4 Any claim by the Contractor for adjustment under this section must be asserted within fifteen (15) days from the day of receipt by the Contractor of the notification of change; provided, however, that the Contracting Officers, deciding that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this Agreement. Failure to agree to any adjustment shall be a dispute within the meaning of Section 2540 of this Agreement.

26.0 LIMITATION OF FUNDS.

26.1 At no time will any provision of this Agreement make the Borough or City liable for payment for performance of work under this Agreement in excess of the amount that has been appropriated by the Borough Assembly (for the Borough) or City Council (for the City) and obligated for expenditure for purposes of this Agreement.

26.2 Change orders issued pursuant to Section 25 of this Agreement shall not be considered an authorization to the Contractor to exceed the amount allotted in the absence of a statement in the change order, or other modification increasing the amount allotted.

26.3 Nothing in this Section shall affect the right of the Borough and City under Section 17 to terminate this Agreement.

27.0 PRIOR WORK. For the purposes of this Agreement, work done at the request of the Borough and City before execution of this Agreement, if any, shall be deemed to be work done after its execution and shall be subject to all the conditions contained herein.

28.0 NOTICES. Any notices, bills, invoices, or reports required by the Agreement shall be sufficient if sent by the parties by electronic mail or by United States mail, postage paid, to the addresses noted below:

Kodiak Island Borough
Attn: Borough Manager
710 Mill Bay Road, Room 125
Kodiak, AK 99615
bcassidy@kodiakak.us

McCarty and Associates
Attn: Heather McCarty
1537 Pine Street
Juneau, AK 99801
hdmccarty@gmail.com

City of Kodiak
Attn: City Manager
710 Mill Bay Road
Kodiak, AK 99615
akniazowski@city.kodiak.ak.us

IN WITNESS WHEREOF, the parties have executed this Agreement.

Kodiak Island Borough

McCarty and Associates

Charles E. Cassidy Jr

Heather D. McCarty

By: Charles E. Cassidy Jr
Title: Borough Manager
Date: 1/30/14

By: Heather McCarty
Title: Owner
Date: 1/30/14


Debra Marlax
Date: 1/30/14
Title: MMC
Borough Clerk

(Borough seal)

City of Kodiak

Aimée Kniazowski

By: Aimée Kniazowski
Title: City Manager
Date: 2/9/14

ATTEST:

Debra Marlax
Debra Marlax, MMC
City Clerk



(City seal)

January 21, 2014

Kodiak Island Borough
Office of the Manager
710 Mill Bay Road
Kodiak, AK 99615

Dear Mr. Cassidy:

I am submitting this proposal in response to the Request for Proposals for the services of a Fisheries Analyst for the Kodiak Island Borough and the City of Kodiak. Along with this transmittal letter I attach the required Implementation Plan, my company profile and work experience and credentials in the form of an expanded CV, my proposed fee, and four references.

It is with great pleasure and anticipation that I submit a proposal to work with the community leaders and people of Kodiak. I am a 35-year resident of coastal Alaska fishing communities, from a commercial salmon fishing family, and a true believer in the need for reasonable and informed local decision-making to sustain and develop this state's fisheries resources. Although I have never lived in Kodiak, I have been visiting your beautiful island regularly for more than 20 years, as a long-time member of the Policy Council for your "Fish Tech" Center, as a faithful ComFish attendee, as a member of the North Pacific Council "family," and as a consultant for a Kodiak processor who works with all species.

My experience and familiarity with the local commercial and sport fisheries has been augmented by ten years of work with a community development group in the Bering Sea, where I gained an appreciation for the importance of subsistence fisheries to the Alaska Native cultures. The long association with the University of Alaska School of Fisheries and Ocean Sciences in both an advisory capacity and as an administrator of an industry-funded marine research program has given me insight into the important role of science in sustaining fisheries. I also served for three years as the fishery representative on the North Pacific Research Board, advocating for research in support of pressing fishery management issues.

As to current experience in the fishery regulatory process, I have attended every meeting of the North Pacific Fisheries Management Council (NPFMC) for the last 15 years, serving on a Council committee, making testimony and moving forward a number of important Council actions on behalf of employers and clients. I have also been to every regular meeting of the International Pacific Halibut Commission (IPHC) for the last six years, and have served on its Processor Advisory Group during that period. I cut my regulatory teeth on salmon issues when I worked with the salmon industry in Prince William Sound, moving actions through the Board of Fisheries (BOF) and the Department of Fish and Game. I have not spent a lot of time in the last few years at the BOF, but I am very familiar with that process.

Because of my varied experiences, I understand fishery resource management issues in Alaska, from several different perspectives: harvesting, processing, aquaculture, marketing, Alaska Native culture, sustainability, research and education. I have participated in formal and informal bodies, boards and commissions at all levels, and am able to communicate well in those settings.

I am very conversant with the State Constitution and the State and Federal fishery regulations, and with the processes that create them. The Magnuson Stevens Act with its national standards has been in my briefcase for years, and is dog-eared from use. I have taken a national course in the NEPA regulations that guide Federal regulatory decision-making.

One of my personal and professional hallmarks is fairness and honesty; I hope that conversations with my references will bring that out. Because I have represented many different sectors and interests, and have lived in and focused on fishing communities, I really do perceive and approach issues from multiple angles – and always with the interests of the community uppermost. I believe I can offer unbiased fisheries analysis and advice to the community leaders of Kodiak.

It is clear to me that some might consider my work with a Kodiak processor a conflict of interest with representing the City and Borough of Kodiak. If I am asked to work with Kodiak, I am prepared to immediately and completely end that professional relationship. My other client relationships, in my opinion, could not be judged a conflict of interest.

Regarding technical considerations, I do have property and car insurance, including liability insurance, and can provide that information. I do not have professional liability insurance, as it has not been required in other contracts and it is a considerable expense. I am in the process of renewing my Alaska business license.

I believe I have provided all of the required information – but if you have any questions or need additional information please call or email me any time. I look forward to hearing from you, and to serving the people of Kodiak.

Best regards,


Heather McCarty

Request for Proposals: FISHERIES ANALYST

1. AUTHORITY

- A. The authority to issue this Request for Proposal (RFP) is granted under KIBC 3.30.110 Competitive sealed proposals – Negotiated procurement.

2. PURPOSE AND INTENT

- A. It is the primary intent of this RFP is to select a qualified firm or individual to act as a Fisheries Analyst. The Fisheries Analyst will work jointly for the local governments of Kodiak Island: the Kodiak Island Borough (KIB) and the City of Kodiak (City). The selected proposer will enter into a term contract for a period of two years with options for two additional one year extensions. The term contract will include a six month initial review to ensure an understanding of the Scope. The contract will also include a termination clause by either party with a 30 day notice.
- B. The work shall be performed in compliance with all applicable federal, state and local requirements. The KIB and City require all work to be performed efficiently, cost effectively, and according to best business practices of the industry.

3. BACKGROUND/SITUATION

The economy of the Kodiak region is based on a healthy, diverse and well-managed fisheries resource that includes more than 30 species of fish harvested and processed onshore. The Kodiak region comprises all fisheries user groups -- subsistence, sportfish, commercial sportfish, personal use, commercial fish, the processing sector, fisheries research and protection sectors, and the fishing industry support sector. Policy development and regulatory management in the Kodiak region is challenging because of the need to address such diverse and competing concerns as species fished, vessel size, gear type, limited entry permits, quota share, limited license permits, and crew share interests.

4. SCOPE (aim or purpose)

The primary role of the Fisheries Analyst will be to monitor, analyze and report on fisheries issues and policy developments that may impact or affect the economy and community of Kodiak.

- A. Monitor actions and pending decisions of regulatory bodies such as the NOAA/National Marine Fisheries Service, the State of Alaska Department of Fish and Game, and International Pacific Halibut Commission to anticipate regulatory actions that could impact Kodiak's economy.
- B. Attend meetings of the North Pacific Fisheries Management Council, State of Alaska Board of Fisheries, and other fishery meetings as directed, to

provide a summary of issues, discussion and actions to the Assembly/City Council that could impact Kodiak's economy.

- C. Provide written quarterly report to both the Borough Assembly and the City Council and make presentations at joint Borough Assembly/City Council work sessions. Reporting should include discussions or updates of ongoing concerns, introductions of proposed changes, and a summary of work performed since the previous report.
- D. Prepare analyses of potential impacts of proposed regulatory changes on the Kodiak economy.
- E. Provide information to Assembly/Council to analyze and understand issues based on facts and from a neutral point of view, and to make decisions or develop positions on issues affecting or impacting the economy and people of Kodiak.
- F. The successful proposer should possess the following qualifications:
 - 1. An understanding of local and regional fisheries to include species, vessel and gear types, fisheries user groups -- subsistence, sportfish, commercial sportfish, personal use and commercial fish, and the processing sector.
 - 2. A thorough understanding of the State constitution regarding Alaska's fisheries and all state and federal fisheries laws and regulations.
 - 3. An understanding of fisheries resource management issues and how they affect Kodiak's seafood industry and economy.
 - 4. Documented recent experience in state and federal fisheries resource management processes.
 - 5. Current or recent involvement in the fisheries regulatory process in both the State and Federal environment, specifically the North Pacific Fisheries Management Council, IPHC and AK Department of Fish and Game, Board of Fish.
 - 6. Familiarity with the Magnuson Stevens Act and how the national standards pertain to community fisheries.
 - 7. Ability to communicate effectively with local government bodies and to provide written reports both to and on behalf of the governing bodies.
 - 8. The ability to remain neutral on divisive issues.
 - 9. The ability to work well with boards and commission at the federal, state and local levels.
 - 10. Ability to provide applicable insurance coverage, such as workers' compensation, commercial automobile liability and professional liability.
 - 11. Possession of a State of Alaska Business License.

In the event that the proposer does not possess the above qualifications, the proposer must include a plan for addressing the lack of experience or qualification.

Additionally, if a proposer possesses a perceived conflict of interest, the proposer must also include a discussion about how the conflict of interest will be avoided

- G. The successful proposer will enter into a professional services contract that must be approved by the Kodiak Island Borough Assembly and Kodiak City Council.

5. REQUIRED INFORMATION

- A. Proposals must include:
 - Transmittal Letter
 - Implementation Plan
 - Company Profile
 - Experience
 - Credentials
 - Proposed Fee
 - References
 - Ability to provide applicable insurance coverage

6. PROPOSAL PROCESS

- A. Proposals will be accepted until 3:00 PM on Tuesday, January 21, 2014. It is the proposer's responsibility to deliver proposals to:

Kodiak Island Borough
Office of the Manager
710 Mill Bay Road
Kodiak, AK 99615
(907) 486-9301

Faxed and electronic proposals will not be accepted.

- B. Proposals must be clearly marked: **FISHERIES ANALYST SERVICES PROPOSAL**

Provide six unbound copies of the proposal.

C. Evaluation Methodology: Each proposal will be evaluated according to criteria and given the relative weight shown in the table below.

EVALUATION CRITERIA	RELATIVE WEIGHT
PROPOSED RATES	25%
QUALIFICATIONS/EXPERIENCE	25%
IMPLEMENTATION PLAN	25%
REFERENCES	15%
OVERALL QUALITY OF PROPOSAL	10%

A recommendation of the top respondent will be made based on the results of reference checks, qualifications of the firm and response to the Scope of service provided. This will be submitted to the Kodiak Island Borough Assembly and the City of Kodiak City Council for approval and award.

D. Miscellaneous

The KIB and City reserve the right to reject or accept any or all bids, to waive irregularities or informalities in the proposal, and to give particular attention to the qualifications of the Proposer.

KIB and City reserve the right to issue written addenda to revise or clarify the RFP, respond to questions, and/or extend or shorten the due date of proposals.

KIB and City retain the right to cancel the RFP process if it is in their best interest. Any cost incurred by proposers for the preparation and submittal of the proposal is the sole responsibility of the proposer.

A proposal may be corrected or withdrawn by a written request received prior to the deadline for receipt of proposals.

All proposals become part of the public record and no part of any proposal may be confidential.

All proposals and other material submitted become KIB and City property and may be returned only at their option.

KIB and City assume no responsibility or liability for the transmission, delay, or delivery of proposals by either public or private carriers.

Any and all media announcements pertaining to this RFP require KIB and City's prior written approval.

This RFP does not obligate KIB and City or the selected proposer until a contract is signed and approved by all parties.

Contact Borough Manager Bud Cassidy at (907) 486-9302 or at bcassidy@kodiak.us with questions regarding this solicitation.

February 15, 2016

Aimee Kniaziowski, Manager
City of Kodiak

Bud Cassidy, Manager
Kodiak Island Borough

Dear Aimee and Bud:

As you may know, I have been in England the last six days for my brother-in-law's funeral, so I apologize if I am a bit behind on news or communication regarding the status of my contract renewal as Fisheries Analyst. I have seen the news articles on Internet sites, and I spoke to Bud early last week. I understand that the Borough Assembly began with a proposal for a one-year renewal, but ended up with a six-month proposal. There was also some mention of revised deliverables, but I have not yet heard anything specific. Subsequently, the City Council agreed on a one-year renewal proposal.

I also understand that the Assembly and Council are planning to discuss the contract renewal at a joint work session on February 24. In the meantime, the Kodiak Fisheries Work Group plans a meeting on February 19 to discuss the KFWG itself. And, the KFWG has on its agenda a discussion of the contract status on February 17. I have not been formally invited to participate in these discussions, but I would of course be very pleased to be involved in any way you think appropriate. I am especially interested in discussions about improving the structure and process of the KFWG.

It might be helpful to give you my thoughts on the contract matter. The original contract spoke to renewal of up to two years, in one-year increments, by mutual agreement of the three parties. I would prefer a one-year renewal, as proposed by the City Council. Apart from the fact that this is what the original contract anticipated, there are several reasons why one year's renewal makes sense.

On behalf of the City and Borough, the KFWG has made enormous strides in its work on several fisheries issues that directly affect the community of Kodiak. The economic study of fisheries' impacts on the economy of Kodiak was one of the original deliverables requested at the beginning of my contract. We finally have that study in motion, and it is due to be delivered in late spring, in time to be useful in assessing the potential effects of federal fishery management proposals before the North Pacific Fishery Management Council (NPFMC). It will also be important in analyzing any number of other actions and decisions, ranging from State Board of Fisheries management to tax and revenue issues.

One of the central fisheries issues affecting Kodiak, the Gulf Trawl Bycatch Management (GTBM) action before the North Pacific Council, is just now reaching a critical juncture. The North Pacific Council meets in Kodiak in June, to focus specifically on community impact aspects of this management action. The major decisions on the ultimate direction of this program will be made towards the end of this year and into 2017.

As advisors to the City Council and Borough Assembly, the KFWG has been and remains engaged in an in-depth study and review of the major issues of the GTBM program. This process is on-going, with the need to bring new members of the KFWG up to speed on the key elements of the proposed program, and how alternative solutions may affect your community. Members of the KFWG are particularly good about effectively involving members of the public in this effort. The Co-chairs, and members of the KFWG and the City Council and Borough Assembly, have already made significant impacts on the process by testifying to and interacting with the NPFMC over the last two years.

The North Pacific Council has come to depend on your community process – which has included two community forums and expert presentations – to arrive at and provide balanced and educated input on the Gulf Trawl Bycatch issue. This need will continue as the GTBM issue reaches critical decision points in October and December.

Please let me know what level of input you might need from me as these discussions go forward. I believe we need to discuss deliverables, streamlining of administration and clarity of authority. I love working with the community of Kodiak and look forward to continuing.

I am copying the Mayors and the Co-chairs of the KFWG to keep them informed. Feel free to share this with the other members of your municipal bodies – I get the feeling that I need to interact more frequently and effectively with them.

Best regards,

Heather McCarty

Cc: Mayor Pat Branson
Mayor Jerrol Friend
John Whiddon
Rebecca Skinner

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager

Thru: Kelly Mayes, Finance Director

Date: March 17, 2016

Agenda Item: V. f. **Authorization of Banking Services Contract**

SUMMARY: The City currently uses First National Bank of Alaska (FNBA) for banking purposes. First National Bank of Alaska was awarded the banking services contract in 2010 for three years with the option to extend for an additional two years. The contract was extended and the contract expired at the end of calendar year 2015. These services are continued on a month to month basis until we have a renewed contract in place. The City and First National Bank of Alaska would like to renew this contract for an additional three years, with the option to extend two years, and with an amendment to the previously signed contract. The amendment removes the compensating balance account.

PREVIOUS COUNCIL ACTION: On March 31, 2010, the City banking services were awarded to First National Bank of Alaska under a three year agreement with the option to extend for two additional years. Under the original terms and conditions, the city would have three checking accounts. One checking account is used for operations, one checking account is a repurchase account, and one checking account maintains a compensating balance that will earn interest to offset the banking fees.

DISCUSSION: Discussions with First National Bank of Alaska brought forth a recommended change with the compensating balance account used to offset the banking fees. Currently this account maintains a compensating balance of approximately \$680,000. Under negotiations with the bank, current interest rates will require the City to increase this balance to approximately \$2 million. As the City currently invests funds at a rate higher than those offered by FNBA, the updated contract would eliminate this compensating balance account and thus start incurring banking fees. Banking fees average \$500 per month or approximately \$6,000 per year. If the same amount of \$2 million were invested similarly to the current City investments, the City would earn an average of \$1,600 per month / approximately \$19,200 per year at current interest rates. Therefore, investing the required compensating balance would result in a higher rate of return to the City.

ALTERNATIVES:

- 1) Approve the banking services contract under the amended terms as recommended by the Finance Director because it's an improved agreement that benefits the City.

2) Delay or do not approve the contract, which is not recommended. The City needs an agreement to continue to conduct banking services, and the account agreement under the current terms requires a compensating balance account, requiring \$2 million dollars to remain in a compensating balance account to offset banking services fees. This account is bound by the previous agreement and is not accessible to the City during the duration of the contract. Meaning the City would tie up \$2 million for five years earning less than current market rates.

FINANCIAL IMPLICATIONS: Banking service fees resulting from this new agreement would be approximately \$500 / month for an average of \$6,000 per year. This would allow the City to invest the additional monies to earn greater additional interest.

LEGAL: This banking services contract has been review and approved by the City Attorney.

STAFF RECOMMENDATION: This contract protects the City's financial holdings at FNBA and therefore, staff recommends City Council approval of this negotiated contract.

CITY MANAGER'S COMMENTS: This decision to remove the compensating balance account and change to a monthly fee schedule fits with an attempt to be more active in managing the City's financial assets, such as the recent formation of the Investment Committee; investing our finances wisely and to the benefit of the community. This contract with its term of three years exceeds the legal spending authority of the City Manager and therefore requires the approval of the City Council. I recommend City Council approve this banking services contract as negotiated which will be fully executed within a three year term and an option to extend an additional two years.

ATTACHMENTS:

Attachment A: City of Kodiak banking services contract with FNBA

PROPOSED MOTION:

Move to authorize a three year banking services contract with First National Bank of Alaska with an option to extend two additional one year terms and authorize the City Manager to execute the documents on behalf of the City.

CITY OF KODIAK
BANKING SERVICES CONTRACT

THE PARTIES AGREE AS FOLLOWS:

Section 1. DEFINITIONS As used herein:

- A. "City" means the City of Kodiak, its departments and divisions.
- B. "Bank" means the First National Bank Alaska.

Section 2. TERM This contract is effective from _____ to _____ and may be renewed for two additional one year terms on agreement of the parties.

Section 3. BANK'S OBLIGATIONS

- A. City shall establish non-interest bearing checking account(s) with Bank and Bank shall provide a Repurchase Agreement account for City.
- B. Bank shall deposit funds received from City to the checking account(s) designated by the City. To receive same day credit, a deposit must be presented to the Bank prior to the posted cut-off hour of the branch facility accepting the deposit. Checks shall be charged against the accounts on which they are drawn as they are presented for payment.
- C. Each day, the remaining collected balance, net of that day's check presentments, in each account established by City will be credited to the Repurchase Agreement account for investment that day. Deposited funds shall be considered collected in accordance with "The Assigned Float Availability Schedule" attached as **Exhibit A**. Funds shall be automatically transferred on a daily basis from the Repurchase Agreement account to any checking accounts established by City to cover the day's redemption of checks drawn against that account net of collected deposits to that account.
- D. Unless the Bank receives other orders from City, all collected funds shall be automatically invested in Repurchase Agreements. City reserves the right to obtain competitive bids on funds available for investment for terms longer than overnight.
- E. Repurchase Agreements will be executed daily in accordance with the provisions outlined in the Securities Industry and Financial Markets Association's "Master Repurchase Agreement" included as **Exhibit B**. Repurchase Agreements will be executed exclusively against obligations of the U.S. Government and/or its agencies, and not against securities of lesser quality.

Bank will pay City varying interest rates for your investments based on the balance of the Repurchase Agreement Account as outlined below:

Balance	Rate	Current Rate
\$0 to \$99,999	Rate currently paid by Bank to other Investors with similar investment amounts	.0000%
\$100,000 to \$749,999	Fed Funds Rate* less 100 basis points	** .05%
\$750,000 to \$2,499,999	Fed Funds Rate* less 75 basis points	** .10%
\$2,500,000 and Greater	Fed Funds Rate* less 50 basis points	** .15%

* Based on the low Federal Funds Rate quoted in the Wall Street Journal on a daily basis.

** Currently, a floor has been set equal to the "Current Rate" in the above chart, based on the balance of the Repurchase Agreement Account.

- F. Deposits and investments in Repurchase Agreements that are not insured by the Federal Deposit Insurance Corporation shall be secured pursuant to the "Pledge Agreement" of the parties attached as **Exhibit C**, and the collateral covered by the Pledge Agreement will be held by the Custodian pursuant to the "Account Control Agreement" attached as **Exhibit D**.
- G. Bank shall furnish a monthly account statement respecting City's general bank account by the seventh business day following the calendar month end showing deposits to the account, intra and inter-bank transfers with appropriate summary statements covering all aspects of activity in the account. Bank statements shall include a sequential listing showing check number, date paid and amount paid for each canceled check.
- H. Bank will provide checks and deposit slips printed to City's specifications.
- I. Bank shall provide On-line banking services, including, Business Essential, Business Advantage, and Positive Pay in accordance with the terms and conditions for such services as provided in the Business Essential Agreement and related addenda between City and Bank. Bank shall also provide a large Safe Deposit Box to City.

Section 4. INDEPENDENT CONTRACTOR

It is understood and agreed by the parties that Bank shall be an independent contractor, and while City may, at reasonable times during working hours, inspect, review, and evaluate the performance of Bank to assure itself that Bank is in compliance with the terms herein, Bank shall not receive direct supervision or instruction with regard to the manner in which Bank performs duties.

Section 5. CITY'S OBLIGATIONS

- A. City shall pay standard Account Analysis fees in accordance with the Commercial Fee Schedule published by Bank, **Exhibit E**, which may be amended from time to time on thirty (30) days prior written notice. Our cost analysis of each account and a group analysis summary will be made available to you within ten (10) business days following the calendar month end. The analysis will identify the cost of services provided according to the rate schedule, offset by credit for non-interest bearing collected balances maintained on deposit. Bank shall charge City's account# for such fee.
- B. The City shall not be obligated to provide the Bank with any additional monies, goods, services or other things of value in connection with performance of this agreement beyond those specifically enumerated herein.
- C. City agrees to make its executive and technical personnel available to Bank for consultation on any matter relating to performance of this Contract.

Section 6. NONDISCRIMINATION

The parties agree that in the performance of their respective duties, neither shall discriminate against any person on the basis of race, creed, color, national origin, mental or physical impairment/disability, sex or age.

Section 7. ASSIGNMENT

Except where expressly permitted under the terms of this contract, any assignment by Bank of its interest in any part of the contract or any delegation of duties under this contract shall be void, and an attempt by Bank to assign any part of its interest or delegate duties under this contract shall give City the exclusive option to terminate this contract without any liability.

Section 8. LIABILITY

- A. Bank shall save, hold harmless and indemnify City from any claims, lawsuits or judgments arising from any loss, damage to property, or injury to persons, for which City may be held responsible arising out of or connected in any way with any act or omission of Bank that is negligent or wrongful. This subsection shall not apply to acts or omissions of Bank undertaken in strict compliance with specific written orders or instructions of City.
- B. City shall save, hold harmless and indemnify Bank from any claims, lawsuits or judgments arising from loss, damage to property or injury to persons for which Bank may be held responsible on account of negligent or otherwise wrongful conduct of City.

Section 9. NO ADDITIONAL WORK

No claim for additional services not specifically herein provided, done or furnished by Bank shall be allowed by City; provided, however, that Bank may at its own expense provide such other services as it may deem appropriate and consistent with the purpose and terms of this contract.

Section 10. NONWAIVER

The failure of City to insist on strict compliance of any terms of this contract shall not constitute a waiver by City of its rights with respect to performance rendered thereafter or to insist upon full and strict compliance with the exact terms of this contract.

Section 11. COMPLIANCE WITH LAWS

Bank shall comply with all Federal, State and local statutes or ordinances and shall be responsible for the obtaining of all permits or licenses required by Federal, State or local agencies for the performance of duties under this contract.

Section 12. NOTICES

Written notice provided herein shall be given in writing and transmitted by personal delivery or prepaid first class certified mail addressed as follows:

City: Attn: Aimee Kniaziowski, City Manager
City of Kodiak
710 Mill Bay Rd
Kodiak, AK 99615

Bank: Diana Morlan, Assistant Vice President
First National Bank Alaska
1751 Gambell St.
P.O. Box 100720
Anchorage, AK 99510-0720

Or to other such persons or addresses which City or Bank may from time to time designate in writing.

Section 13. OTHER BANKING SERVICES

City may request additional services and compensate Bank in accordance with Bank's published rates for the services provided.

Whenever City is required by law or agreement to maintain any demand account separate from the accounts set forth in this Contract, City reserves the right to place such account with Bank or any other institution.

Section 14. AMENDMENTS

This contract may be amended at any time by written consent of the parties. All amendments shall be attached as appendices to this contract.

Section 15. JURISDICTION

All civil actions brought by any party under this contract shall be commenced and maintained in the District or Superior Court, Third Judicial District, Kodiak, Alaska, under the laws of the State of Alaska.

Section 16. INVALID PROVISIONS

If any provisions, covenants or conditions of this contract are held to be invalid in any respect by a court of competent jurisdiction, such invalidity shall in no way affect any other provisions, covenants, or conditions contained therein.

Section 17. INTEGRATION

This document and its appendices set forth all of the terms, conditions and agreements of the parties relative to this contract and supersedes all prior terms, conditions or agreements which are hereby declared terminated and are of no further force and effect.

Section 18. TERMINATION

Termination of the agreement may occur by mutual consent, for the convenience of either party; or for cause, where the other party fails in any material way to perform its obligations under this contract. Termination of the agreement by mutual consent requires 120 days notice prior to the effective date of the termination. If just cause for termination arises, this will require at least 60 days notice of termination by either party.

IN WITNESS WHEREOF, the undersigned have duly executed the agreement by their duly authorized officers:

CITY OF KODIAK:

FIRST NATIONAL BANK ALASKA:

By: _____

By: _____

Aimee Kniaziowski

Name

Name

City Manager

Title

Title

Date

Date

By: _____

Kelly Mayes

Name

Finance Director

Title

Date

First National Bank Alaska
Assigned Float Availability Schedule
Image Exchange
Member FDIC

Immediate Availability

Cash
Matured Investments
Wired Funds
ACH Entries

END POINT

ROUTING NUMBER

First National Bank Alaska

One Business Day Availability

All Banks/Routing Numbers not listed.

Two Business Day Availability

END POINT

ROUTING NUMBER

Guam, American Samoa and the Northern Mariana Islands

Three Business Day Availability

All Items Drawn on Banks in Canada

Miscellaneous

This schedule is subject to change without notice and it supersedes all previous schedules.

Master Repurchase Agreement

Repurchase Agreement # 41109323

Dated as of _____

Between: City of Kodiak and First National Bank Alaska

1. Applicability

From time to time the parties hereto may enter into transactions in which one party (“Seller”) agrees to transfer to the other (“Buyer”) securities or other assets (“Securities”) against the transfer of funds by Buyer, with a simultaneous agreement by Buyer to transfer to Seller such Securities at a date certain or on demand, against the transfer of funds by Seller. Each such transaction shall be referred to herein as a “Transaction” and, unless otherwise agreed in writing, shall be governed by this Agreement, including any supplemental terms or conditions contained in Annex I hereto and in any other annexes identified herein or therein as applicable hereunder.

2. Definitions

(a) “Act of Insolvency”, with respect to any party, (i) the commencement by such party as debtor of any case or proceeding under any bankruptcy, insolvency, reorganization, liquidation, moratorium, dissolution, delinquency or similar law, or such party seeking the appointment or election of a receiver, conservator, trustee, custodian or similar official for such party or any substantial part of its property, or the convening of any meeting of creditors for purposes of commencing any such case or proceeding or seeking such an appointment or election, (ii) the commencement of any such case or proceeding against such party, or another seeking such an appointment or election, or the filing against a party of an application for a protective decree under the provisions of the Securities Investor Protection Act of 1970, which (A) is consented to or not timely contested by such party, (B) results in the entry of an order for relief, such an appointment or election, the issuance of such a protective decree or the entry of an order having a similar effect, or (C) is not dismissed within 15 days, (iii) the making by such party of a general assignment for the benefit of creditors, or (iv) the admission in writing by such party of such party’s inability to pay such party’s debts as they become due;

(b) “Additional Purchased Securities”, Securities provided by Seller to Buyer pursuant to Paragraph 4(a) hereof;

(c) “Buyer’s Margin Amount”, with respect to any Transaction as of any date, the amount obtained by application of the Buyer’s Margin Percentage to the Repurchase Price for such Transaction as of such date;

(d) “Buyer’s Margin Percentage”, with respect to any Transaction as of any date, a percentage (which may be equal to the Seller’s Margin Percentage) agreed to by Buyer and Seller or, in the absence of any such agreement, the percentage obtained by dividing

- the Market Value of the Purchased Securities on the Purchase Date by the Purchase Price on the Purchase Date for such Transaction;
- (e) “Confirmation”, the meaning specified in Paragraph 3(b) hereof;
 - (f) “Income”, with respect to any Security at any time, any principal thereof and all interest, dividends or other distributions thereon;
 - (g) “Margin Deficit”, the meaning specified in Paragraph 4(a) hereof;
 - (h) “Margin Excess”, the meaning specified in Paragraph 4(b) hereof;
 - (i) “Margin Notice Deadline”, the time agreed to by the parties in the relevant Confirmation, Annex I hereto or otherwise as the deadline for giving notice requiring same-day satisfaction of margin maintenance obligations as provided in Paragraph 4 hereof (or, in the absence of any such agreement, the deadline for such purposes established in accordance with market practice);
 - (j) “Market Value”, with respect to any Securities as of any date, the price for such Securities on such date obtained from a generally recognized source agreed to by the parties or the most recent closing bid quotation from such a source, plus accrued Income to the extent not included therein (other than any Income credited or transferred to, or applied to the obligations of, Seller pursuant to Paragraph 5 hereof) as of such date (unless contrary to market practice for such Securities)
 - (k) “Price Differential”, with respect to any Transaction as of any date, the aggregate amount obtained by daily application of the Pricing Rate for such Transaction to the Purchase Price for such Transaction on a 365 day per year basis for the actual number of days during the period commencing on (and including) the Purchase Date for such Transaction and ending on (but excluding) the date of determination (reduced by any amount of such Price Differential previously paid by Seller to Buyer with respect to such Transaction);
 - (l) “Pricing Rate”, the per annum percentage rate for determination of the Price Differential;
 - (m) “Prime Rate”, the prime rate of U.S. Commercial banks as published in The Wall Street Journal (or, if more than one such rate is published, the average of such rates);
 - (n) “Purchase Date”, the date on which Purchased Securities are to be transferred by Seller to Buyer;
 - (o) “Purchase Price”, (i) on the Purchase Date, the price at which Purchased Securities are transferred by Seller to Buyer, and (ii) thereafter, except where Buyer and Seller agree otherwise, such price increased by the amount of any cash transferred by Buyer to Seller pursuant to Paragraph 4(b) hereof and decreased by the amount of any cash transferred by Seller to Buyer pursuant to Paragraph 4(a) hereof or applied to reduce Seller’s obligations under clause (ii) of Paragraph 5 hereof;
 - (p) “Purchased Securities”, the Securities transferred by Seller to Buyer in a Transaction hereunder, and any Securities substituted therefore in accordance with Paragraph 9 hereof. The term “Purchased Securities” with respect to any Transaction at any time also

shall include Additional Purchased Securities delivered pursuant to Paragraph 4(a) hereof and shall exclude Securities returned pursuant to Paragraph 4(b) hereof;

- (q) “Repurchase Date”, the date on which Seller is to repurchase the Purchased Securities from Buyer, including any date determined by application of the provisions of Paragraph 3(c) or 11 hereof;
- (r) “Repurchase Price”, the price at which Purchased Securities are to be transferred from Buyer to Seller upon termination of a Transaction, which will be determined in each case (including Transactions terminable upon demand) as the sum of the Purchase Price and the Price Differential as of the date of such determination.
- (s) “Seller’s Margin Amount”, with respect to any Transaction as of any date, the amount obtained by application of the Seller’s Margin Percentage to the Repurchase Price for such Transaction as of such date;
- (t) “Seller’s Margin Percentage”, with respect to any Transaction as of any date, a percentage (which may be equal to the Buyer’s Margin Percentage) agreed to by Buyer and Seller or, in the absence of any such agreement, the percentage obtained by dividing the Market Value of the Purchased Securities on the Purchase Date by the Purchase Price on the Purchase Date for such Transaction.

3. Initiation; Confirmation; Termination

- (a) An agreement to enter into a Transaction may be made orally or in writing at the initiation of either Buyer or Seller. On the Purchase Date for the Transaction, the Purchased Securities shall be transferred to Buyer or its agent against the transfer of the Purchase Price to an account of Seller.
- (b) Upon agreeing to enter into a Transaction hereunder, Buyer or Seller (or both), as shall be agreed, shall promptly deliver to the other party a written confirmation of each Transaction (a “Confirmation”). The Confirmation shall describe the Purchased Securities (including CUSIP number, if any), identify Buyer and Seller and set forth (i) the Purchase Date, (ii) the Repurchase Date, unless the Transaction is to be terminable on demand, (iii) the Pricing Rate or Repurchase Price applicable to the Transaction, and (iv) any additional terms or conditions of the Transaction not inconsistent with this Agreement. The Confirmation, together with this Agreement, shall constitute conclusive evidence of the terms agreed between Buyer and Seller with respect to the Transaction to which the Confirmation relates, unless with respect to the Confirmation specific objection is made promptly after receipt thereof. In the event of any conflict between the terms of such Confirmation and this Agreement, this Agreement shall prevail.
- (c) In the case of Transactions terminable upon demand, such demand shall be made by Buyer or Seller, no later than such time as is customary in accordance with market practice, by telephone or otherwise on or prior to the business day on which such termination will be effective. On the date specified in such demand, or on the date fixed for termination in the case of Transactions having a fixed term, termination of the Transaction will be effected by transfer to Seller or its agent of the Purchased Securities and any Income in respect thereof received by Buyer (and not previously credited or transferred to, or applied to the obligations of, Seller pursuant to Paragraph 5 hereof) against the transfer of the Repurchase Price to an account of Buyer.

4. Margin Maintenance

- (a) If at any time the aggregate Market Value of all Purchased Securities subject to all Transactions in which a particular party hereto is acting as Buyer is less than the aggregate Buyer's Margin Amount for all such Transactions (a "Margin Deficit"), then Buyer may by notice to Seller require Seller in such Transactions, at Seller's option, to transfer to Buyer cash or additional Securities reasonably acceptable to Buyer ("Additional Purchased Securities"), so that the cash and aggregate Market Value of the Purchased Securities, including any such Additional Purchased Securities, will thereupon equal or exceed such aggregate Buyer's Margin Amount (decreased by the amount of any Margin Deficit as of such date arising from any Transactions in which such Buyer is acting as Seller).
- (b) If at any time the aggregate Market Value of all Purchased Securities subject to all Transactions in which a particular party hereto is acting as Seller exceeds the aggregate Seller's Margin Amount for all such Transactions at such time (a "Margin Excess"), then Seller may by notice to Buyer require Buyer in such Transactions, at Buyer's option, to transfer cash or Purchased Securities to Seller, so that the aggregate Market Value of the Purchased Securities, after deduction of any such cash or any Purchased Securities so transferred, will thereupon not exceed such aggregate Seller's Margin Amount (increased by the amount of any Margin Excess as of such date arising from any Transactions in which such Seller is acting as Buyer).
- (c) If any notice is given by Buyer or Seller under subparagraph (a) or (b) of this Paragraph at or before the Margin Notice Deadline on any business day, the party receiving such notice shall transfer cash or Additional Purchased Securities as provided in such subparagraph no later than the close of business in the relevant market on such day. If any such notice is given after the Margin Notice Deadline, the party receiving such notice shall transfer such cash or Securities no later than the close of business in the relevant market on the next business day following such notice.
- (d) Any cash transferred pursuant to this Paragraph shall be attributed to such Transactions as shall be agreed upon by Buyer and Seller.
- (e) Seller and Buyer may agree, with respect to any or all Transactions hereunder, that the respective rights of Buyer or Seller (or both) under subparagraphs (a) and (b) of this Paragraph may be exercised only where a Margin Deficit or Margin Excess, as the case may be, exceeds a specified dollar amount or a specified percentage of the Repurchase Prices for such Transactions (which amount or percentage shall be agreed to by Buyer and Seller prior to entering into any such Transactions).
- (f) Seller and Buyer may agree, with respect to any or all Transactions hereunder, that the respective rights of Buyer and Seller under subparagraphs (a) and (b) of this Paragraph to require the elimination of a Margin Deficit or a Margin Excess, as the case may be, may be exercised whenever such a Margin Deficit or Margin Excess exists with respect to any single Transaction hereunder (calculated without regard to any other Transaction outstanding under this Agreement).

5. Income Payments

Seller shall be entitled to receive an amount equal to all Income paid or distributed on or in respect of the Securities that is not otherwise received by Seller, to the full extent it would be so entitled if the Securities had not been sold to Buyer. Buyer shall, as the parties may agree with respect to any Transaction (or, in the absence of any such agreement, as Buyer shall reasonably determine in its discretion), on the date such Income is paid or distributed either (i) transfer to or credit to the account of Seller such Income with respect to any Purchased Securities subject to such Transaction or (ii) with respect to Income paid in cash, apply the Income payment or payments to reduce the amount, if any, to be transferred to Buyer by Seller upon termination of such Transaction. Buyer shall not be obligated to take any action pursuant to the preceding sentence (A) to the extent that such action would result in the creation of a Margin Deficit, unless prior thereto or simultaneously therewith Seller transfers to Buyer cash or Additional Purchased Securities sufficient to eliminate such Margin Deficit, or (B) if an Event of Default with respect to Seller has occurred and is then continuing at the time such Income is paid or distributed.

6. Security Interest

Although the parties intend that all Transactions hereunder be sales and purchases and not loans, in the event any such Transactions are deemed to be loans, Seller shall be deemed to have pledged to Buyer as security for the performance by Seller of its obligations under each such Transaction, and shall be deemed to have granted to Buyer a security interest in, all of the Purchased Securities with respect to all Transactions hereunder and all Income thereon and other proceeds thereof.

7. Payments and Transfer

Unless otherwise mutually agreed, all transfers of funds hereunder shall be in immediately available funds. All Securities transferred by one party hereto to the other party (i) shall be in suitable form for transfer or shall be accompanied by duly executed instruments of transfer or assignment in blank and such other documentation as the party receiving possession may reasonably request, (ii) shall be transferred on the book-entry system of a Federal Reserve Bank, or (iii) shall be transferred by any other method mutually acceptable to Seller and Buyer.

8. Segregation of Purchased Securities

To the extent required by applicable law, all Purchased Securities in the possession of Seller shall be segregated from other securities in its possession and shall be identified as subject to this Agreement. Segregation may be accomplished by appropriate identification on the books and records of the holder, including a financial or securities intermediary or a clearing corporation. All of Seller's interest in the Purchased Securities shall pass to Buyer on the Purchase Date and, unless otherwise agreed by Buyer and Seller, nothing in this Agreement shall preclude Buyer from engaging in repurchase transactions with the Purchased Securities or otherwise selling, transferring, pledging or hypothecating the Purchased Securities, but no such transaction shall relieve Buyer of its obligations to transfer Purchased Securities to Seller pursuant to Paragraph 3, 4 or 11 hereof, or of Buyer's obligation to credit or pay Income to, or apply Income to the obligations of, Seller pursuant to Paragraph 5 hereof.

Required Disclosure for Transactions in Which the Seller Retains Custody of the Purchased Securities.

Seller is not permitted to substitute other securities for those subject to this Agreement and therefore must keep Buyer's securities segregated at all times, unless in this Agreement Buyer grants Seller the right to substitute other securities. If Buyer grants the right to substitute, this means that Buyer's securities will likely be commingled with Seller's own securities during the trading day. Buyer is advised that, during any trading day that Buyer's securities are commingled with Seller's securities, they {will}* {may}** be subject to liens granted by Seller to {its clearing bank}* {third parties}** and may be used by Seller for deliveries on other securities transactions. Whenever the securities are commingled, Seller's ability to resegment substitute securities for Buyer will be subject to Seller's ability to satisfy {the clearing}* {any}** lien or to obtain substitute securities.

*Language to be used under 17 C.F.R.B403 (e) if Seller is a government securities broker or dealer other than a financial institution.

** Language to be used under 17 C.F.R.B403.5 (d) if Seller is a financial institution.

9. Substitution

Seller may, subject to agreement with and acceptance by Buyer, substitute other Securities for any Purchased Securities. Such substitution shall be made by transfer to Buyer of such other Securities and transfer to Seller of such Purchased Securities. After substitution, the substituted Securities shall be deemed to be Purchased Securities.

10. Representations

Each of Buyer and Seller represents and warrants to the other that (i) it is duly authorized to execute and deliver this Agreement, to enter into Transactions contemplated hereunder and to perform its obligations hereunder and has taken all necessary action to authorize such execution, delivery and performance, (ii) it will engage in such Transactions as principal (or, if agreed in writing, the form of an annex hereto or otherwise, in advance of any Transaction by the other party hereto, as agent for a disclosed principal), (iii) the person signing this Agreement on its behalf is duly authorized to do so on its behalf (or on behalf of any such disclosed principal), (iv) it has obtained all authorizations of any governmental body required in connection with this Agreement and the Transactions hereunder and such authorizations are in full force and effect and (v) the execution, delivery and performance of this Agreement and the Transactions hereunder will not violate any law, ordinance, charter, bylaw or rule applicable to it or any agreement by which it is bound or by which any of its assets are affected. On the Purchase Date for any Transaction Buyer and Seller shall each be deemed to repeat all the foregoing representations made by it.

11. Events of Default

In the event that (i) Seller fails to transfer or Buyer fails to purchase Purchased Securities upon the applicable Purchase Date, (ii) Seller fails to repurchase or Buyer fails to transfer Purchased Securities upon the applicable Repurchase Date, (iii) Seller or Buyer fails to comply with Paragraph 4 hereof, (iv) Buyer fails, after one business day's notice, to comply with Paragraph 5 hereof, (v) an Act of Insolvency occurs with respect to Seller or Buyer, (vi) any representation made by Seller or Buyer shall have been incorrect or

untrue in any material respect when made or repeated or deemed to have been made or repeated, or (vii) Seller or Buyer shall admit to the other its inability to, or its intention not to, perform any of its obligations hereunder (each an "Event of Default"):

- (a) The nondefaulting party may, at its option (which option shall be deemed to have been exercised immediately upon the occurrence of an Act of Insolvency), declare an Event of Default to have occurred hereunder and, upon the exercise or deemed exercise of such option, the Repurchase Date for each Transaction hereunder shall, if it has not already occurred, be deemed immediately to occur (except that, in the event that the Purchase Date for any Transaction has not yet occurred as of the date of such exercise or deemed exercise, such Transaction shall be deemed immediately canceled). The non-defaulting party shall (except upon the occurrence of an Act of Insolvency) give notice to the defaulting party of the exercise of such option as promptly as practicable.
- (b) In all Transactions in which the defaulting party is acting as Seller, if the nondefaulting party exercises or is deemed to have exercised the option referred to in subparagraph (a) of this Paragraph, (i) the defaulting party's obligations hereunder in such Transactions to repurchase all Purchased Securities, at the Repurchase Price therefore on the Repurchase Date determined in accordance with subparagraph (a) of this Paragraph, shall thereupon become immediately due and payable, (ii) all Income paid after such exercise or deemed exercise shall be retained by the nondefaulting party and applied to the aggregate unpaid Repurchase Prices and any other amounts owing by the defaulting party hereunder, and (iii) the defaulting party shall immediately deliver to the nondefaulting party any Purchased Securities subject to such Transactions then in the defaulting party's possession control.
- (c) In all Transactions in which the defaulting party is acting as Buyer, upon tender by the nondefaulting party of payment of the aggregate Repurchase Prices for all such Transactions, all right, title and interest in and entitlement to all Purchased Securities subject to such Transactions shall be deemed transferred to the nondefaulting party, and the defaulting party shall deliver all such Purchased Securities to the nondefaulting party.
- (d) If the nondefaulting party exercises or is deemed to have exercised the option referred to in subparagraph (a) of this Paragraph, the nondefaulting party, without prior notice to the defaulting party, may:
 - (i) as to Transactions in which the defaulting party is acting as Seller, (A) immediately sell, in a recognized market (or otherwise in a commercially reasonable manner) at such price or prices as the nondefaulting party may reasonably deem satisfactory, any or all Purchased Securities subject to such Transactions and apply the proceeds thereof to the aggregate unpaid Repurchase Prices and any other amounts owing by the defaulting party hereunder or (B) in its sole discretion elect, in lieu of selling all or a portion of such Purchased Securities, to give the defaulting party credit for such Purchased in an amount equal to the price therefore on such date, obtained from a generally recognized source or the most recent closing bid quotation from such a source, against the aggregate unpaid Repurchase Prices and any other amounts owing by the defaulting party hereunder; and
 - (ii) as to Transactions in which the defaulting party is acting as Buyer, (A) immediately purchase, in a recognized market (or otherwise in a commercially reasonable manner) at such price or prices as the nondefaulting party may reasonably

deem satisfactory, securities (“Replacement Securities”) of the same class and amount as any Purchased Securities that are not delivered by the defaulting party to the non-defaulting party as required hereunder or (B) in its sole discretion elect, in lieu of purchasing Replacement Securities, to be deemed to have purchased Replacement Securities at the price therefore on such date, obtained from a generally recognized source or the most recent closing offer quotation from such a source.

Unless otherwise provided in Annex I, the parties acknowledge and agree that (1) the Securities subject to any Transaction hereunder are instruments traded in a recognized market, (2) in the absence of a generally recognized source for prices or bid or offer quotations for any Security, the nondefaulting party may establish the source therefore in its sole discretion and (3) all prices, bids and offers shall be determined together with accrued Income (except to the extent contrary to market practice with respect to the relevant Securities).

- (e) As to Transactions in which the defaulting party is acting as Buyer, the defaulting party shall be liable to the nondefaulting party for any excess of the price paid (or deemed paid) by the nondefaulting party for Replacement Securities over the Repurchase Price for the Purchased Securities replaced thereby and for any amounts payable by the defaulting party under Paragraph 5 hereof or otherwise hereunder.
- (f) For purposes of this Paragraph 11, the Repurchase Price for each Transaction hereunder in respect of which the defaulting party is acting as Buyer shall not increase above the amount of such Repurchase Price for such Transaction determined as of the date of the exercise or deemed exercise by the nondefaulting party of the option referred to in subparagraph (a) of this Paragraph.
- (g) The defaulting party shall be liable to the nondefaulting party for; (i) the amount of all reasonable legal or other expenses incurred by the nondefaulting party in connection with or as a result of an Event of Default, (ii) damages in an amount equal to the cost (including all fees, expenses and commissions) of entering into replacement transactions and entering into or terminating hedge transactions in connection with or as a result of an Event of Default, and (iii) any other loss, damage, cost or expense directly arising or resulting from the occurrence of an Event of Default in respect of a Transaction.
- (h) To the extent permitted by applicable law, the defaulting party shall be liable to the nondefaulting party for interest on any amounts owing by the defaulting party hereunder, from the date the defaulting party becomes liable for such amounts hereunder until such amounts are (i) paid in full by the defaulting party or (ii) satisfied in full by the exercise of the nondefaulting party’s rights hereunder. Interest on any sum payable by the defaulting party to the nondefaulting party under this Paragraph 11(h) shall be at a rate equal to the greater of the Pricing Rate for the relevant Transaction or the Prime Rate. (i) The nondefaulting party shall have, in addition to its rights hereunder, any rights otherwise available to it under any other agreement or applicable law.

12. Single Agreement

Buyer and Seller acknowledge that, and have entered hereinto and will enter into each Transaction hereunder in consideration of and in reliance upon the fact that, all Transactions hereunder constitute a single business and contractual relationship and have been made in consideration of each other. Accordingly, each of Buyer and Seller agrees (i) to perform all of its obligations in respect of each Transaction hereunder, and that a

default in the performance of any such obligations shall constitute a default by it in respect of all Transactions hereunder, (ii) that each of them shall be entitled to set off claims and apply property held by them in respect of any Transaction against obligations owing to them in respect of any other Transactions hereunder and (iii) that payments, deliveries and other transfers made by either of them in respect of any Transaction shall be deemed to have been made in consideration of payments, deliveries and other transfers in respect of any other Transactions hereunder, and the obligations to make any such payments, deliveries and other transfers may be applied against each other and netted.

13. Notices and Other Communications

Any and all notices, statements, demands or other communications hereunder may be given by a party to the other by mail, facsimile, telegraph, messenger or otherwise to the address specified in Annex II hereto, or so sent to such party at any other place specified in a notice of change of address hereafter received by the other. All notices, demands and requests hereunder can be made orally, and to be confirmed promptly in writing, or by other communication as specified in the preceding sentence

14. Entire Agreement; Severability

This Agreement shall supersede any existing agreements between the parties containing general terms and conditions for repurchase transactions. Each provision and agreement herein shall be treated as separate and independent from any other provision or agreement herein and shall be enforceable notwithstanding the unenforceability of any such other provision or agreement.

15. Non-assignability; Termination

- (a) The rights and obligations of the parties under this Agreement and under any Transaction shall not be assigned by either party without the prior written consent of the other party; any such assignment without the prior written consent of the other party shall be null and void. Subject to the foregoing, this Agreement and any Transactions shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns. This Agreement may be terminated by either party upon giving written notice to the other, except that this Agreement shall, notwithstanding such notice, remain applicable to any Transactions then outstanding. (b)
- (b) Subparagraph (a) of this Paragraph 15 shall not preclude a party from assigning, charging or otherwise dealing with all or any part of its interest in any sum payable to it under Paragraph 11 hereof.

16. Governing Law

This Agreement shall be governed by the laws of the State of New York without giving effect to the conflict of law principles thereof.

17. No Waivers, Etc.

No express or implied waiver of any Event of Default by either party shall constitute a waiver of any other Event of Default and no exercise of any remedy hereunder by any party shall constitute a waiver of its right to exercise any other remedy hereunder. No modification or waiver of any provision of this Agreement and no consent by any party to a departure here from shall be effective unless and until such shall be in writing and duly executed by both of the parties hereto. Without limitation on any of the foregoing, the

failure to give a notice pursuant to Paragraph 4(a) or 4(b) hereof will not constitute a waiver of any right to do so at a later date.

18. Use of Employee Plan Assets

- (a) If assets of an employee benefit plan subject to any provision of the Employee Retirement Income Security Act of 1974 (“ERISA”) are intended to be used by either party hereto (the “Plan Party”) in a Transaction, the Plan Party shall so notify the other party prior to the Transaction. The Plan Party shall represent in writing to the other party that the Transaction does not constitute a prohibited transaction under ERISA or is otherwise exempt therefrom, and the other party may proceed in reliance thereon but shall not be required so to proceed.
- (b) Subject to the last sentence of subparagraph (a) of this Paragraph, any such Transaction shall proceed only if Seller furnishes or has furnished to Buyer its most recent available audited statement of its financial condition and its most recent subsequent unaudited statement of its financial condition.
- (c) By entering into a Transaction pursuant to this Paragraph, Seller shall be deemed (i) to represent to Buyer that since the date of Seller’s latest such financial statements, there has been no material adverse change in Seller’s financial condition which Seller has not disclosed to Buyer, and (ii) to agree to provide Buyer with future audited and unaudited statements of its financial condition as they are issued, so long as it is a Seller in any outstanding Transaction involving a Plan Party.

19. Intent

- (a) The parties recognize that each Transaction is a “repurchase agreement” as that term is defined in Section 101 of Title 11 of the United States Code, as amended (except insofar as the type of Securities subject to such Transaction or the term of such Transaction would render such definition inapplicable), and a “securities contract” as that term is defined in Section 741 of Title 11 of the United States Code, as amended (except insofar as the type of assets subject to such Transaction would render such definition inapplicable).
- (b) It is understood that either party’s right to liquidate Securities delivered to it in connection with Transactions hereunder or to exercise any other remedies pursuant to Paragraph 11 hereof is a contractual right to liquidate such Transaction as described in Sections 555 and 559 of Title 11 of the United States Code, as amended.
- (c) The parties agree and acknowledge that if a party hereto is an “insured depository institution,” as such term is defined in the Federal Deposit Insurance Act, as amended (“FDIA”), then each Transaction hereunder is a “qualified financial contract,” as that term is defined in FDIA and any rules, orders or policy statements thereunder (except insofar as the type of assets subject to such Transaction would render such definition inapplicable).
- (d) It is understood that this Agreement constitutes a “netting contract” as defined in and subject to Title IV of the Federal Deposit Insurance Corporation Improvement Act of 1991 (“FDICIA”) and each payment entitlement and payment obligation under any Transaction hereunder shall constitute a “covered contractual payment entitlement” or “covered contractual payment obligation”, respectively, as defined in and subject to

FDICIA (except insofar as one or both of the parties is not a “financial institution” as that term is defined in FDICIA).

20. Disclosure Relating to Certain Federal Protections

The parties acknowledge that they have been advised that:

- (a) in the case of Transactions in which one of the parties is a broker or dealer registered with the Securities and Exchange Commission (“SEC”) under Section 15 of the Securities Exchange Act of 1934 (“1934 Act”), the Securities Investor Protection Corporation has taken the position that the provisions of the Securities Investor Protection Act of 1970 (“SIPA”) do not protect the other party with respect to any Transaction hereunder;
- (b) in the case of Transactions in which one of the parties is a government securities broker or a government securities dealer registered with the SEC under Section 15C of the 1934 Act, SIPA will not provide protection to the other party with respect to any Transaction hereunder; and
- (c) in the case of Transactions in which one of the parties is a financial institution, funds held by the financial institution pursuant to a Transaction hereunder are not a deposit and therefore are not insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, as applicable.

Customer: City of Kodiak

Bank: First National Bank Alaska

Signature
Aimee Kniazowski

Name
City Manager

Title

Date

Signature

Name

Title

Date

Signature
Kelly Mayes

Name
Finance Director

Title

Date

**Annex I
Supplemental Terms and Conditions**

This Annex I forms a part of the Master Repurchase Agreement dated as of _____, (the "Agreement") between City of Kodiak and First National Bank Alaska. Capitalized terms used but not defined in this Annex I shall have the meanings ascribed to them in the Agreement.

1. Other Applicable Annexes. In addition to this Annex I and Annex II, the following Annexes and any Schedules thereto shall form a part of this Agreement and shall be applicable thereunder:

{Annex III (International Transactions)}
 {Annex IV (Party Acting as Agent)}
 {Annex V (Margin for Forward Transactions)}
 {Annex VI (Buy/Sell Back Transactions)}
 {Annex VII (Transactions Involving Registered Investment Companies)}

Annex II

Names and Addresses for Communications Between Parties

Customer:	City of Kodiak
Name:	Aimee Kniazowski
Title:	City Manager
Address:	PO Box 1397, Kodiak, AK 99615-1397

Bank:	First National Bank Alaska
	Cash Management Services Section
Name:	B. J. Barnes
Title:	Business Development Officer
Address:	1751 Gambell Street Anchorage, Alaska 99501-5324

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PLEDGE AGREEMENT

This PLEDGE AGREEMENT is made and entered into on the date herein written by and between the City of Kodiak (“Secured Party”), and First National Bank Alaska (the “Bank”). For and in consideration of the mutual promises contained herein, the parties agree as follows:

Section 1. Definitions.

The following terms shall have the following meanings in this Pledge Agreement:

- A. “Account Control Agreement” means the Account Control Agreement contemporaneously entered into with this Pledge Agreement between the Secured Party, the Bank and MUFG Union Bank, N.A., a national banking association.
- B. “Collateral” means all collateral pledged by the Bank to the Secured Party to secure the Obligations.
- C. “Obligations” means all funds in various Secured Party accounts maintained by the Bank, all Time Certificates of Deposit issued to Secured Party by the Bank, all Repurchase Agreements entered into between Secured Party and the Bank and interest payable at maturity on all such deposits, Time Certificates of Deposit and Repurchase Agreements.
- D. “Custodian” means MUFG Union Bank, N.A., a national banking association.

Section 2. Scope of Agreement

The Secured Party has designated the Bank as a depository for its funds. During the term of this Pledge Agreement, the Secured Party will designate the officer, or officers, who singularly or jointly will be authorized to represent and act on behalf of the Secured Party in any and all matters of every kind arising under this Pledge Agreement. All Obligations are required to be secured by collateral.

To perfect the security interest of the Secured Party in the collateral pledged by the Bank, the Custodian will hold the Collateral in an account as agent for the Secured Party pursuant to the terms of the Account Control Agreement. This Pledge Agreement pertains to all of the Collateral pledged by the Bank to the Secured Party deposited with the Custodian and evidenced by depository receipts and Collateral en route to the Custodian as evidenced by confirmations sent to the Secured Party by the Bank.

Section 3. Grant of Security Interest.

The Bank hereby pledges to the Secured Party, and grants to the Secured Party a security interest in the Collateral owned by the Bank and held by the Custodian as agent for the Secured Party, in accordance with the terms of this Pledge Agreement, to secure the Obligations held by the Bank for the Secured Party.

Section 4. Representations and Warranties.

- A. The Bank represents warrants and agrees that:
 - 1. This Pledge Agreement has been approved by the Bank’s Board of Directors.
 - 2. This Pledge Agreement will become an official record of the bank and shall not terminate except as provided under Section 14 of this Pledge Agreement.

3. The Bank agrees to comply with all federal, state and local laws, statutes, ordinances, regulations or requirements of whatever nature in performance of this Pledge Agreement.
 4. Except for the assignment and security interest granted under this Pledge Agreement:
 - (a) the Bank solely owns the Collateral;
 - (b) the Bank has the right and power to grant a security interest in the Collateral; and
 - (c) the Collateral is free and clear of liens, security interests and other encumbrances.
 5. The Bank will defend the security interest granted to the Secured Party under this Pledge Agreement.
 6. Each item of Collateral is genuine, valid, and represents an existing claim, is due and payable as represented to the Secured Party, and is not subject to any defense, set off or counterclaim.
 7. To the extent not expressly prohibited by law, at all times during normal business hours the Secured Party will have free access to, the right of inspection of, and the right to make extracts from, any records of the Bank relating to part or all of the Collateral, and the Bank will deliver to the Secured Party the originals or true copies of such papers and instruments relating to any or all of the Collateral as the Secured Party may request.
- B. The representations and warranties contained in subsection A of this section apply to all additional or substituted collateral pledged by the Bank to secure the Obligations.

Section 5. Value of Collateral

The total market value of the Collateral securing the Obligations will be in an amount at least equal to the amount of such Obligations, and may be reduced to the extent that such Obligations are insured by an agency or instrumentality of the United States Government.

Section 6. Delivery of Collateral.

Bank has heretofore, or will immediately hereafter, deliver to Custodian, Collateral of the kind and character required by Secured Party of sufficient amount and market value to provide adequate Collateral for the Obligations. Said Collateral or substitute collateral, as hereinafter provided for, shall be kept and retained by Custodian so long as the depository relationship between the Secured Party and the Bank shall exist hereunder, and thereafter until the Obligations, or any portion thereof, shall have been properly paid out by the Bank to the Secured Party or on its order.

Section 7. Substitution or Addition of Collateral.

- A. If the sum of the aggregate value of the federally insured portions of the Obligations and the value of the Collateral as determined pursuant to this Pledge Agreement falls below or is less than the total amount of principal and interest due upon maturity of the Obligations, the Bank shall, within three (3) business days pledge either additional or substitute collateral to cure the deficiency.
- B. Notwithstanding any other provision of this Pledge Agreement, the Secured Party may review any and all collateral proposed or submitted by the Bank to secure the Obligations, and if the Secured Party determines that the value of the Collateral does not meet the requirements of this

Pledge Agreement or otherwise determines that the obligations are not adequately secured by the Collateral, the Secured Party may demand that the Bank provide a substitution of or additional collateral to secure the Obligations.

- C. If the Bank is in compliance with all provisions of this Pledge Agreement, the Bank may substitute other Collateral in an amount sufficient to meet the requirements of this Pledge Agreement.

Section 8. Remedies on Default.

- A. If the Bank (1) fails to pay any principal or interest due on an Obligation, (2) fails to carry out its responsibilities under this Pledge Agreement or incorporated by reference herein, or (3) files for, or is otherwise judged bankrupt, is placed into receivership, or the Secured Party receives notice of the intent, or the taking of action, to liquidate or merge the Bank into another financial institution, the Secured Party may declare some or all Obligations immediately due and payable, and the Secured Party may exercise any and all of its contract rights and other rights and remedies available at law or equity including but not limited to one or more of the following:
 - 1. Take delivery of the Collateral from the Bank or the Custodian and sell, exchange, transfer, pledge or otherwise dispose of the Collateral to recover the principal and interest due on the Obligations and to pay any and all costs, fees, and damages incurred by the Secured Party, including but not limited to the cost of seizing the Collateral and selling, exchanging, transferring, pledging, or otherwise disposing of the Collateral. The balance remaining, if any, after said sale, exchange, transfer, pledge, or other disposal of the Collateral and payment of principal and interest on the Obligations and all costs, fees, and damages of the Secured Party with regard to the Obligations, will be returned to the bank without interest. The Bank will be liable to the Secured Party for any deficiencies as a result of said sale, exchange, transfer, pledge, or other disposal of the Collateral.
 - 2. Seek injunctive relief to cause the Bank or Custodian to deliver the Collateral to the Secured Party should the Bank or the Custodian not deliver the Collateral immediately to the Secured Party upon demand by the Secured Party.
 - 3. Sue for damages including interest, costs, and attorney's fees.
 - 4. Notify debtors associated with the items of Collateral to make their payments directly to the Secured Party rather than to the Bank.
 - 5. Demand payment of the full principal and interest due on one or more of the Obligations.
- B. To the extent not prohibited by law, the Bank shall hold the Secured Party harmless from any forfeiture or loss of interest or other penalty or costs, including attorneys' fees, imposed upon or incurred by the Secured Party by reason of its early withdrawal of any or all of the Obligations under subsection A of this section.

Section 9. Reports.

- A. The Bank will provide the Secured Party within forty-five (45) days of the end of each fiscal quarter a copy of its Consolidated Report of Condition and Income as reported to the federal regulatory agencies.
- B. The Bank will provide the Secured Party with a copy of the Bank's Quarterly Uniform Bank Performance Report no later than five (5) days following its receipt by the Bank.

- C. The Bank will provide the Secured Party with a copy of the Bank's annual proxy statement or solicitation at the time the same is sent to the Bank's stockholders.
- D. On or before the 5th day after receipt by the Bank of the Categorized Accounting Statement from the Custodian, the Bank will provide the Secured Party a statement of account certified by an officer of the Bank setting forth the current market value of Collateral pledged to the Secured Party determined as of the most recent month end.
- E. The Bank will provide such other information which the Secured Party may require from time to time with at least seven (7) days notice to the Bank.
- F. If the aggregate value of the federally insured portions of the Obligations and the value of the Collateral as determined in accordance with this Pledge Agreement falls below or is less than the total amount of principal and interest due upon maturity of the Obligations issued, the Bank shall, within three (3) business days, notify the Secured Party in writing of such conditions.

Section 10. Substitution of Collateral.

Secured Party hereby grants Bank authority to substitute other Collateral for any Collateral which is held pursuant to this Pledge Agreement. Bank may exercise its right of substitution by giving Custodian Oral Instructions or Written Instructions to transfer certain Collateral against the delivery to Custodian of substitute collateral in an amount such that the market value of the substitute collateral equals the market value of the Collateral to be transferred. Such Oral or Written Instruction by Bank to substitute collateral shall be deemed to be Bank's representation that the market value of the substitute collateral equals the market value of the Collateral to be transferred and Custodian shall effect such substitution pursuant to Bank's Oral or Written Instructions without further inquiry.

Section 11. Authorized Representatives of the Secured Party.

The persons occupying the following positions within the Secured Party are authorized to act on behalf of the Secured Party under this Pledge Agreement:

City Manager Office	Finance Director Office
Office	Office

The City Manager of the Secured Party shall certify the names of persons occupying these Positions and deliver such certification to the Bank and the Custodian.

Section 12. Notices

All notices, requests, demands and other communications under this Pledge Agreement will be written and will be personally delivered or mailed by prepaid first class mail, to the addresses stated in this section. Each party will inform the others of any change in its address for the purposes of this section.

SECURED PARTY: City of Kodiak
Attn: Aimee Kniazowski, City Manager
PO Box 1397
Kodiak, AK 99615

BANK: First National Bank Alaska
Attn: Michele Schuh, CFO
PO Box 100720
Anchorage, AK 99510-0720

Section 13. Costs.

The Bank will pay all attorneys' fees, recording and filing fees, and other costs incurred by persons not employed by the Secured Party, as provided in this Pledge Agreement.

Section 14. Termination of Agreement.

Any party may terminate this Pledge Agreement upon ninety (90) days written notice to the other party. Termination shall become effective when all Obligations have been paid and all duties of the parties hereunder have been performed.

Section 15. Waiver.

The failure of any party at any time to enforce a provision of this Pledge Agreement shall in no way constitute a waiver of the provision, nor in any way affect the validity of this Pledge Agreement or any part hereof, or the right of such party thereafter to enforce each and every provision hereof.

Section 16. Headings.

The headings for each paragraph in this Pledge Agreement are used for the convenience of the parties and must not be construed to have any substantive meaning or to affect the interpretation of this Pledge Agreement.

Section 17. Jurisdiction: Choice of Law.

Any civil action arising from this Pledge Agreement shall be brought in the Superior Court for the Third Judicial District of the State of Alaska at Anchorage. The law of the State of Alaska shall govern the rights and obligations of the parties under this Pledge Agreement.

Section 18. Severability.

If any term, provision or portion of this Pledge Agreement is ruled by a court of competent jurisdiction to be illegal, or in conflict with any applicable law, or otherwise unenforceable, the validity of the remaining terms, provisions or portions thereof will not be affected, and the rights and obligations of the parties will be construed and enforced as if this Pledge Agreement did not contain the particular term, provisions or position held to be unenforceable.

Section 19. Integration.

This instrument and all appendices and amendments hereto embody the entire agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein; and this Pledge Agreement shall supersede all previous communications, representations or agreements, either oral or written, between the parties hereto. This Pledge Agreement shall not be more strictly construed against one party or the other.

CITY OF KODIAK

FIRST NATIONAL BANK ALASKA

Signature Aimee Kniazowski

Name
 City Manager

Title

Date

Signature Michele Schuh

Name
 Chief Financial Officer

Title

Date

Signature Kelly Mayes

Name
 Finance Director

Title

Date

ACCOUNT CONTROL AGREEMENT

THIS ACCOUNT CONTROL AGREEMENT (this "Agreement") is made and entered into as of the _____ day of _____, 2016, by and among MUFG UNION BANK, N.A., a national banking association ("Securities Intermediary"), First National Bank Alaska, a national bank _____ ("Customer"), and City of Kodiak, a Public Corporation ("Secured Party").

RECITALS:

A. Pursuant to a Custody Agreement, dated _____, 2016 (the "Account Agreement"), by and between Customer and Securities Intermediary, Customer has established a securities account, bearing Account No. _____ (the "Account"), with Securities Intermediary.

B. Pursuant to a Pledge Agreement, dated _____, 2016 (the "Security Agreement"), Customer has granted to Secured Party a security interest in certain personal property of Customer, including without limitation (i) the Account, (ii) all securities entitlements, investment property and other financial assets now or hereafter credited to the Account, (iii) all of Customer's rights in respect of the Account, such securities entitlements, investment property and other financial assets, and (iv) all products, proceeds and revenues of and from any of the foregoing personal property (collectively, the "Collateral").

C. Securities Intermediary, Customer and Secured Party are entering into this Agreement in order to perfect Secured Party's security interest in the Account by means of control.

AGREEMENT:

In consideration of the foregoing recitals, Securities Intermediary, Customer and Secured Party hereby agree as follows:

1. All terms used in this Agreement which are defined in the California Commercial Code ("Commercial Code") but are not otherwise defined herein shall have the meanings assigned to such terms in the Commercial Code, as in effect on the date of this Agreement.
2. Securities Intermediary will comply with all entitlement orders originated by Secured Party with respect to the Collateral, or any portion of the Collateral, without further consent by Customer.
3. Securities Intermediary hereby represents and warrants (a) that the records of Securities Intermediary show that Customer is the sole owner of the Collateral, (b) that Securities Intermediary has not been served with any notice of levy or received any notice of any security interest in or other claim to the Collateral, or any portion of the Collateral, other than Secured Party's claim pursuant to this Agreement, and (c) that Securities Intermediary is not presently obligated to accept any entitlement order from any person with respect to the Collateral, except for entitlement orders that Securities Intermediary is obligated to accept from Secured Party under this Agreement and entitlement orders that Securities Intermediary, subject to the provisions of Section 5 below, is obligated to accept from Customer.
4. Without the prior written consent of Secured Party, Securities Intermediary will not enter into any agreement by which Securities Intermediary agrees to comply with any entitlement order of any person other

than Secured Party or, subject to the provisions of Section 5 below, Customer, with respect to any portion or all of the Collateral. Securities Intermediary shall promptly notify Secured Party if any person requests Securities Intermediary to enter into any such agreement or otherwise asserts or seeks to assert a lien, encumbrance or adverse claim against any portion or all of the Collateral.

5. Except as otherwise provided in this Section 5, Securities Intermediary may allow Customer to effect sales, trades, transfers and exchanges of Collateral within the Account, but will not, without the prior written consent of Secured Party, allow Customer to withdraw any Collateral from the Account (other than withdrawals consisting solely of ordinary cash dividends or interest income). Securities Intermediary acknowledges that Secured Party reserves the right, by delivery of written notice to Securities Intermediary, to prohibit Customer from making any withdrawals (including withdrawals of ordinary cash dividends and interest income) from the Account or effecting any sales, trades, transfers or exchanges of any Collateral held in the Account. Further, Securities Intermediary hereby agrees to comply with any and all written instructions delivered by Secured Party to Securities Intermediary (once Securities Intermediary has had a reasonable opportunity to comply therewith and so long as such instructions are instructions that Customer would have been permitted to give had this Agreement not been entered into) and has no obligation to, and will not, investigate the reason for any action taken by Secured Party, the amount of any obligations of Customer to Secured Party, the validity of any of Secured Party's claims against or agreements with Customer, the existence of any defaults under such agreements, or any other matter.

6. Customer hereby irrevocably waives any rights Customer may have under the Account Agreement to the extent such rights are inconsistent with the provisions of this Agreement, and hereby irrevocably authorizes Securities Intermediary to comply with all instructions and entitlement orders delivered by Secured Party to Securities Intermediary.

7. Securities Intermediary will not attempt to assert control, and does not claim and will not accept any security or other interest in, any part of the Collateral, and Securities Intermediary will not exercise, enforce or attempt to enforce any right of setoff against the Collateral, or otherwise charge or deduct from the Collateral any amount whatsoever, except for any right Securities Intermediary may have to collect account maintenance or similar fees under the Account Agreement.

8. Securities Intermediary and Customer shall not amend, supplement or otherwise modify the Account Agreement (including, without limitation, the choice of law provision and provisions providing for treatment of property held in the Account as a financial asset) in any respect without Secured Party's prior written consent.

9. Securities Intermediary shall not terminate the Account without giving both Secured Party and Customer at least thirty (30) days' prior written notice of such termination, and shall not permit Customer to terminate the Account without Secured Party's prior written consent.

10. Except in connection with a termination of the Account as provided for in Section 9 above, this Agreement shall remain in full force and effect until Securities Intermediary receives written notice of its termination given by Secured Party.

11. Securities Intermediary and Customer hereby agree that any property held in the Account shall be treated as a financial asset under Section 8102 of the Commercial Code, notwithstanding any contrary provision of any other agreement to which Securities Intermediary may be a party.

12. Securities Intermediary is hereby authorized and instructed, and hereby agrees, to send to Secured Party at its address set forth in Section 18 below, concurrently with the sending thereof to Customer, duplicate copies of any and all monthly Account statements or reports issued or sent to Customer with respect to the Account. Customer hereby authorizes and instructs Securities Intermediary to provide Secured Party with access to information regarding the Account by means of Securities Intermediary's Online Trust & Custody Service, and Secured Party hereby acknowledges and agrees that, once it has been given access to such service, it shall have full responsibility for keeping itself informed of such activities as may occur within the Account.

13. This Agreement does not create any obligation or duty on the part of Securities Intermediary other than those expressly set forth herein. Secured Party and Customer hereby acknowledge that Securities Intermediary has no obligation to monitor or ensure the value or authenticity of the Collateral for Secured Party or Customer.

14. Secured Party and Customer hereby agree, jointly and severally, to indemnify and hold harmless Securities Intermediary from and against any and all losses, liabilities, demands, claims, expenses and attorneys' fees which Securities Intermediary may incur or suffer arising out of or in connection with Securities Intermediary's performance of its duties and obligations hereunder for any reason, excepting only such losses, liabilities, demands, claims, expenses and attorneys' fees which result solely from the gross negligence or willful misconduct of Securities Intermediary.

15. Any forbearance or failure or delay by Secured Party in exercising any right hereunder shall not be deemed a waiver thereof and any single or partial exercise of any right shall not preclude the further exercise thereof. This Agreement may be amended only in writing signed by all parties hereto. This Agreement shall be binding upon and inure to the benefit of Securities Intermediary, Customer and Secured Party and their respective successors and assigns.

16. Notwithstanding the terms of any other agreement, the parties hereto agree that this Agreement shall be governed under and in accordance with the laws of the State of California and, for purposes of this Agreement, such state shall be deemed to be Securities Intermediary's jurisdiction.

17. This Agreement constitutes the entire agreement among Securities Intermediary, Customer and Secured Party with respect to the subject matter hereof, and all prior communications, whether verbal or written, between any of the parties hereto with respect to the subject matter hereof shall be of no further effect or evidentiary value.

18. Any notice or other communication provided for or allowed hereunder shall be effective only when given by one of the following methods and addressed to the respective party at its address provided below (or at such other address as the party changing its address shall notify the others as provided herein) and shall be considered to have been validly given (a) upon delivery, if delivered personally, (b) upon receipt, if mailed, first class postage prepaid, with the United States Postal Service, (c) on the next business day, if sent by overnight courier service of recognized standing, and (d) upon telephoned confirmation of receipt, if telecopied:

If to Securities Intermediary:

MUFG Union Bank, N.A,
350 California Street, 6th Floor
San Francisco, CA 94104
Attention: Custody Services

If to Customer:

First National Bank Alaska
PO Box 100720
Anchorage, AK 99510
Attention: Michele Schuh

If to Secured Party:

City of Kodiak
PO Box 1397
Kodiak, AK 99615-1397
Attention: Aimee Kniazowski

19. To the extent that the terms or conditions of this Agreement are inconsistent with the Account Agreement or any other document, instrument or agreement between Securities Intermediary and Customer, the terms and conditions of this Agreement shall prevail.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

“Securities Intermediary”

“Customer”

“Secured Party”

MUFG UNION BANK, N.A.

First National Bank Alaska

____ City of Kodiak

By: _____

By: _____

By: _____

Name: _____

Name: Michele Schuh

Name: Aimee Kniazowski

Title: _____

Title: Chief Financial Officer

Title: City Manager

By: _____

By: _____

Name: Bob Tannahill

Name: Kelly Mayes

Title: Senior Trust Officer

Title: Finance Director

ACCOUNT CONTROL AGREEMENT

THIS ACCOUNT CONTROL AGREEMENT (this "Agreement") is made and entered into as of the _____ day of _____, 2016, by and among MUFG UNION BANK, N.A., a national banking association ("Securities Intermediary"), First National Bank Alaska, a national bank _____ ("Customer"), and City of Kodiak, a Public Corporation ("Secured Party").

RECITALS:

A. Pursuant to a Custody Agreement, dated _____, 2016 (the "Account Agreement"), by and between Customer and Securities Intermediary, Customer has established a securities account, bearing Account No. _____ (the "Account"), with Securities Intermediary.

B. Pursuant to a Pledge Agreement, dated _____, 2016 (the "Security Agreement"), Customer has granted to Secured Party a security interest in certain personal property of Customer, including without limitation (i) the Account, (ii) all securities entitlements, investment property and other financial assets now or hereafter credited to the Account, (iii) all of Customer's rights in respect of the Account, such securities entitlements, investment property and other financial assets, and (iv) all products, proceeds and revenues of and from any of the foregoing personal property (collectively, the "Collateral").

C. Securities Intermediary, Customer and Secured Party are entering into this Agreement in order to perfect Secured Party's security interest in the Account by means of control.

AGREEMENT:

In consideration of the foregoing recitals, Securities Intermediary, Customer and Secured Party hereby agree as follows:

1. All terms used in this Agreement which are defined in the California Commercial Code ("Commercial Code") but are not otherwise defined herein shall have the meanings assigned to such terms in the Commercial Code, as in effect on the date of this Agreement.
2. Securities Intermediary will comply with all entitlement orders originated by Secured Party with respect to the Collateral, or any portion of the Collateral, without further consent by Customer.
3. Securities Intermediary hereby represents and warrants (a) that the records of Securities Intermediary show that Customer is the sole owner of the Collateral, (b) that Securities Intermediary has not been served with any notice of levy or received any notice of any security interest in or other claim to the Collateral, or any portion of the Collateral, other than Secured Party's claim pursuant to this Agreement, and (c) that Securities Intermediary is not presently obligated to accept any entitlement order from any person with respect to the Collateral, except for entitlement orders that Securities Intermediary is obligated to accept from Secured Party under this Agreement and entitlement orders that Securities Intermediary, subject to the provisions of Section 5 below, is obligated to accept from Customer.
4. Without the prior written consent of Secured Party, Securities Intermediary will not enter into any agreement by which Securities Intermediary agrees to comply with any entitlement order of any person other

than Secured Party or, subject to the provisions of Section 5 below, Customer, with respect to any portion or all of the Collateral. Securities Intermediary shall promptly notify Secured Party if any person requests Securities Intermediary to enter into any such agreement or otherwise asserts or seeks to assert a lien, encumbrance or adverse claim against any portion or all of the Collateral.

5. Except as otherwise provided in this Section 5, Securities Intermediary may allow Customer to effect sales, trades, transfers and exchanges of Collateral within the Account, but will not, without the prior written consent of Secured Party, allow Customer to withdraw any Collateral from the Account (other than withdrawals consisting solely of ordinary cash dividends or interest income). Securities Intermediary acknowledges that Secured Party reserves the right, by delivery of written notice to Securities Intermediary, to prohibit Customer from making any withdrawals (including withdrawals of ordinary cash dividends and interest income) from the Account or effecting any sales, trades, transfers or exchanges of any Collateral held in the Account. Further, Securities Intermediary hereby agrees to comply with any and all written instructions delivered by Secured Party to Securities Intermediary (once Securities Intermediary has had a reasonable opportunity to comply therewith and so long as such instructions are instructions that Customer would have been permitted to give had this Agreement not been entered into) and has no obligation to, and will not, investigate the reason for any action taken by Secured Party, the amount of any obligations of Customer to Secured Party, the validity of any of Secured Party's claims against or agreements with Customer, the existence of any defaults under such agreements, or any other matter.

6. Customer hereby irrevocably waives any rights Customer may have under the Account Agreement to the extent such rights are inconsistent with the provisions of this Agreement, and hereby irrevocably authorizes Securities Intermediary to comply with all instructions and entitlement orders delivered by Secured Party to Securities Intermediary.

7. Securities Intermediary will not attempt to assert control, and does not claim and will not accept any security or other interest in, any part of the Collateral, and Securities Intermediary will not exercise, enforce or attempt to enforce any right of setoff against the Collateral, or otherwise charge or deduct from the Collateral any amount whatsoever, except for any right Securities Intermediary may have to collect account maintenance or similar fees under the Account Agreement.

8. Securities Intermediary and Customer shall not amend, supplement or otherwise modify the Account Agreement (including, without limitation, the choice of law provision and provisions providing for treatment of property held in the Account as a financial asset) in any respect without Secured Party's prior written consent.

9. Securities Intermediary shall not terminate the Account without giving both Secured Party and Customer at least thirty (30) days' prior written notice of such termination, and shall not permit Customer to terminate the Account without Secured Party's prior written consent.

10. Except in connection with a termination of the Account as provided for in Section 9 above, this Agreement shall remain in full force and effect until Securities Intermediary receives written notice of its termination given by Secured Party.

11. Securities Intermediary and Customer hereby agree that any property held in the Account shall be treated as a financial asset under Section 8102 of the Commercial Code, notwithstanding any contrary provision of any other agreement to which Securities Intermediary may be a party.

12. Securities Intermediary is hereby authorized and instructed, and hereby agrees, to send to Secured Party at its address set forth in Section 18 below, concurrently with the sending thereof to Customer, duplicate copies of any and all monthly Account statements or reports issued or sent to Customer with respect to the Account. Customer hereby authorizes and instructs Securities Intermediary to provide Secured Party with access to information regarding the Account by means of Securities Intermediary's Online Trust & Custody Service, and Secured Party hereby acknowledges and agrees that, once it has been given access to such service, it shall have full responsibility for keeping itself informed of such activities as may occur within the Account.

13. This Agreement does not create any obligation or duty on the part of Securities Intermediary other than those expressly set forth herein. Secured Party and Customer hereby acknowledge that Securities Intermediary has no obligation to monitor or ensure the value or authenticity of the Collateral for Secured Party or Customer.

14. Secured Party and Customer hereby agree, jointly and severally, to indemnify and hold harmless Securities Intermediary from and against any and all losses, liabilities, demands, claims, expenses and attorneys' fees which Securities Intermediary may incur or suffer arising out of or in connection with Securities Intermediary's performance of its duties and obligations hereunder for any reason, excepting only such losses, liabilities, demands, claims, expenses and attorneys' fees which result solely from the gross negligence or willful misconduct of Securities Intermediary.

15. Any forbearance or failure or delay by Secured Party in exercising any right hereunder shall not be deemed a waiver thereof and any single or partial exercise of any right shall not preclude the further exercise thereof. This Agreement may be amended only in writing signed by all parties hereto. This Agreement shall be binding upon and inure to the benefit of Securities Intermediary, Customer and Secured Party and their respective successors and assigns.

16. Notwithstanding the terms of any other agreement, the parties hereto agree that this Agreement shall be governed under and in accordance with the laws of the State of California and, for purposes of this Agreement, such state shall be deemed to be Securities Intermediary's jurisdiction.

17. This Agreement constitutes the entire agreement among Securities Intermediary, Customer and Secured Party with respect to the subject matter hereof, and all prior communications, whether verbal or written, between any of the parties hereto with respect to the subject matter hereof shall be of no further effect or evidentiary value.

18. Any notice or other communication provided for or allowed hereunder shall be effective only when given by one of the following methods and addressed to the respective party at its address provided below (or at such other address as the party changing its address shall notify the others as provided herein) and shall be considered to have been validly given (a) upon delivery, if delivered personally, (b) upon receipt, if mailed, first class postage prepaid, with the United States Postal Service, (c) on the next business day, if sent by overnight courier service of recognized standing, and (d) upon telephoned confirmation of receipt, if telecopied:

If to Securities Intermediary:

If to Customer:

If to Secured Party:

MUFG Union Bank, N.A.
350 California Street, 6th Floor
San Francisco, CA 94104
Attention: Custody Services

First National Bank Alaska
PO Box 100720
Anchorage, AK 99510
Attention: Michele Schuh

City of Kodiak
PO Box 1397
Kodiak, AK 99615-1397
Attention: Aimee Kniaziowski

19. To the extent that the terms or conditions of this Agreement are inconsistent with the Account Agreement or any other document, instrument or agreement between Securities Intermediary and Customer, the terms and conditions of this Agreement shall prevail.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

“Securities Intermediary”

“Customer”

“Secured Party”

MUFG UNION BANK, N.A.

First National Bank Alaska

City of Kodiak

By: _____

By: _____

By: _____

Name: _____

Name: Michele Schuh

Name: Aimee Kniaziowski

Title: _____

Title: Chief Financial Officer

Title: City Manager

By: _____

By: _____

Name: Bob Tannahill

Name: Kelly Mayes

Title: Senior Trust Officer

Title: Finance Director

MUFG UNION BANK, N. A.

CERTIFICATE OF AUTHORIZED PERSONS GOVERNMENT AGENCIES

I certify that I am the City Clerk of City of Kodiak formed and existing under the laws of Alaska. I further certify that in accordance with the authority granted by the City of Kodiak and other applicable law (Attach a copy of appropriate ordinance, council minutes or other source of documented authority). I further certify that the persons holding the position(s) of Those named below may conduct business within the duties designated by state statute and local code and shall have the authority to instruct MUFG Union Bank, N. A. and to execute such further documents and instruments as may be required or useful.

MUFG Union Bank, N. A. may rely on instructions given by any one of the Authorized Persons named below, who shall have the authority to obligate this public entity to contracts and agreements with MUFG Union Bank, N. A.

<u>Aimee Kniazowski, City Manager</u> Name/Position	_____ Signature
<u>Kelly Mayes, Finance Director</u> Name/Position	_____ Signature
_____ Name/Position	_____ Signature
_____ Name/Position	_____ Signature

The above list of Authorized Persons may be amended from time to time in writing by certification executed by the undersigned or his/her successors in office.

Witness my hand and the official seal the _____ day of _____, 2016.

Signature: _____

Name: _____

Title: _____

(OFFICIAL SEAL)

Deposit Services

Monthly Service Fee (per account)	\$10.00
Transaction fees	
Debits ²	\$0.15 each
Credits ³	\$0.25 each
Deposited Items ⁴	\$0.08 each
Cash Deposited	\$0.075 per \$100

Other Account Fees

Zero-Balance Banking Program	No Charge
Detail Float Report	\$20.00 monthly
Stop Payments	
Service assisted per check/ACH payment	\$25.00
Service assisted per check series	\$50.00
Overdrafts or Nonsufficient funds	\$29.00 per item No max per day
Automatic transfer of funds from a savings account to a checking account	\$8.00 per transfer
Service assisted phone transfers between FNB accounts (i.e., non-automated)	\$10.00 per transfer
Deposited checks (and other items) returned unpaid	
Business Accounts	\$5.00 per item
Mini-statement provided by branch	\$2.00 per statement
Account Research	\$20.00 per hour
Reproduction of records	\$1.00 per item
Minimum charge	\$10.00
Check Printing	varies
Counter Checks	\$1.00 per check
Account closed within 180 days from opening	\$20.00
Garnishments/Executions/Levies	\$100.00 each
Deposit Insurance Allocation (monthly)	variable
Tri-Party Collateral Safekeeping Fees ¹	\$125.00 monthly

Fees for Other Services

Cash Handling Services	
Currency Provided	\$0.075 per \$100
Coin Provided/Rolled	\$0.10 per roll
Night Depository Services	
Access keys	\$6.00 each
Tamper resistant poly-bags	\$22.50 per 100
Cashiers' Checks	\$7.00 per item
Money Orders	\$5.00 per item
Wire Transfer Fees	
Domestic Incoming	\$10.00 per wire
Domestic Outgoing	\$25.00 per wire
International Incoming	\$10.00 per wire
International Outgoing	\$50.00 per wire

Additional Statement Options

Paper Standard Check Image Statement ²	\$3.00
Paper Enhanced Check Image Statement ³	\$5.00
ImageCache CD-ROM Statements	
Set-up Fee (one time only)	\$15.00
Images of checks paid	\$25.00
Images of checks paid, deposit slips and deposited items	\$37.50
Each Additional CD copy	\$7.50

Account Reconciliation Services

Standard Set-Up	No charge
Minimum Monthly Service Fee (per account)	\$40.00
Keypunch of Non-Readable Paid Items	\$0.50 each
Full Reconciliation, includes:	
• List of checks paid during month	
• List of checks outstanding	
• List of checks paid, not reported issued	
• List of prior month's system voids	
Per Paid Item	\$0.10
Partial Reconciliation - Paper Listing of Paid Checks Only	
Per Paid Item	\$0.07
Daily Account Activity Reporting	\$50.00 monthly

Business Essential Online

Initial Set-Up	No charge
Balance and Activity Reporting	No charge
Images of Cleared Items	No Charge
Federal Tax Payments	No Charge
Stop Payments	\$25.00 each

Business Advantage Online

ACH Services	
<=25 transaction	\$25.00 per month
26-50 transactions	\$30.00 per month
51-100 transactions	\$35.00 per month
101-200 transactions	\$40.00 per month
>200 transactions	\$40.00 per month
Plus Transaction Fee	\$0.08 each
Returns, Notice of Change	\$5.00 each
Reversals	\$10.00 each
Tokens	
First 5 tokens	No charge
Over 5 tokens ⁴	\$30.00 each
Wire Transfer Services	
Monthly Service Fee	No Charge
Domestic Outgoing	\$25.00 each
International Outgoing	\$50.00 each
EDI Payment Manager Module	
System Advice or X.12	
Monthly Service Fee	\$10.00
Addenda Records	\$0.02 each
Facsimile Transmissions	\$1.50 each
First 30 addenda records	No charge
Over 30 addenda records	\$0.05 each
Paper Report	\$3.00 each
First 30 addenda records	No charge
Over 30 addenda records	\$0.05 each

BusinessLink by Phone

Federal Tax Payments	No Charge
Automated Payment Services Account Set-Up	
1-10 transactions	\$50.00
11-20 transactions	\$75.00
21> transactions	\$100.00
Monthly Service Fee	\$10.00
Transaction Fee	\$0.08 each
Returns, Notice of Change	\$5.00 each
Reversals	\$10.00 each
Change/Add/Delete if entered by Bank	\$3.00 each

Remote Deposit Capture

Equipment Lease (per machine)	
Smart Source Professional	\$65.00 monthly
Smart Source Micro Ex	\$12.00 monthly
RDC Service/Licensing Fee	
First Scanner	\$45.00 monthly
Additional Scanner (each)	\$40.00 monthly
Supplies at vendor charge plus shipping costs.	

Positive Pay

Monthly Service Fee	\$40.00
Set Up Fee (one time only)	
First Account	\$50.00
Each Additional Account	\$5.00

Other Miscellaneous

NACHA Rules, Corporate Edition (per copy)	Vendor Charge
On-site training and/or installation	\$50.00 per hour + travel expenses
Upon request fees will be quoted for any services not listed.	

COMPENSATION FOR SERVICES

Compensation for banking services shall be paid in cash on demand, by charge against a deposit account balance, by offsetting credit for a compensating balance or a combination thereof, according to the agreement of the parties. An account cost analysis will be available to you within ten (10) business days following the end of each calendar month. The analysis will identify the consolidated cost of services provided according to the rate schedule; offset by credit, if any, for compensating balances.

Customers will receive credit in reduction of any fee(s) due for services performed in any calendar month in an amount equal to the earnings allowance attributable to the account(s) of Customer with Bank for the same calendar month and not applied in reduction of the fee(s) charged by Bank for any other banking service furnished to Customer under separate agreement. The earnings allowance attributable to the account of Customer for a calendar month shall be equal to the difference between the amount of interest credited to the account(s) of Customer that month and the product of 1/365; the number of days in that month in which the collected balance of the account was positive, the earnings allowance rate for that month; and, the net investable balance of the account for that month. For these purposes, (i) the "account(s) of Customer" do not include any Savings account or interest bearing Time Certificate of Deposit; (ii) the "earnings allowance rate" for a month is equal to the average for the month of the average discount rate (stated as an annual rate) resulting from the weekly auction of the 91 day U.S. Treasury Bill; and, (iii) the "net investable balance" of the account(s) of Customer for a month is equal to the average daily collected balance of the account for each day of the month in which the collected balance of the account was positive.

If an account is overdrawn any day of the month a charge will be imposed. For these purposes, an account will be overdrawn any day that the sum of the items charged against the account exceeds the credit to the account for collected funds. The charge imposed for an overdrawn account will be computed as follows: if an account is overdrawn more than one day in a calendar month we will compute the average amount it was overdrawn on those days, otherwise we will determine the amount of the overdraft on the one day it was overdrawn and use that as the basis of our calculation. We will compute the product of the average amount of the overdraft and a rate of interest equal to our base rate plus two (2) percentage points. We will multiply the product by the number of days overdrawn and divide the result by 365. The quotient will be the charge imposed for the month.

¹ Collateralization of deposits available only to Government Entities holding public funds

² Includes images of check fronts only with 20 checks per page (10 each side) or 36 checks per page (18 each side).

³ Includes images of fronts and backs of checks, or less images per page than the Paper Standard Check Image Statement.

⁴ The fee also pertains to damaged or lost tokens.

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniazowski, City Manager
Thru: James R. Mullican Jr., Fire Chief
Date: March 17, 2016

Agenda Item: V. g. Authorization of Repairs to Fire Station Overhead Doors

SUMMARY: The overhead doors on the City fire station are in need of significant maintenance and repair. Over the last six months the Fire Department has encountered issues with the doors not opening, failing to close, and parts breaking/falling off while responding to emergencies. Pacific Builders has inspected the doors and submitted a quote to complete required repairs/replacement/maintenance in the amount of \$19,920. Staff recommends Council authorize said repairs utilizing Pacific Builders, with funding coming from Fire Department Deferred Maintenance Account.

PREVIOUS COUNCIL ACTION: Council authorized funding a deferred maintenance project several years ago to deal with many needed repairs to the fire station.

DISCUSSION: The City Fire Department provides 24 hour emergency fire and medical response to the citizens and visitors of the City, and medical services along the Kodiak road system. The fire station overhead doors have been in service for over 20 years. Over this time water has seeped into the panels themselves adding significant weight to the overall system. This added weight has caused parts to break and motors to fail. Damage to the individual panels themselves has affected the structural integrity of the entire door system. These repairs will allow doors to function as designed and extend the doors life.

ALTERNATIVES:

- 1) Authorize the Pacific Builders proposal, which is the recommendation of staff, because it will allow the fire department overhead doors to be repaired and the company has previously done work for the Fire Department.
- 2) Do not authorize the Pacific Builders proposal, which is not recommended because it would require the City to find an alternative off-island contractor and increase the likely hood of door failure due to expediency of needed repairs.

FINANCIAL IMPLICATIONS: The Fire Department's Deferred Maintenance Account has sufficient funds to cover this repair.

STAFF RECOMMENDATION: Staff recommends Council approve the overhead door repair work to Pacific Builders in the amount of \$19,920 with funds coming from the Fire Department's deferred maintenance project account.

CITY MANAGER'S COMMENTS: I support this project to repair the overhead doors and to replace associated hardware. The Code allows the Manager to make a sole source award when it is in the best interest of the City and/or project. Pacific Builders is a local firm and they've done work for us at KFD so they are qualified and accessible. Going out for additional quotes or preparing a bid would only increase the costs of this repair. Therefore, I support the Chief's recommendation to make the award to Pacific Builders as outlined above.

ATTACHMENTS:

Attachment A: Pacific Builders proposal dated 2/15/2016

PROPOSED MOTION:

Move to authorize overhead door repairs services be made to Pacific Builders in the amount of \$19,920 with funds coming from the FY2016 Fire Department Deferred Maintenance Account and authorize the City Manager to sign necessary documents on behalf of the City.



PACIFIC BUILDERS
P.O. Box 2448
KODIAK, AK 99615

Attachment A

PROPOSAL

Page No. _____ of _____ Pages

(907) 486-3707
FAX (907) 486-1979

To: Kodiak Fire Dept.

JOB NAME/NO. overhead door repairs, replacements	
LOCATION	
PHONE	DATE 2-15-16

We hereby submit specifications and estimates for:

To supply all labor, materials, and equipment to:

1. Replace 14 model 591 door panels that are curenly damaged or overweight due to moisture in door panels.
2. Replace 3 trolley motors that cannot be repaired if they fail due to parts that are no longer available, with new liftmaster trolley motors
3. Replace all existing buttons and transmitters with new transmitters and 2 remote buttons for each door, by liftmaster.
4. Replace 1 pair of springs due to fatigue, hardware and rollers as needed due to rust or bad operating condition
5. Oil and lubricate all parts, rollers, and springs for smoother operation
6. Dispose of all debris upon completion

WE PROPOSE hereby to furnish material and labor — complete in accordance with these specifications, for the sum of: nineteen thousand nine hundred twenty and 00 dollars (\$ 19,920.00).

Payable as follows:

50% down to order materials, balance due upon completion

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Authorized Signature



NOTE: This proposal may be withdrawn by us if not accepted within 30 days.

ACCEPTANCE OF PROPOSAL — The prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature _____ Date _____ **112** Signature _____ Date _____

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniaziowski, City Manager 
Thru: Lon White, Harbormaster 
Date: March 17, 2016

Agenda Item: V. h. Authorization of Reimbursement of Dockage and Wharfage Fees at Pier I

SUMMARY: This memo recommends Council authorize the City of Kodiak to refund Petro Marine Services (PMS) for overpayment of fees for dockage and other services at Pier I Ferry Terminal in the amount of \$27,851.92. Council action is required due to the size of the refund.

PREVIOUS COUNCIL ACTION: None.

DISCUSSION: For decades PMS maintained an easement agreement with the City of Kodiak for the right to have fuel transfer pipelines on Pier I and to pay wharfage for bulk fuel transfers from barges to their adjacent tank farm. The most recent agreement expired and was not renewed in anticipation that construction of the new Pier I would commence in 2014. In preparation PMS replaced the float system at their own facility to accommodate large fuel barges and added a bulk fuel transfer system. This was necessary for PMS to have the capability to receive bulk fuel while the Pier I was out of service. Prior to September 2014, at their own expense PMS removed all fuel lines from Pier I.

In late September 2014, Pacific Pile & Marine, under the direction of the State of Alaska management team, started demolition of the old Pier I. Due to constant delays caused by the presence of Stellar sea lions, state inspectors shut down the project and determined modification to the marine mammal permit was necessary. Ultimately, the project was delayed for one year to obtain the revised permit. Consequently the ferry dock was put back in service for an additional year, but without bulk fuel transfer pipelines.

From September 2014 to September 2015, PMS used their own float and fuel transfer system to receive bulk fuel from barges but continued to pay the city wharfage fees as prescribed in the last Pier I easement agreement. In September 2015, PMS contacted the Harbormaster to report they had overpaid the City because no fuel crossed the ferry dock and wharfage rates should not apply. They requested full reimbursement of \$55,961.15. The Harbormaster reviewed the documents and determined that wharfage rates were not applicable but dockage and other harbor services would apply. During the barge off-loads at the PMS float the adjacent ferry dock had to be cleared of all vessels and remain clear during the entire operation. Effectively, PMS required use of the entire Pier I.

MARCH 17, 2016
Agenda Item V. h. Memo Page 1 of 2

Harbormaster White provided documentation to PMS showing proposed adjusted charges in the sum of \$28,109.23. After considerable negotiations PMS agreed to the adjusted charges and the resulting refund of \$27,851.92. (Attachment A).

PMS Payments:	\$55,961.15	(Sept 2014 through Sept 2015)
<u>Adjusted Port Fees:</u>	<u>\$28,109.23</u>	
Refund Due PMS:	-\$27,851.92	

ALTERNATIVES:

- 1) Council may authorize the refund to PMS. This is staff's recommendation.
- 2) Council may delay or not authorize the refund. This is not recommended.

FINANCIAL IMPLICATIONS: Due to the anticipated ferry dock replacement project, the FY2015 and FY2016 harbor enterprise fund budgets estimated only \$20,000 per year in revenue from bulk fuel transfers. After the refund, revenues will still exceed revenue projections.

LEGAL: The City of Kodiak is obligated to refund customers for overpayment on their accounts.

STAFF RECOMMENDATION: Staff recommends Council authorize a refund to Petro Marine Services in the amount of \$27,851.92 with funds coming from the Harbor Enterprise Fund.

CITY MANAGER'S RECOMMENDATION AND COMMENTS: Refunds to City customers occurs fairly routinely, but due to the amount of this refund Council action is required. The adjusted charges for services at the ferry dock (Pier I) are fair to both the City and PMS. I recommend council authorize the refund to PMS as negotiated by the Harbormaster and PMS.

ATTACHMENT:

- Attachment A: Petro Marine: Dockage, Security and Preferential Use Fees
- Attachment B: Email Correspondence: Approval of adjusted fees

PROPOSED MOTION:

Move to authorize a refund to Petro Marine Services in the amount of \$27,851.92, with funds coming from the Harbor Enterprise Fund and authorize the City Manager to execute the refund for the City.

Petro Marine: Dockage, Security and Preferential Use Fees

Rate per 12hr period or portion thereof, Tariff 11:

DBL-54 or DBL 55 (300ft)x \$2.00 = \$600

Pacific Wolf (121ft)x \$1.50 = \$181.50

Rate per 12hr period or portion thereof, Tariff 12 (effective 8-25-15):

DBL-54 or DBL 55 (300ft)x \$2.20 = \$660

Pacific Wolf (121ft)x \$1.90 = \$229.90

Date	Arv	Dep	Barge	Tug	12 hr Periods	Rate	Total
9-14-14	0805	1900	DBL-54 (300)	Pacific Wolf (121)	1	181.50 + 600.00	781.50
9-30-14	1820	0430	DBL-54 (300)	Pacific Wolf (121)	1	181.50 + 600.00	781.50
10-8-14	1445	0300	DBL-54 (300)	Pacific Wolf (121)	2	181.50 + 600.00	1,563.00
11-4-14	0105	1200	DBL-54 (300)	Pacific Wolf (121)	1	181.50 + 600.00	781.50
11-29-14	2045	0700	DBL-55 (300)	Pacific Wolf (121)	1	181.50 + 600.00	781.50
1-14-15	1252	1700?	DBL-55 (300)	Pacific Wolf (121)	1	181.50 + 600.00	781.50
2-3-15	0250	1330	DBL-55 (300)	Pacific Wolf (121)	1	181.50 + 600.00	781.50
2-19-15	1540	0300	DBL-55 (300)	Pacific Wolf (121)	1	181.50 + 600.00	781.50
3-24-15	0800	0500	DBL-55 (300)	Pacific Wolf (121)	2	181.50 + 600.00	1,563.00
3-30-15	1230	0100	DBL-55 (300)	Pacific Wolf (121)	2	181.50 + 600.00	1,563.00
4-13-15	1010	1600	DBL-55 (300)	Pacific Wolf (121)	1	181.50 + 600.00	781.50
5-6-15	1635	0400	DBL-55 (300)	Pacific Wolf (121)	1	181.50 + 600.00	781.50
5-17-15	1500	0300	DBL-55 (300)	Pacific Wolf (121)	1	181.50 + 600.00	781.50
6-12-15	2340	1000	DBL-55 (300)	Pacific Wolf (121)	1	181.50 + 600.00	781.50
6-27-15	2145	0930	DBL-54 (300)	Pacific Wolf (121)	1	181.50 + 600.00	781.50
7-7-15	0618	2000	DBL-54 (300)	Pacific Wolf (121)	2	181.50 + 600.00	1,563.00
8-4-15	1735	0600	DBL-55 (300)	Pacific Wolf (121)	2	181.50 + 600.00	1,563.00
8-20-14	2030	0545	DBL-55 (300)	Pacific Wolf (121)	1	181.50 + 600.00	781.50
9-6-15	1945	0915	DBL-55 (300)	Pacific Wolf (121)	2	229.90 + 660.00	1,779.80
9-26-15	0131	1400	DBL-55 (300)	Pacific Wolf (121)	2	229.90 + 660.00	1,779.80
						Total Dockage:	21,534.10
					20 port calls	20 x \$65.00:	1,300.00
						Preferential Use: 25% of dockage fee: (=263.76 per port call)	5,275.13
						Total Port Fees:	28,109.23
						Fees Pd by Petro:	55,961.15
						Adjusted port fees for PMS use of ferry dock Sept 2014 thru Sept 2015:	Total Port Fees:
							-28,109.23
						Total Refund Due PMS:	(27,851.92)

From: [Jason Werner](#)
To: [White, Lon](#)
Cc: [Kniazowski, Aimee](#); [Magnuson, Derrik](#); [Wilson, Jimmie](#); [Mayes, Kelly](#)
Subject: RE: Petro Marine Refund Request - Pier 1 Easement Agreement
Date: Wednesday, February 24, 2016 2:47:08 PM

Lon,

I appreciate your help in getting this matter resolved.

Thanks,

Jason Werner | C.F.O. | Petro 49, Inc.

jasonw@petro49.com | Direct 907.561.3511 | 2101 East 63rd Avenue, Anchorage, AK 99507



“Fine Fuels, Super Service, Quality Lubricants”

From: White, Lon [mailto:lwhite@city.kodiak.ak.us]
Sent: Wednesday, February 24, 2016 2:29 PM
To: Jason Werner <JasonW@petro49.com>
Cc: Kniazowski, Aimee <akniazowski@city.kodiak.ak.us>; Magnuson, Derrik <dmagnuson@city.kodiak.ak.us>; Wilson, Jimmie <jwilson@city.kodiak.ak.us>; Mayes, Kelly <kmayes@city.kodiak.ak.us>; White, Lon <lwhite@city.kodiak.ak.us>
Subject: RE: Petro Marine Refund Request - Pier 1 Easement Agreement

Jason,

I met with City Manager Aimee Kniazowski today. Approval for a refund to Petro Marine Services for the sum of \$27,851.92 will be on the Kodiak City Council agenda March 15th. Due to the dollar value, this is a procedural requirement. Upon approval payment will be remitted to:

Petro Marine Services
2101 East 63rd St.
Anchorage, Ak. 99507

Please let me know if this is the correct information.

Thank you,

Lon A. White

Port & Harbor Director

Kodiak, Alaska

Phone (907)486-8080

Cell (907)654-8100



From: Jason Werner [<mailto:JasonW@petro49.com>]
Sent: Tuesday, February 23, 2016 1:15 PM
To: White, Lon
Cc: Kniazowski, Aimee; Magnuson, Derrik; Wilson, Jimmie
Subject: RE: Petro Marine Refund Request - Pier 1 Easement Agreement

Hi Lon,

Thanks for taking the time to further discuss this issue with me. I brought up the issues and concerns you raised to me with the owner. The owner is satisfied with your proposed charges and refund calculations.

Please let me know if you require additional information to process the refund.

Regards,

Jason Werner | C.F.O. | Petro 49, Inc.

jasonw@petro49.com | Direct 907.561.3511 | 2101 East 63rd Avenue, Anchorage, AK 99507



"Fine Fuels, Super Service, Quality Lubricants"

From: White, Lon [<mailto:lwhite@city.kodiak.ak.us>]
Sent: Thursday, January 14, 2016 12:07 PM
To: Jason Werner <JasonW@petro49.com>; Smokey Norton <SmokeyN@petro49.com>; Mike Sturm <MikeS@petro49.com>
Cc: Kniaziowski, Aimee <akniaziowski@city.kodiak.ak.us>; Magnuson, Derrik <dmagnuson@city.kodiak.ak.us>; Wilson, Jimmie <jwilson@city.kodiak.ak.us>
Subject: RE: Petro Marine Refund Request - Pier 1 Easement Agreement

Jason,

Thank you for your time today to discuss your request for credit for use of the City of Kodiak Pier 1 Terminal. I think we both have a better understanding of the issue now and I look forward to further discussion toward resolution. Attached is a spread sheet outlining port fees that would apply in the event the Pier I Easement Agreement was not applicable. Also attached are pages from an AMHS document that shows the new Pier 1 facility and property information. I look forward to the opportunity to meet with key Petro staff for further discussion. Please let me know when we can meet.

Thank you,

Lon A. White

Port & Harbor Director

Kodiak, Alaska

Phone (907)486-8080

Cell (907)654-8100



From: Jason Werner [<mailto:JasonW@petro49.com>]
Sent: Wednesday, January 06, 2016 3:23 PM
To: Kniaziowski, Aimee
Cc: Mike Sturm; Smokey Norton; White, Lon
Subject: RE: Petro Marine Refund Request - Pier 1 Easement Agreement

Hello,

I was following up to see if Mr. White has returned and had a chance to review. Please let me know if I can help answer questions.

Thanks,

Jason Werner | C.F.O. | Petro 49, Inc.

jasonw@petro49.com | Direct 907.561.3511 | 2101 East 63rd Avenue, Anchorage, AK 99507



"Fine Fuels, Super Service, Quality Lubricants"

From: Kniaziowski, Aimee [<mailto:akniaziowski@city.kodiak.ak.us>]
Sent: Wednesday, December 09, 2015 1:38 PM
To: Jason Werner <JasonW@petro49.com>
Cc: Mike Sturm <MikeS@petro49.com>; Smokey Norton <SmokeyN@petro49.com>; White, Lon <lwhite@city.kodiak.ak.us>
Subject: RE: Petro Marine Refund Request - Pier 1 Easement Agreement

Mr. Werner,

I will review your request in more detail when I can discuss with Lon White, our Harbormaster upon his return to Kodiak.

Thank you,

Aimée Kniaziowski

City Manager

City of Kodiak

710 Mill Bay Road

Kodiak, AK 99615

Phone (907) 486-8640 Fax (907) 486-8600

From: Jason Werner [<mailto:jasonw@petro49.com>]
Sent: Wednesday, December 09, 2015 10:33 AM
To: Kniaziowski, Aimee
Cc: White, Lon; 'Smokey Norton'; 'Mike Sturm'
Subject: Petro Marine Refund Request - Pier 1 Easement Agreement

Re: Pier 1 Easement Agreement, Kodiak Dock Lease Fee Report

Dear Ms. Kniazowski:

Attached is a summary of payments that were made in error, in the amount of \$55,961.15, as well as supporting documentation. Petro Marine is requesting a refund of these payments made in error.

Petro Marine has been making rental payment to the City of Kodiak based on the contract requirements in **Section 3. Rental** of the Pier 1 Easement Agreement (expired on June 30, 2009). In the agreement, payments are required “per barrel of incoming bulk petroleum products transported through Lessee’s pipeline on Pier 1 to Lessee’s bulk plant.”

In September of 2014, the bulk products pipeline for Petro Marine’s new dock, adjacent to Pier 1, was put into service. The personnel responsible for submitting the monthly Dock Lease Fee Report were not aware that the barge was offloading at the new PMS dock and continued, in error, submitting Dock Lease Fee Reports and remitting payments to the City of Kodiak.

As evidence of the offload location, I have attached the Daily Barge Log for each delivery clearly showing the offload location as a Petro Marine dock. I have also attached the monthly Dock Lease Fee Reports as well as a summary showing the overpayments including the date and check number for each of the payments.

Should you have any further questions, please feel free to contact me.

Regards,

Jason Werner | C.F.O. | Petro 49, Inc.

jasonw@petro49.com | Direct 907.561.3511 | 2101 East 63rd Avenue, Anchorage, AK 99507



“Fine Fuels, Super Service, Quality Lubricants”

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimee Kniaziowski, City Manager
Thru: Lon White, Harbormaster
Date: March 17, 2016

Agenda Item: V. i. Authorization of the First Amendment to Professional Services Contract with Solstice Alaska Consulting Inc. to Assist in Permitting for the Channel Transient Float Replacement Project No. 8525

SUMMARY: This memo recommends Council authorize Amendment No. 1 to the professional service contract with Solstice Alaska Inc. to prepare the necessary documents to obtain permitting for the Channel Transient Float (CTF) Replacement Project, in the amount of \$41,260.

PREVIOUS ACTION:

- Council approved \$3 million in the FY2015 Budget with \$1.5 million of the total budgeted as a grant from the State of Alaska for the CTF replacement project
- December 10, 2015, Council adopted Resolution No. 2015–35, supporting full funding for the State of Alaska Harbor Facilities Grant Program in the FY2016 State Capital Budget
- December 22, 2015, City Manager authorized a professional service contract with Windward Project Solutions Inc. for \$14,800, to prepare the Request for Proposal (RFP) documents that will be used to solicit the CTF project
- December 22, 2015, City Manager authorized a professional service agreement with Solstice Alaska Consulting Inc. to perform an initial regulatory consultation for the sum of \$14,630

DISCUSSION: The Channel Transient Float is the oldest harbor facility owned by the City and must be replaced as soon as possible. As of today, \$1.5 million in City funds has been appropriated for the project. In September 2015, the City applied for matching funds through the State of Alaska Municipal Harbors Matching Grant Program. Kodiak’s grant application was ranked number one out of all applicants for FY2017, and Governor Walker has included this project in his FY2017 capital budget. The Alaska State Legislature must approve the project in the proposed budget.

Moving forward, the City intends to solicit the CTF Replacement Project as a “design-build” project. Windward Project Solutions was hired to draft the RFP that will be used to solicit the project for bid. The design is not complex so design-build should be the most cost effective way to accomplish the project. Permitting is the longest lead time item and needs to be in place at or near the time when the project is solicited.

Solstice Alaska Consulting Inc. was hired to perform initial regulatory/permitting work and has found the regulatory requirements will be more comprehensive than any marine project the City has done in the past in large part this is due to the presence of sea lions at the Pier 1 Ferry Terminal Project. Regulatory agencies recommend we apply for a marine mammal “take” permit, also known as “Incidental Harassment Authorization” (IHA). Solstice Alaska Consulting Inc. has provided a revised scope of work and budget that reflects the additional regulatory/permitting effort. Solstice used a portion of the initial funding allocated for initial consultation with agencies, leaving a balance of \$6,470 on the contract. They are requesting an additional \$41,260 to complete the permitting process.

ALTERNATIVES:

- 1) Council may authorize the revised scope of work for the sum of \$41,260. This will allow the required permitting effort to move forward and is staff’s recommendation.
- 2) Council may delay or not authorize the revised scope of work. This will delay the permitting process and ultimately the CTF project. This is not recommended.

FINANCIAL IMPLICATIONS: Funds are available in the Harbor Enterprise Fund for the CTF Replacement, Capital Project No. 8525.

STAFF RECOMMENDATION: Staff recommends Council authorize Amendment No. 1 to the professional service contract with Solstice Alaska Consulting Inc. to prepare the necessary documents to obtain additional permitting for the Channel Transient Float (CTF) Replacement Project, in the amount of \$41,260.

CITY MANAGER’S RECOMMENDATION AND COMMENTS: The initial professional services agreement with Solstice Alaska for \$14,630 was approved within my spending authority. Due to the expanded regulatory requirements and permitting effort required, Solstice Alaska Consulting Inc., provided an updated budget requesting an additional \$41,260. This is reasonable considering the addition work required and I recommend Council approve the funding.

ATTACHMENT:

Attachment A: Solstice: Amendment Request Letter (Dated 3-7-16)

Attachment B: Solstice: Amended Scope & Budget (Dated 2-23-16)

Attachment C: Solstice: Initial Consultation Agreement, Scope & Budget (Approved 12-22-15)

PROPOSED MOTION:

Move to authorize Amendment No. 1 to the professional service contract with Solstice Alaska Consulting Inc., in the amount of \$41,260, with funding from the Harbor Enterprise Fund, Capital Project No. 8525 and authorize the City Manager to sign necessary documents on behalf of the City.

MARCH 17, 2016
Agenda Item V. i. Memo Page 3 of 3

Solstice Alaska Consulting, Inc.
2607 Fairbanks Street, Suite B
Anchorage, AK 99503
907.929.5960

March 7, 2016

Lon A. White, Port & Harbor Director
403 Marine Way
Kodiak Alaska 99615

Re: Amendment Request; Transient Float Improvements Regulatory Consultation Permitting

Dear Mr. White,

As you know, Solstice Alaska Consulting, Inc. (Solstice) was contracted to perform initial consultation with agencies to determine the environmental permitting needs associated with the transient float replacement project for the sum of \$14,630. This work was completed, and \$6,470 remains in our contract with the City.

After consultation with regulatory agencies we have determined that the following tasks are required to permit the project (as detailed in the letter sent to you on February 23, 2016):

- Department of the Army Permit Application (wetlands) preparation
- National Historic Preservation Act Section 106 consultation
- Endangered Species Act Section 7 consultations
- Marine Mammal Protection Act Consultation/Application for Incidental Take Authorization
- Magnuson–Stevens Act consultation/Essential Fish Habitat Assessment

Based on the additional scope of work, Solstice proposes to complete the permitting process for the additional sum of \$41,260, which takes into account \$6,470 remaining in our current contract. If the amendment is granted, our total contract amount would be \$55,890. See budget details below.

Initial budget (Consultation Initiation)	\$14,630.00
Total invoiced	-\$8,160.00
Initial budget remaining	\$6,470.00
Permitting budget (See Feb 23 letter)	\$47,730.00
Amendment Request (Permit cost -remaining bud)	\$41,260.00
Total Contract Amount	\$55,890.00

Thank you for your consideration.

Sincerely,
Solstice Alaska Consulting, Inc.



Robin Reich, President



Solstice Alaska Consulting, Inc.
2607 Fairbanks Street, Suite B
Anchorage, AK 99503
907.929.5960

February 23, 2016

Lon A. White
Port & Harbor Director
403 Marine Way
Kodiak Alaska 99615

Re: City of Kodiak Transient Float Improvements Regulatory Consultation Permitting Scope and Budget

Dear Mr. White,

Thank you for the opportunity to assist in permitting your transient float replacement project. Solstice Alaska Consulting, Inc. (Solstice) discussed this project with regulatory agencies, examined permitting requirements for other nearby projects, and assessed the frequency of use of the project area by marine mammals. This letter includes a proposed scope and budget expected for the entire permitting effort for the float replacement project based on our initial research.

Task 1. Prepare Department of the Army (DA) Permit Application (wetlands)

As requested by U.S. Army Corps of Engineers (USACE), Solstice will prepare an USACE Section 404/10 permit application for the Kodiak Transient Float Replacement Project. The application will include a description of:

- Purpose and need
- Alternative considered
- Proposed action including construction methods and operation plans
- Detailed figures (provided by City)
- Potential project impacts including impacts to: wetlands and waters, endangered species, marine mammals, Essential Fish Habitat (EFH), and cultural and historic properties
- Avoidance and minimization measures

Concurrent with submission of the Corps Permit Application, Solstice will request non-federal designation to consult on the USACE' behalf with the State Historic Preservation Officer (SHPO) regarding cultural and historic resources and with the U.S. Fish and Wildlife Service (USFWS) and National Oceanic and Atmospheric Administration National Marine Fisheries Service (NMFS) Alaska Region (AKR) regarding Endangered Species Act (ESA)-listed species. Solstice will facilitate consultation between agencies throughout the permitting process.



Task 2. National Historic Preservation Act Section 106 Consultation

Solstice will prepare a Section 106 finding letter to the SHPO on behalf of the USACE that documents the project’s potential impacts on cultural and historic resources. As required by the SHPO, data for the letter will be researched by a qualified sub consultant examining the Alaska Heritage Resources Survey (AHRs) database.

Task 3. Endangered Species Act Section 7 Consultations

Task 3a. Informal consultation regarding humpback whales and Steller sea lion critical habitat

Based on our preliminary research Solstice believes this project “May Affect but is not Likely to Adversely Affect” humpback whales and Steller sea lion critical habitat. Solstice will work with the USACE to prepare documentation of this finding and submit it to NMFS AKR. Solstice would facilitate consultation regarding NMFS AKR concurrence

Task 3b. Formal consultation with NMFS AKR on effects to Steller sea lions/Biological Assessment (BA)

Solstice will discuss the project and the City’s plan and prepare a BA for adverse effects to Steller sea lions and give agencies the opportunity to provide feedback and coordinate a project strategy.

The BA will include the following sections:

- Executive Summary
- Project Description
- Status of Species
- Environmental Baseline
- Effects of the Action
- Determination of Effect
- References

Solstice will coordinate with NMFS AKR and the USACE and NMFS Office of Protected Resources (OPR) as necessary throughout the development and submittal of the BA. We will continue to coordinate with these agencies as necessary during the development of their BO and project finding concurrence.

Task 3c. Informal consultation with USFWS on effects to northern sea otter, Steller’s eider, and northern sea otter critical habitat

Solstice will begin the process by requesting a species list from USFWS. Based on our preliminary research we believe this project may affect, but is not likely to adversely affect Steller’s eider and sea otters or their designated critical habitat; as long as this City implements the 2012 avoidance and observer protocols for pile driving, dredging, and placement of fill developed by the Service to avoid take of sea otters and eiders. (Please



note that we have learned that the USFWS does not issue authorizations for take of sea otters. Sea otters have caused temporary shut downs on nearby projects and pile driving during the float replacement project may be delayed due to otters transiting the area.)

Solstice will work with the USACE to prepare and submit a finding letter to the USFWS. The finding letter will include a project summary that describes construction methods, pile number and size, species listed under the ESA that are found in the project area, how those species may be affected by the project, and mitigation measures. Solstice will work closely with the City and USFWS to develop appropriate mitigation measures for this project, and Solstice will facilitate consultation regarding USFWS concurrence of this finding.

Task 4. MMPA Consultation/Application for Incidental Take Authorization

Solstice will prepare the City's application for an Incidental Take Authorization from the NMFS OPR. This application is needed because background research has shown that construction activities would take Steller sea lions. The application will include:

- Description of Specified Activity
- Dates and Duration, Specified Geographic Region
- Species and Numbers of Marine Mammals
- Affected Species Status and Distribution
- Type of Incidental Taking Authorization Requested
- Take Estimates for Marine Mammals
- Anticipated Impact of the Activity
- Anticipated Impacts on Subsistence Uses
- Anticipated Impacts on Habitat
- Anticipated Effects of Habitat Impacts on Marine Mammals
- Mitigation Measures
- Arctic Subsistence Plan of Cooperation
- Monitoring and Reporting
- Suggested Means of Coordination

Solstice will coordinate with NMFS AKR and the USACE and NMFS OPR as necessary throughout the development and submittal of the IHA request and issuance of the IHA.

It is assumed that a request for an IHA for sea otters would not be considered by the USFWS.

Task 5. MSFCMA (or EFH) Consultation/EFH Assessment

Solstice will prepare an Essential Fish Habitat (EFH) Assessment to meet the requirements of the NMFS. The EFH Assessment will document EFH species present in the project area and the potential impact on those species. The assessment would also propose



conservation measures which would help to avoid, minimize, and mitigate impacts to EFH in the project area. The EFH Assessment will be emailed to NOAA Fisheries with a cover letter.

Task 6. Marine Mammal Monitoring Plan

Solstice will prepare a Marine Mammal Monitoring Plan for use during pile installation and extraction. The plan will be used in support of the BA and as an appendix to the request for an IHA.

Assumptions

The following points are assumed for this project. If the assumptions change, Solstice may require a change in scope and budget to complete the project.

- No travel to Kodiak would be needed.
- The Ports and Harbor Department will provide drawings as required. This may include, but is not limited to, a vicinity map, plan view of the entire project, typical cross sections of dock.
- Engineering support or design-related issues/questions encountered through the process will be addressed by the Ports and Harbor Department's engineer.

Project Budget

The estimated cost for the services described above will be \$47,730. Please see attached budget for details. ***Work will be completed on a time and expenses basis and the project would only be charged for the time that is needed.***

We appreciate the opportunity to work on this project. Please let me know if you have any questions on this scope or budget.

Sincerely,

Solstice Alaska Consulting, Inc.



Robin Reich

Attachments: Project budget



COST ESTIMATE		PROJECT TITLE:	DATE:		
Solstice Alaska Consulting, Inc.		City of Kodiak Transient Float Replacement	02.22.2016		
TASK DESCRIPTION:		PREPARED BY:	DATE:		
Project Permitting		Robin Reich			
SUB-TASK DESCRIPTION	LABOR HOURS PER JOB CLASSIFICATION		EXPENSES	Sub: Mar Mammal Biologist	Subtotal
	R. Reich	K. Arduser			
1. Corps Permit Application	20	60			\$ 7,800
2. NHPA Section 106 Consultation	4	20			\$ 2,280
3. ESA Section 7 Consultations					
3a. Informal Consultation re: humpback whales & Steller sea lion crit hab	10	20		1,000	\$ 4,000
3b. Formal Consultation re: Steller sea lions/BA	6	40		3,000	\$ 7,320
3c. Informal Consultation re sea otter, Steller's eider	10	20		1,000	\$ 4,000
4. MMPA Consultation/IHA Application	10	60		4,000	\$ 10,600
5. MSFCMA Consultation/EFH Assessment	4	20			\$ 2,280
6. Marine Mammal Monitoring Plan	10	40		4,000	\$ 8,800
TOTAL LABOR HOURS	74	280			
LABOR RATES (\$/HR)	\$120.00	\$90.00		Expenses \$13,000	\$ 47,080
LABOR COSTS (\$)	\$8,880	\$25,200		5% mark up \$650	\$ 650
				Total Price \$13,650	\$ 47,730

Solstice Alaska Consulting, Inc.
2607 Fairbanks Street, Suite B
Anchorage, AK 99503
907.929.5960

December 15, 2015

Lon A. White
Port & Harbor Director
403 Marine Way
Kodiak Alaska 99615

Re: City of Kodiak Transient Float Improvements Regulatory Consultation Initiation
Scope and Budget

Dear Mr. White,

Thanks for the opportunity to provide you with a scope and budget for initiation of the permit process for improvements to the City of Kodiak's Transient Float. From the information you have provided, the City is in the process of securing funding for float replacements at their transient float in downtown Kodiak. Work on the dock would involve installing a new concrete abutment for the gangway and replacing the existing float system, including drilling and vibrating piles in the marine environment.

Because of the placement of the abutments and piles in the marine environment, a U.S. Army Corps of Engineers (USACE) Section 404/10 permit is required. Other permitting requirements have not been determined. This letter summarizes the scope and budget to initiate consultation with agencies in order to determine the full extent of permitting activities for the project.

Regulatory Consultation Initiation

After initial discussions with the USACE, Solstice will draft a letter to request authorization to conduct following consultations on behalf of the USACE to meet the requirement of the USACE permitting process. Once formal is approved in writing from the USACE, Solstice will complete the following tasks.

National Historic Preservation Act Section (NHPA) 106 Consultation. Solstice will prepare a Section 106 finding letter to the State Historic Preservation Officer (SHPO) that documents the project's potential impacts on cultural and historic resources. As required by the SHPO, data for the letter will be researched by a qualified subconsultant examining the Alaska Heritage Resources Survey (AHRs) database.

Endangered Species Act (ESA) Consultation. Solstice will prepare two separate initiation of consultation letters to send to National Oceanic and Atmospheric Administration (NOAA) Fisheries and U.S. Fish and Wildlife Service (USFWS). The letters will include a short description



of species listed under the ESA, a description of the project, and how listed species could be affected by the project and its construction.

This initial consultation will guide future steps of the permitting process, including whether an ESA Biological Assessment (BA) and formal consultation under the ESA will be needed from either NOAA Fisheries or USFWS. In addition, it will inform the project team as to whether an Incidental Harassment Authorization (IHA) under the Marine Mammal Protection Act (MMPA) will be needed. Once this information is gathered, Solstice will develop a scope and budget for further work under the ESA and MMPA, if needed.

If neither a BA and ESA formal consultation nor an IHA are needed, it is expected that the permitting effort will cost approximately an additional \$10,200. If a BA and ESA formal consultation and an IHA are needed, it is expected that the effort would cost approximately \$120,000. (Please note that this cost is very preliminary and further information is needed to better define the scope and budget.)

Assumptions

The following points are assumed for this project. If the assumptions change, Solstice may require a change in scope and budget to complete the project.

- No travel to Kodiak would be needed.
- The Ports and Harbor Department will provide drawings as required. This may include, but is not limited to, a vicinity map, plan view of the entire project, typical cross sections of dock.
- Engineering support or design-related issues/questions encountered through the process will be addressed by the Ports and Harbor Department's engineer.

Project Budget

The estimated cost for the services described above will be \$14,630. Please see attached budget for details. ***Work will be completed on a time and expenses basis and the project would only be charged for the time that is needed.***

We appreciate the opportunity to work on this project. Please let me know if you have any questions on this scope or budget.

Sincerely,





President
Solstice Alaska Consulting, Inc.



COST ESTIMATE										
Solstice Alaska Consulting, Inc.		PROJECT TITLE:		City of Kodiak Transient Float Replacement				DATE:		12/15/2015
		TASK DESCRIPTION:		Permit Initiation Activities				PREPARED BY:		Robin Reich
SUB-TASK DESCRIPTION	LABOR HOURS PER JOB CLASSIFICATION			EXPENSES			Subtotal			
	R. Reich	K. Arduser		Sub: CRC-database search	Sub: Marine Mammal Biologist					
Regulatory Consultation Initiation										
NHPA Consultation	2	16		\$800			\$ 2,480			
ESA Consultation	30	80			\$1,350		\$ 12,150			
							\$ -			
							\$ -			
							\$ -			
							\$ -			
TOTAL LABOR HOURS	32	96		Expenses	\$1,350	\$0	\$ 14,630			
LABOR RATES (\$/HR)	\$120.00	\$90.00		0% mark up			\$ -			
LABOR COSTS (\$)	\$3,840	\$8,640		Total Price	\$800	\$0	\$14,630			\$14,630

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniazowski, City Manager 
Thru: Kelly Mayes, Finance Director 
Date: March 17, 2016

Agenda Item: V. j. Authorization of Data Storage System Purchase

SUMMARY: The City currently has data storage systems located at City Hall and KPD. These storage systems are used for backup purposes of all City-wide electronic records and programs. These storage systems are over five years old and are becoming obsolete, and the capacity is limited. Due to increased software functionality within the City (i.e. ERMS, email archival systems, KPD video recordings, additional network space, etc.), the capacity will exceed its limitations by the end of the current fiscal year. The new systems, software, and support would be supplied by Exablox in the amount of \$22,596.

PREVIOUS COUNCIL ACTION: During the FY2016 budget process, \$10,000 was authorized for additional storage capacity and \$14,000 was authorized for replacement of servers.

DISCUSSION: IT Administrators Lee Peterson and David Smith have researched data storage systems. Due to the capacity and increased complexity of City-wide software programs and backup functionality, the IT Administrators received quotes for data storage, replication, and annual maintenance of \$22,596. This has been previously budgeted for FY2016. However, this would deplete the \$14,000 for the replacement of servers, as originally budgeted. Per further discussions with the IT Administrators, they feel the City servers could be scheduled for replacement in the upcoming FY2017 budget year due to the immediate need for increased data storage and those funds redirected for the purchase of this important data storage system. The data storage options proposed would last the City many years longer than traditional data storage options.

ALTERNATIVES:

- 1) Council can approve the purchase, which is staff's recommendation because this type of equipment is essential to managing and protecting City data.
- 2) Council may delay or not approve the purchase, which is not recommended because neither action is in the City's best interest. The City could stand to lose information which would end up costing more than re-budgeting and approving this purchase as recommended.

FINANCIAL IMPLICATIONS: There are sufficient funds in the FY2016 Finance Department IT equipment budget to purchase the equipment if the \$14,000 originally budgeted for server replacement is used with the servers being funded for replacement in FY2017.

STAFF RECOMMENDATION: Staff recommends Council authorize the purchase of the data storage devices, software, and system support from Exablox in the amount of \$22,596 with funds coming from the Finance Department operating budget, IT division, machinery and equipment account.

CITY MANAGER'S COMMENTS: I support staff's request to focus on the purchase of data storage devices during this fiscal year as Kelly has outlined. The City is experiencing capacity issues and increased complexity in our software programs and backup systems. It's critical to us on all levels to be able to protect and maintain our data. Therefore, I recommend Council approve the purchase of the data storage systems for \$22,596 from Exablox.

ATTACHMENT:

Attachment A: Memo from IT & Exablox Quote

PROPOSED MOTION:

Move to authorize the purchase of data storage systems from Exablox in the amount of \$22,596 with funds coming from the Finance Department, IT Division, Machinery and Equipment account and authorize the City Manager to execute the documents on behalf of the City.

MEMORANDUM

To: Kelly Mayes, Aimee Kniaziowski
From: Lee Peterson

Date: 2/11/2016

Purchase of Backup Storage devices

I have been looking at storage devices to replace our aging backup storage one at the police station and another here as City Hall. In looking over all the solutions, both Dave and I feel that these devices are the best fit for our needs, and they help to resolve some issues we have been trying to work out with our backup replication. I do have money available for the purchase of these units, in 100.130.135.470.126 I had originally budgeted only \$10000 for storage replacement and another 14,500.00 for servers. however I can work around replacing the servers as I feel this is more important The only issue I have run into is that I have not been able to get quotes from vendors on these units The one quote I have is directly from the manufacturer of the units.

Thanks
Lee

[Click here to enter text.](#)

City of Kodiak

MIS Expenditure Request

F/Y _____

Requesting Department IT

Date: _____

QTY	Item Description & Usage
2	Exablox 4312 Storage System

Estimated Cost: \$23000

- | <u>Cost Range</u> | <u>Purchasing Method</u> |
|--|--|
| <input type="checkbox"/> \$200 to \$15,000 | Verbal Prices/Quotes (at least three) |
| <input checked="" type="checkbox"/> \$15,001 to \$24,999 | Open Market (written bids/price quotes) |
| <input type="checkbox"/> \$25,000 & Up | Formal Bid |
| | <input type="checkbox"/> Advertisement |
| | <input type="checkbox"/> City Council - Agenda |
| <input type="checkbox"/> \$ 100 to \$15,000 | Emergency Purchase |

Approval to Proceed _____
Department Head Signature Responsible for Payment Date

PRICE QUOTES / BIDS – Attach any Backup

Vendor	Cost	Freight/ Other	Total Cost	Date
<i>Exablox</i>	<i>22596.00</i>			
<i>See Attached Memo</i>				

Local Preference Allowance Lowest Off Island Bidder X %
\$25,000.00 & Up 10% or \$30,000 whichever is less
\$

Subtract this amount from the Local bidder's Total Cost to determine if they are within the Local Preference Allowance

Approval:

Vendor Exablox

Cost \$22596.00

Budget Amount \$ _____

General Ledger Account 100 - 130 - 135 - 470 - 126

- Petty Cash
- City Credit Card
- Check Request
- Purchase Order # _____
- KIBSD Central Stores
- Attach Backup Documentation & File
- Fixed Asset – Over 5K – Copy to Finance

Finance Department Head Approval _____ Date _____

Aimee Kniazowski, City Manager Approval (\$10,000 & Up)

13



1156 Sonora Ct
 Sunnyvale, CA 94086
 Phone: +1 855.392.2569

Created Date 12/22/2015
 Quote Number 00001561
 Expiration Date 12/31/2015
 Payment Terms Net 30
 Bill To Name City of Kodiak
 Bill To 710 Mill Bay Road
 Kodiak, Alaska 99615
 United States
 Phone (907) 486 - 8619
 Ship To Name City of Kodiak
 Shipping Contact Lee Peterson
 Ship To 710 Mill Bay Road
 Kodiak, Alaska 99615
 United States

Product	Product Description	Quantity	Sales Price	Subtotal	Discount	Total Price
001-EXA-Drive-6-1Q15-U	8 x 6TB SATA Disk Drive	2.00	\$0.00	\$0.00	0.00%	\$0.00
001-EXA-OneBlox-4312-U	OneBlox 4312	2.00	\$11,995.00	\$23,990.00	20.00%	\$19,192.00
001-EXA-OneSystem-1110-U	OneSystem 4312 - 1 year Standard Support	2.00	\$1,795.00	\$3,590.00	20.00%	\$2,872.00
001-EXA-Rep-2110-U	OneBlox 4312 Replication 1 Year Subscription	2.00	\$795.00	\$1,590.00	100.00%	\$0.00

Comments

This quote includes a 2015 promotion and includes quantity of (8) 6 TB hard drives per appliance at no charge. If the product is returned under the 30 day trial, either the drives must be returned or purchased at a price of \$500.00. This promotion is valid until 12-18-15. The OneBlox4312 has two options 10BaseT and SFP+. Adding in the SFP+ card is not a field upgradable option, please verify you have ordered the correct OneBlox4312

List Price \$29,170.00
 Discount 24.36%
 Total Price \$22,064.00
 Shipping and Handling \$532.00
 Grand Total \$22,596.00

This quotation constitutes an offer by Exablox to sell products and certain services from Exablox in accordance with the attached Terms and Conditions, and it does not constitute an invitation to negotiate. Once Customer issues a purchase order in response to this quotation (or is signed by Customer) : (i) this Exablox quotation will be referred to as an Exablox Quote; and (ii) this quotation together with the attached Terms and Conditions and, if applicable, the Exablox End User Agreement (which governs the Exablox services) will constitute a legally binding agreement by and between the parties (collectively, the "Agreement"). Capitalized terms utilized but not defined in this quotation are defined in the attached Terms and Conditions. The Agreement may be executed: (i) in two or more counterparts, each of which will be deemed an original and all of which will together constitute the same instrument; and (ii) by the parties by exchange of signature pages by mail, facsimile or email (if email, signatures in Adobe PDF or similar format). Each person signing has been duly authorized and empowered to enter into the Agreement on behalf of its respective company. Exablox agrees to refund the entire purchase price of the product if returned to our facility within 30 days from date of arrival. Customer acknowledges that an invoice will be sent out approximately 10 days after shipment and will due and payable within 30 days from the invoice date if the product is not returned.


 Customer

 Date

EXECUTIVE SESSION

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager 

Date: March 17, 2016

Agenda Item: X. a. **City Manager's Annual Evaluation and Contract Review**

SUMMARY: The Mayor and City Council will go into executive session to evaluate the City Manager's annual performance per the Manager's employment agreement, sections 2 and 13. The Manager, Mayor, and Council will also discuss the terms of the contract.

PROPOSED MOTION:

Move to enter into executive session as authorized by Kodiak City Code Section 2.04.100(b)(2) to evaluate the City Manager's performance and discuss the terms of the employment contract.