



# CITY OF GUSTAVUS

## CITY COUNCIL GENERAL MEETING

Monday, September 11, 2023 at 7:00 PM  
In Person at Gustavus City Hall and Via Zoom

### COUNCIL MEMBERS

Mayor Mike Taylor  
Vice Mayor Kyle Bishop  
Council Members: Janene Driscoll, Jim Mackovjak  
Tania Lewis, Shelley Owens, Brian Taylor

### CITY HALL

City Administrator – Kathy Leary  
City Clerk - Charity Smith  
City Treasurer – Ben Sadler  
Phone: 907-697-2451 | [clerk@gustavus-ak.gov](mailto:clerk@gustavus-ak.gov)

DRAFT

## AGENDA

### VIRTUAL MEETING INFORMATION

#### DRAFT GM AGENDA AND PACKET

ID: PASSCODE: TEL:

### ROLL CALL

Reading of the City of Gustavus Vision Statement

### APPROVAL OF MINUTES

- [1.](#) 08-14-2023 General Meeting Minutes

### MAYOR'S REQUEST FOR AGENDA CHANGES

### COMMITTEE / STAFF REPORTS

2. Gustavus Public Library Quarterly Repot
3. Treasurer Monthly Financials
4. City Administrator Report

### PUBLIC COMMENT ON NON-AGENDA ITEMS

### CONSENT AGENDA

### ORDINANCE FOR PUBLIC HEARING

- [5.](#) FY24-03NCO Capital Project Funding to AMLIP Reserve (Introduced 08-14-2023)
- [6.](#) FY24-04NCO AMLIP FY24 R&R (Introduced 08-14-2023)
- [7.](#) FY24-05NCO AMLIP Gravel Pit Fund (Introduced 08-14-2023)

### UNFINISHED BUSINESS

### NEW BUSINESS

8. Swearing in of City Clerk, Liesl Barker
- [9.](#) CY23-XX Establishing Policy and Procedure for Restricted Funds and AMLIP Account Management
- [10.](#) FY23-XX Amendments to Title 3 - Personnel, Chapter 3.05, Section 3.05.020 (Public Hearing 10-09-2023)

### CITY COUNCIL REPORTS

- [11.](#) Mayors Report

### CITY COUNCIL QUESTIONS AND COMMENTS

### PUBLIC COMMENT ON NON-AGENDA ITEMS

## EXECUTIVE SESSION

## ADJOURNMENT

**POSTED ON:** Month Day, 202X at P.O, Library, City Hall & <https://cms.gustavus-ak.gov/>

### ADA NOTICE

*Any person with a disability who requires accommodations in order to participate in this meeting should telephone the City Clerk's office at (907) 697-2451, at least 48 hours prior to the meeting in order to make a request for a disability related modification or accommodation.*

### VISION STATEMENT

*We envision a distinctive community:*

- That prospers while and by protecting its natural resources;*
- With a sustainable economy and infrastructure that assures public health and safety while promoting personal development and initiative; and*
- Where all members take social responsibility and actively participate in decision making affecting growth, development, regulation and enforcement; and*
- In which people retain a closeness with and caring for each other individually and collectively while working together to accomplish community goals and preserve community traditions.*



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### COUNCIL MEMBERS

Mayor Mike Taylor  
Vice Mayor Kyle Bishop  
Council Members: Janene Driscoll, Jim Mackovjak  
Tania Lewis, Shelley Owens, Brian Taylor

### CITY HALL

City Administrator – Kathy Leary  
Acting City Clerk – Karen Platt  
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Phone: 907-697-2451 | [clerk@gustavus-ak.gov](mailto:clerk@gustavus-ak.gov)

## MINUTES - PENDING

### ROLL CALL

#### PRESENT

Mayor Mike Taylor  
Vice Mayor Kyle Bishop  
Council Member Tania Lewis  
Council Member Jim Mackovjak  
Council Member Brian Taylor  
Council Member Janene Driscoll  
Council Member Shelley Owens

### Reading of the City of Gustavus Vision Statement

Counsel Member, Shelley Owens read the City of Gustavus Vision Statement.

### APPROVAL OF MINUTES

1. 07-07-2023 General Meeting Minutes

Motion made by Council Member Taylor to approve by unanimous consent the 07/07/2023 General Meeting Minutes.

Seconded by Vice Mayor Bishop

Hearing no objections, the minutes are approved by unanimous consent.

### MAYOR'S REQUEST FOR AGENDA CHANGES

Mayor Taylor removed Agenda Item 14. Review of Proposal Settlement Agreement and Release of All Claims with James F. Sarraco and Lisa L. Etherington in Sarraco v City of Gustavus and the State of Alaska with Legal Counsel at the request of the City Attorney.

Hearing no objections, Mayor Taylor announced the agenda set as presented minus Agenda Item 14. by unanimous consent.

### COMMITTEE / STAFF REPORTS

2. Gustavus Visitors Association YE Expense / Progress Report  
Gustavus Visitors Association President, Leah Okin submitted a YE Expense and Progress Report and provided an oral summary.
3. Disposal and Recycling Center Quarterly Report  
DRC Manager Ian Barrier submitted a written report and provided an oral summary.
4. City Treasurer Monthly Financials

City Treasurer, Ben Sadler submitted written quarterly report, monthly financials and provided an oral summary.

5. City Administrator Report

City Administrator, Kathy Leary submitted a written report and provided an oral report summary.

### **PUBLIC COMMENT ON NON-AGENDA ITEMS**

Colleen Stansbury - Surveillance Cameras

### **CONSENT AGENDA**

Motion made by Vice Mayor Bishop to adopt the Consent Agenda by unanimous consent.

Seconded by Council Member Taylor.

Hearing no objections, the Consent Agenda is adopted by unanimous consent.

6. FY24-03NCO Introduction of Capital Project Funding to AMLIP Reserve (Public Hearing 09-18-2023)
7. FY24-04NCO Introduction of AMLIP FY24 R&R (Public Hearing 09-18-2023)
8. FY24-05NCO Introduction of AMLIP Gravel Pit Fund (Public Hearing 09-18-2023)
9. Approve Calculation of the Endowment Fund Grant Amount for the FY24 Cycle
10. Approve Hiring of City Clerk applicant, Liesl Barker

### **ORDINANCE FOR PUBLIC HEARING**

11. FY24-02NCO Capital Project Funding to AMLIP Capital Project Current (Introduced 07-17-2023)

Mayor Taylor opened the Public Hearing at 7:57 P.M.

Public Comment: None

Mayor Taylor closed Public Hearing at 7:58 P.M.

Motion made by Council Member Driscoll to move that we move/approve the Ordinance for the City of Gustavus Providing for the Amendment of the City Held Accounts in Fiscal Year 2023 to move the money to the Capital Project Account.

Seconded by Council Member Mackovjak.

Council Comment: None

Voting Yea: Mayor Taylor, Vice Mayor Bishop, Council Member Lewis, Council Member Mackovjak, Council Member Taylor, Council Member Driscoll, Council Member Owens

### **UNFINISHED BUSINESS**

None

### **NEW BUSINESS**

12. CY23-09 Supporting the Alaska Department of Transportation and Public Facilities Airport Fence Upgrade Project

Motion made by Council Member Mackovjak to adopt CY23-09 Supporting the Alaska Department of Transportation and Public Facilities Airport Fence Upgrade Project

Seconded by Council Member Taylor

Public Comment: None

Council Comment:  
Council Member Lewis

Voting Yea: Mayor Taylor, Vice Mayor Bishop, Council Member Lewis, Council Member Mackovjak, Council Member Taylor, Council Member Driscoll, Council Member Owens

## **CITY COUNCIL REPORTS**

### 13. Mayor's Report

Mayor Taylor submitted a written report and provided an oral summary.

## **CITY COUNCIL QUESTIONS AND COMMENTS**

Council Member Owens - Surveillance Cameras

Mayor Taylor - Surveillance Cameras

Council Member Mackovjak - Safe Streets for All Grant

## **PUBLIC COMMENT ON NON-AGENDA ITEMS**

None

## **EXECUTIVE SESSION**

None

## **ADJOURNMENT**

With no further business and hearing no objections, the meeting was adjourned at 8:43 P.M.

## **ADA NOTICE**

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## **VISION STATEMENT**

*We envision a distinctive community:*

- *That prospers while and by protecting its natural resources;*
- *With a sustainable economy and infrastructure that assures public health and safety while promoting personal development and initiative; and*
- *Where all members take social responsibility and actively participate in decision making affecting growth, development, regulation and enforcement; and*
- *In which people retain a closeness with and caring for each other individually and collectively while working together to accomplish community goals and preserve community traditions.*

**CITY OF GUSTAVUS, ALASKA  
ORDINANCE FY24-03NCO**

**AN ORDINANCE FOR THE CITY OF GUSTAVUS PROVIDING FOR THE AMENDMENT OF  
THE CITY HELD ACCOUNTS IN FISCAL YEAR 2024**

**BE IT ENACTED BY THE GUSTAVUS CITY COUNCIL AS FOLLOWS:**

**Section 1.** Classification. This is a **Non-Code Ordinance**

**Section 2.** For the Fiscal Year of 2024, the following City held account balance transfers are to be made for the reasons stated.

**Section 3.** For the current fiscal year, City held accounts are amended to reflect the changes as follows:

<b>CITY HELD ACCOUNTS</b>	<b>Amounts</b>		
	<b>Account Balance*</b>	<b>Amended Balance</b>	<b>Change</b>
FNBA Checking Account	\$ 984,734.40	\$ 684,734.40	<\$ 300,000.00>
<i>Capital Project funds from are being moved to AMLIP accounts per the City's new Restricted Funds and AMLIP policy and new City Banking policy.</i>			
AMLIP Reserve	\$ 479,641.39	\$ 779,641.39	\$ 300,000.00
<i>*Approximate, this is a dynamic value.</i>			

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Total Change in City Held Account Balances	\$ 0.00
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**Section 4.** The City held accounts are hereby amended as indicated.

**Section 5.** Effective Date. This ordinance becomes effective upon its adoption by the Gustavus City Council.

**DATE INTRODUCED:** *August 14, 2023*

**DATE OF PUBLIC HEARING:** *September 11, 2023*

**PASSED** and **APPROVED** by the Gustavus City Council this \_\_<sup>th</sup> day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Mike Taylor, Mayor

\_\_\_\_\_  
Attest: Ben Sadler, City Treasurer

\_\_\_\_\_  
Attest: Kathy Leary, City Administrator

**CITY OF GUSTAVUS, ALASKA  
ORDINANCE FY24-04NCO**

**AN ORDINANCE FOR THE CITY OF GUSTAVUS PROVIDING FOR THE  
AMENDMENT OF THE CITY HELD ACCOUNTS IN FISCAL YEAR 2024**

**BE IT ENACTED BY THE GUSTAVUS CITY COUNCIL AS FOLLOWS:**

**Section 1.** Classification. This is a **Non-Code Ordinance**

**Section 2.** For the Fiscal Year of 2024, the following City held account balance transfers are to be made for the reasons stated.

**Section 3.** For the Fiscal Year of 2024, City held accounts are amended to reflect the changes as follows:

**Amounts**

<b>CITY HELD ACCOUNTS</b>	<b>Account Balance*</b>	<b>Amended Balance</b>	<b>Change</b>
FBNA Checking account <i>*Approximate, this is a dynamic value.</i>	\$1,016,580.61	\$1,000,034.90	<\$ 16,545.71>
AMLIP – Repair & Replacement <i>FY24 budgeted expenses for contributions to a Repair and Replacement Fund for every department.</i>	\$ 355,016.17	\$ 371,561.88	\$ 16,545.71

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Total Change in Account Balances	\$ 0.00
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**Section 4.** The FY24 City held accounts are hereby amended as indicated, and any portion of the approved budget inconsistent with this amendment is repealed.

**Section 5.** Effective Date. This ordinance becomes effective upon its adoption by the Gustavus City Council.

**DATE INTRODUCED:** August 14, 2023

**DATE OF PUBLIC HEARING:** September 11, 2023

**PASSED** and **APPROVED** by the Gustavus City Council this \_\_th day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Mike Taylor, Mayor

\_\_\_\_\_  
Attest: Ben Sadler, City Treasurer

\_\_\_\_\_  
Attest: Karen Platt, Acting City Clerk

**CITY OF GUSTAVUS, ALASKA  
ORDINANCE FY24-05NCO**

**AN ORDINANCE FOR THE CITY OF GUSTAVUS PROVIDING FOR THE AMENDMENT OF  
THE CITY HELD ACCOUNTS IN FISCAL YEAR 2024**

**BE IT ENACTED BY THE GUSTAVUS CITY COUNCIL AS FOLLOWS:**

**Section 1.** Classification. This is a **Non-Code Ordinance**

**Section 2.** For the Fiscal Year of 2024, the following City held account balance transfers are to be made for the reasons stated.

**Section 3.** For the current fiscal year, City held accounts are amended to reflect the changes as follows:

CITY HELD ACCOUNTS	Amounts		Amended Balance	Change		
	Account Balance*					
	<i>*Approximate, this is a dynamic value.</i>					
AMLIP Gravel Pit Fund	\$	18,544.00	\$	24,544.00	\$	6,000.00
<i>Contribution to this AMLIP account per the FY24 approved budget.</i>						
FNBA Checking Account	\$	1,016,580.61	\$	1,010,580.61	<\$	6,000.00>
Total Change in City Held Account Balances					\$	0.00

**Section 4.** The City held accounts are hereby amended as indicated.

**Section 5.** Effective Date. This ordinance becomes effective upon its adoption by the Gustavus City Council.

**DATE INTRODUCED:** August 14, 2023

**DATE OF PUBLIC HEARING:** September 11, 2023

**PASSED** and **APPROVED** by the Gustavus City Council this \_\_th day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Mike Taylor, Mayor

\_\_\_\_\_  
Attest: Ben Sadler, City Treasurer

\_\_\_\_\_  
Attest: Karen Platt, Acting City Clerk



**CITY OF GUSTAVUS, ALASKA  
RESOLUTION CY23-XX**

**A RESOLUTION ESTABLISHING A POLICY AND PROCEDURE  
FOR RESTRICTED FUNDS AND AMLIP ACCOUNT MANAGEMENT**

**WHEREAS**, the City of Gustavus's annual operating budget continues to yield a surplus each year; and,

**WHEREAS**, the City of Gustavus's current policy of moving funds from its investment accounts into the City's non-interest bearing checking account prior to the start of each capital project, costs the City interest income in excess of thousands of dollars each year; and,

**WHEREAS**, the Gustavus City Council has instructed the City Treasurer to create a Policy & Procedure that outlines the correct steps for allocating funds from one account to another in a manner that produces the highest yields from its current monetary assets; and,

**WHEREAS**, formal action is needed to adopt Policy and Procedure in order to manage restricted funds in the future.

**NOW THEREFORE BE IT RESOLVED**, that the Gustavus City Council adopts the document entitled "Policy and Procedure for Restricted Fund Balance and AMLIP Account Management", as presented by this Resolution.

**PASSED and APPROVED** by the Gustavus City Council this \_\_\_\_day of \_\_\_\_, 2023, and effective upon adoption.

\_\_\_\_\_  
Mike Taylor, Mayor

\_\_\_\_\_  
Attest: Ben Sadler, City Treasurer

## AMLIP Account Management

### POLICY

The City of Gustavus has determined it to be sound financial practice to maintain funds which exceed that needed to pay near-term obligations in interest-bearing accounts managed by the Alaska Municipal League Investment Pool (AMLIP) and to move funds to a non-interest-bearing checking account only as they are needed to pay bills for projects being completed. The AMLIP account is split into specific AMLIP sub-accounts which shall be used to set aside funds for key categories of savings as set forth in the City Code of Ordinances. Furthermore, a reserve account shall be maintained to cover unexpected variations in revenue or expenses due to extraordinary circumstances that may push the budget into deficit or challenge the City's ability to meet its financial obligations. Interest earned in AMLIP savings accounts shall accrue to the balance in the specific account but may be re-assigned to another category of account or appropriated to projects or the operating budget by the Council when accounts are rebalanced. At the start of each fiscal year the Treasurer will recommend to the Council that the funds held in these accounts be reviewed and adjusted in accordance with the policy herein.

### PROCEDURE

The treasurer shall set up and manage AMLIP funds as follows:

#### AMLIP Capital Improvement – Current

The AMLIP account “Capital Improvement – Current” is an interest-bearing holding account for all funds appropriated for Capital Projects by the City Council and approved through the NCO process. Funds placed in this account will be withdrawn and put in a checking account as needed to pay for the expenses incurred for the projects for which they were allocated. The treasurer will track these funds and will return any unused funds to a source account upon the completion of each project.

Upon approval of a Capital Project a two-step NCO will be created by the City treasurer to move funds from the source account into AMLIP account Capital Improvement -Current and from Capital Improvement – Current into the City's checking account. Once the NCO has been approved by the City Council, the treasurer will have the funds moved from the source account into AMLIP account Capital Improvement – Current. Transferring these allocated funds into the City's checking account to pay for the construction project will be delayed until the project is underway, and the funds are needed to pay the project's expenses. The treasurer will create a document tracking these funds and will return any unused funds to a source account upon the completion of each project in which funds were allocated.

#### AMLIP Capital Improvement – Long-term

The AMLIP account “Capital Improvement – Long-term” is an interest-bearing holding account for surplus funds or other funds the City Council deems appropriate to save for future Capital Projects. The City Council can at any time instruct the treasurer to move funds to or from Capital Improvement – Long-term through the NCO process for Capital project funding or other project funding as the City Council deems appropriate.

### AMLIP Repair and Replace \*

The AMLIP account “Repair and Replace” is an interest-bearing holding account for the City’s Repair and Replace (R&R) savings for major infrastructure assets. Each year the treasurer will recommend that an expenditure of funds, based on the 10% or 10-year philosophy (see appendix 1), be inserted into the budget. This amount will be included in the operating budget and approved through the budget process. With final budget approval, the treasurer will prepare an NCO for council approval to move the appropriated annual R&R savings contribution from a source account, e.g., checking, into the AMLIP R&R account. These funds will be held until the City Council deems it necessary to expend them for repairing or replacing the City’s assets for which they are being held. AMLIP R&R savings shall not be appropriated for uses other than repair or replacement of infrastructure assets.

### AMLIP Gravel Pit Fund

The AMLIP Gravel Pit Fund is an interest-bearing holding account for funds set aside to be used for future gravel pit infrastructure expansion or equipment purchases. Each budget cycle, the mayor and treasurer will recommend to the Council an operating budget appropriation to the AMLIP Gravel Pit Fund. With final budget approval, the treasurer will prepare an NCO to transfer these funds from an appropriate source account into the AMLIP Gravel Pit Fund account. AMLIP Gravel Pit Funds shall not be appropriated for uses other than as needed for the gravel pit.

### AMLIP Operating Budget Backup Fund

### AMLIP Reserve

The AMLIP Reserve is an interest-bearing holding account for operating budget backup and for surplus funds the City has not allocated or appropriated to any other account. The City Council may direct the treasurer to move any portion of surplus funds from checking or other AMLIP accounts into AMLIP account Reserve. It is the intent of this policy that the AMLIP Reserve balance be maintained above the current year’s approved operating budget, only to be drawn from under exceptional circumstances such as an unexpected shortfall in budgeted revenue, or fiscal crisis that challenges the City’s ability to meet its obligations. At the beginning of the new fiscal year, the treasurer shall assure that the AMLIP Reserve account balance equals or exceeds the approved new fiscal year operating budget. If necessary, the treasurer shall prepare an NCO for council approval to adjust the AMLIP Reserve balance to meet or exceed the policy minimum.

\* Appendix 1.

For replacement of items with a life expectancy of more than one year but not more than ten years, the city should set aside 100% of the replacement value in order to purchase the item when needed. To calculate the amount to set aside each year, divide the replacement cost by its life expectancy.

For replacement of items with a life expectancy of more than ten years, the city should set aside 10% of the replacement value of each item. To determine the amount to set aside each year, multiply the estimated replacement cost by 10%, then divide that by the life expectancy of the asset. These are typically larger assets that the city would be looking for outside replacement funding for, and the R&R savings could be used as a down payment for a loan, a match for a grant, etc.

**CITY OF GUSTAVUS, ALASKA  
RESOLUTION CY23-XX**

**A RESOLUTION BY THE CITY OF GUSTAVUS UPDATING THE BENEFITS POLICY AND  
PROCEDURE FOR ELIGIBLE REGULAR POSITION EMPLOYEES**

**WHEREAS**, the City of Gustavus values its employees and intends to compensate employees competitively within our region; and

**WHEREAS**, the City of Gustavus wishes to provide adequate benefits for its qualifying employees for their health and financial security; and

**WHEREAS**, the City of Gustavus recognizes that from time to time these policies need to be updated or amended; and

**WHEREAS**, the City of Gustavus recognizes that formal action is needed to further clarify procedures under the City of Gustavus Policy and Procedure For Eligible Regular Position Employees.

**NOW THEREFORE, BE IT RESOLVED** that effective upon adoption, the City of Gustavus updates its Employee Benefits Policy and Procedure for Eligible Regular Position Employees as attached:

**PASSED** and **APPROVED** by the Gustavus City Council this XX<sup>th</sup> day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Mike Taylor, Mayor

\_\_\_\_\_  
Attest: Ben Sadler, City Treasurer

**CITY OF GUSTAVUS**  
**POLICIES AND PROCEDURES**

**TITLE: CITY OF GUSTAVUS BENEFITS POLICY AND PROCEDURE FOR ELIGIBLE  
REGULAR POSITION EMPLOYEES EFFECTIVE MAY 11, 2020**

**BACKGROUND:**

By Ordinance FY2012-13 adopted April 12, 2012, the Gustavus City Council approved a major revision to Title 3, Personnel. Revised Title 3 provides that it is the policy of the City of Gustavus to establish and amend, from time to time, by resolution, a written benefits policy, which describes various non-wage compensations that the City provides to employees in addition to wages or salaries. [CoG 3.05.01]

Consistent with the provisions of revised Title 3, the City Council adopted by Resolution 2018-01 this "City of Gustavus Benefits Policy," which applies to all eligible Regular Position employees. This updated policy, effective, replaces all previous City of Gustavus benefits and leave policies. [CoG 3.04.01(b) (1)]

As the City of Gustavus continues to try to remain competitive with other employers in the area, it has been decided that allowing new hires access to benefits previously reserved for those employees who had completed their probationary period will help in recruiting new employees who can find this immediate access to benefits elsewhere in the community.

It has been decided that adding Martin Luther King Day as a paid holiday also brings the City closer to other similar employers in the area who offer more than the current nine paid holidays the City offers.

**I. Health Insurance**

The City of Gustavus offers a group health insurance plan to all Regular Exempt and Non-Exempt Position employees. This self-only plan (no spouse or dependent coverage) is offered to all eligible employees, and the City may only exempt those eligible employees who provide proof that they have health insurance offered by other means.

For those qualified employees opting into the City's group health plan prior to June 15, 2018, the City will pay 100% of the premiums until the monthly premium amount increases to \$700. Once the \$700 premium amount is exceeded, the employee will contribute to the premium until the City/employee premium contribution ratio reaches 80%/20%, respectively. This 80%/20% ratio will then be maintained as premiums rise or decrease.

Any qualified employees opting into the City's plan after June 15, 2018, will enter at the 80%/20% contribution ratio.

For those employees who do not choose to elect the group health insurance plan offered by the City, a \$200.00 monthly stipend is offered to offset the additional cost of that coverage provided from outside sources. This stipend is similar to a monthly bonus in that it is subject to payroll taxes, is reported as income, does not count toward the accrual of paid time off (PTO), and is not included in the base wages considered for the City match in the Retirement Savings Plan. The stipend is included during the regularly scheduled payroll.

**POLICY:**

To qualify for participation in this program, the employee must be ~~(1)~~ a Regular Exempt or Non-Exempt Position employee ~~who (2) is no longer in their probationary period.~~ For employees that elect not to participate in the health insurance program offered by the City, evidence that they are insured via other means is required.

**PROCEDURE:**

- (A) For those employees NOT selecting City provided insurance:

On a monthly basis, the City Treasurer will add the health insurance stipend to the employee's paycheck in an amount of \$200 gross wages for all Regular Exempt and non-Exempt employees. All stipend amounts are subject to tax reporting and withholding, and the employee will be paid a net amount. If an employee is on unpaid leave during the month and drops below an average of 20 hours worked per week for the month, the stipend will be prorated based on the percentage of the actual hours worked divided by 20 hours per week for the month.

Employees declining enrollment because of other health care coverage may in the future enroll if they have involuntarily lost their other coverage and an enrollment application is received by the insurance company within 60 days after their other coverage ends. See the group insurance documentation for details.

- (B) For those employees enrolling in City provided insurance:

Initial enrollment occurred by May 15, 2018 for coverage beginning June 1, 2018. Thereafter, employees may enroll during the group health plan renewal period each summer with coverage beginning September 1. **For new employees, enrollment is effective on the first of the month following 60 days after the hire date or after the probationary period ends, subject to the insurance company policies.** Prior to September 1 each year, the Employees may enroll in the city insurance program, or decline enrollment with proof of other coverage, for the following 12 months. Employees may not cancel insurance or sign up for insurance except during this open enrollment period unless they meet the exceptions provided by the insurance company. See the group insurance documentation for details.

If an employee is on unpaid leave during the month and drops below an average of 20 hours worked per week, the city-paid portion of the premium will be prorated based on the percentage of the actual hours worked divided by 20 hours per week for the month with the employee responsible for paying the city for the remainder of the premium before their next paycheck is issued. For employees with an unpaid furlough, the employee may either pay the full premium cost in advance to the city each month for the months not working or may cancel their enrollment and re-enroll once they begin working again. For employees with an assigned work schedule of less than 20 hours per week for the month (e.g. no unpaid leave is being taken), the city-paid portion will remain at 80%.

## II. Deferred Compensation Program, a 457(b) Retirement Savings Plan

The City participates in a 457(b)-deferred compensation program with Lincoln Financial Group. A 457(b) plan is a type of tax-advantaged deferred-compensation retirement plan that is available to state or local governments and their agencies. The employer provides the plan and the employee defers compensation into it on a pre-tax basis. Participation is voluntary. The participant contributes a flat amount or percentage of his/her choice each month, which is withdrawn from the monthly paycheck. The City will match the employee's monthly contribution up to a maximum of 7% of the employee's straight time pay, overtime pay, and paid time off pay for the month. Health insurance stipends are not included in the percentage matched. Regular Position employees may contact the City Clerk or Treasurer for more information. ~~This benefit commences upon satisfactory completion of the probationary period.~~

## III. Paid Holidays [CoG 3.05.02]

The City of Gustavus observes the following ~~nine~~ ten holidays:

1. New Year's Day (January 1)
2. Martin Luther King Day
2. President's Day (third Monday in February)
3. Memorial Day (last Monday in May)
4. Independence Day (July 4)
5. Labor Day (first Monday in September)
6. Veterans Day (November 11)
7. Thanksgiving (fourth Thursday in November)
8. Day after Thanksgiving
9. Christmas (December 25)

- The City will grant an eight-hour day of paid holiday time to all full-time Regular Position employees or a pro-rated amount based on the employee's approved base hours. The Table below is an example of calculating holidays.

Hours of Holiday Pay	Work Schedule
8	full-time employee
7	87.5% (35 hours/week)
6	75% (30 hours/week)
4	50% (20 hours/week)

- Holiday pay will be calculated based on the employee's straight-time pay rate as of the date of the holiday. Employees will not receive additional compensation when a recognized holiday falls on a day an employee is on Paid Time Off. Employees will not receive compensation for a holiday that occurs on a day that the employee is on an unpaid leave of absence.
- ~~• This benefit will commence upon satisfactory completion of the probationary period.~~
- See Gustavus Municipal Code 3.05.02 for the application of the policy to Monday through Friday and Tuesday through Saturday work weeks.



#### IV. Sick Leave and Paid Time Off (PTO)

##### Sick Leave

The City of Gustavus is aware that from time to time employees need to take care of sick family members or need to take time to address an illness. This benefit will be granted to all Regular Position employees in a pro-rated amount based on the employee's approved base hours. The City will grant 40 hours of paid sick leave per fiscal year. The Table below is an example of calculating the benefit.

Hours of Sick Leave	Work Schedule
40	full-time employee
35	87.5% (35 hours/week)
30	75% (30 hours/week)
20	50% (20 hours/week)

This benefit can be used for personal sick time, sick time to care for a family member within the employee's household, and travel to doctor's appointments or care facility. Absence for periods that exceed three (3) working-days may require a doctor's note or other documentation of the requirement for the absence from a professionally recognized care provider.

The following provisions apply to the Sick Leave benefit:

- Sick Leave does not have a cash monetary value and cannot be sold back to the City.
- Sick leave may accrue without restriction.
- Annual sick leave accruals allocation begins July 1 of each year, and end June 30 of each year.
- ~~For new hires, sick leave will accrue retroactive to the date of hire if and when the employee satisfactorily completes the probationary period.~~
- An employee must receive approval from his/her supervisor for Sick Leave. In cases of emergency illness, an employee must let his/her supervisor know about the absence as soon as possible.

##### PTO

The City of Gustavus recognizes that employees have diverse needs for time off from work. PTO will cover all forms of personal time off and vacation. This benefit will be granted to all Regular Position employees in proportion to the hours worked each month.

Paid Time Off is a provision for time taken off from an employee's regularly scheduled work hours. PTO may not be applied to days and hours the employee is not scheduled to work. With the exception of the permitted 120-hour carry-over of unused PTO hours at the start of a new fiscal year, PTO not taken during regularly scheduled work hours will be forfeited. Unused accrued PTO is cashed out only when an employee terminates.

- An employee's annual PTO benefit accrues in accordance with employment longevity as shown in the table below. Accrual rates for a new longevity category begin on the first day of the month of the employment anniversary.
- Annual PTO benefit accruals begin July 1 of each year and end June 30 of each year.
- A maximum of 120 hours of PTO may be carried over into the next fiscal year, **unless under extenuating circumstances as determined by the Mayor, an employee may exceed the maximum 120 hours of PTO and carryover the balance into the next fiscal year.**
- Accrued PTO hours beyond 120 at the end of the fiscal year will be forfeited **unless extenuating circumstances are approved by the Mayor.**
- ~~For new hires, PTO will accrue retroactive to the date of hire if and when the employee satisfactorily completes the probationary period.~~
- An employee must receive approval from his/her supervisor for planned PTO. Approval of PTO is contingent upon the needs of the department/facility. In cases of emergency or illness, an employee must let his/her supervisor know about the absence as soon as possible.
- Upon termination an employee shall be paid the value at the time of cash-out of remaining PTO.
- PTO must be used in full before an employee may request unpaid leave.

### Longevity Categories

PTO is accrued on an hourly basis and is credited on the monthly pay check in proportion to the actual hours paid that month. Accruals are based on longevity, that is, the number of years employed in a Regular Position with the City of Gustavus. The following table depicts Annual PTO accrual for a fulltime Regular Position, 2,080 hours/year.

Longevity (calculated from the employee's first day of work, regardless of FTE)	Annual PTO Accrual, Fulltime equivalent (FTE)	Accrual Rate of PTO hours per actual hours paid*
Less than two (2) years	80 hours	0.03833
Two (2) through five (5) years	120 hours	0.05778
Six (6) or greater years	160 hours	0.07694

\*"Actual hours paid" means the total paid hours, including holiday hours and used PTO hours, but not including bonuses, stipends, or pay adjustments when correcting a payroll error.

### Formula

- The same accrual rate works for any employee in a given Longevity Category. Accrual rate = annual PTO accrual allotment divided by 2080, then rounded to what the QuickBooks payroll software allows.
- Accrued PTO hours on a monthly (or any) paycheck for hourly employees = (number of hours paid) x (accrual rate)
- Accrued PTO hours on a monthly paycheck for salaried employees = (annual hours of PTO accrual from the table above)/12 months (prorated if unpaid leave is used that month)

### Jury Duty / Jury Leave

In order that city employees may fulfill their civic responsibility as jurors or subpoenaed witnesses, all regular employees are granted leave of absence with pay for these purposes. It is the responsibility of the employee to keep her/his supervisor or department head informed of the anticipated time to be spent away from the job for this purpose. Employees will be compensated for jury duty that occurs on their regularly scheduled workday in the amount listed in their base hour's agreement.

Any pay received by regular employees from a court system must be promptly submitted by the employee to the city to offset part of the cost of such absences. Temporary employees receive leave without pay and may retain the payment from the court. The Table below is an example of calculating jury duty/jury leave.

Hours of Jury Duty/Leave Pay	Work Schedule
8	full-time employee
7	87.5% (35 hours/week)
6	75% (30 hours/week)
4	50% (20 hours/week)

### V. Compensatory Time Off

The City of Gustavus does not offer Compensatory Time Off.

### VI. Flexible Work Schedule

The City of Gustavus recognizes that alternative work schedules can foster a positive work/life balance. To this end, regular position employees may be allowed by their supervisor to have a flexible work schedule. Hours worked by each regular position employee may be flexed during the work month as approved by their supervisor, provided core business hours are covered and job duties are being completed. The Mayor and/or City Administrator may designate core hours for each employee. For non-exempt employees, hours worked per week may not exceed 40 hours without prior approval for overtime (Municipal Code 3.06.020).

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Signed

Mayor of the City of Gustavus

Date

## **Updating AP&T's Power Rates to Reflect Changing Costs of Operations**

*August 18, 2023*

Since 2019, inflation has significantly increased the costs of living and doing business in rural Alaska. Just like you, Alaska Power & Telephone (AP&T) has experienced its effects. In response to the rising cost of providing services, its power subsidiary, Alaska Power Company (APC), has filed a request to the Regulatory Commission of Alaska (RCA) for a rate increase.

Unlike our vendors and suppliers, APC cannot increase prices at its own discretion, in step with rising costs. Instead, it must request RCA approval for new rates. Despite our employees' best efforts to manage expenses, the actual cost of operations in 2022 indicates that APC experienced a revenue deficiency of \$3,655,594.00, and must increase its rates to offset this shortfall.

This is difficult news for our customers, as well as for our company. We do not like having to increase the price of an essential service. At the same time, APC must be able to generate enough revenue to provide safe, efficient service to the families and businesses that depend upon us.

**AP&T is committed to transparency and fairness to the customers we serve.** Here is how you can be certain these principles will be upheld during APC's rate case:

1. **Public Disclosure. APC's filing is a public process.** The initial filing is available for public review here: <https://rca.alaska.gov/RCAWeb/Filings/EDocList.aspx?id=32294758-d3ae-49d5-85ce-fc39142bcd2> Updates will be posted to the RCA's website throughout the process.
2. **Justifiable Costs Based on Actual Operations.** APC filed a "Revenue Requirement Study" that provides significant detail on its actual cost of operations in 2022, and its revenue shortfall. This study is included in the filings at the link above.
3. **Fair Rate Design.** APC hired a consulting firm to develop "Cost of Service" and "Rate Design" studies that analyze the costs involved in serving various customer types. APC's rates are based on the outcome of these studies.
4. **Third Party Review by Multiple Analysts.** To protect the public interest, the RCA will ask the Office of the Attorney General, Regulatory and Public Affairs section (RAPA) to participate in the docket. Once in the case, RAPA will scrutinize APC's filing, raising questions and requesting additional information.
5. **The RCA Determines Rates.** APC requests rates, but the RCA ultimately determines what is just and reasonable.

A rate case process typically takes 15 months, due to the detailed review and analysis required. APC requested a 15% interim rate increase to help cover revenue shortfalls during the review period to ensure continuity of operations. This increase would be implemented no earlier than October 1, 2023.

APC's rate case also proposes forward-thinking features that will be beneficial to our customers.

1. **Time of Use Rates.** Optional "time of use" rates, allowing customers to benefit from lower pricing during "off-peak" times.
2. **IPEC and NPS Rates.** Rates specific to Inside Passage Electrical Cooperative and the National Park Service facilities in Gustavus.
3. **Improved Consistency.** Reorganization of Gustavus' hydropower assets, so that the community's PCE is calculated similarly to PCE in other APC service areas with hydropower assets.

AP&T welcomes feedback and engagement from its customers; it helps us to better serve you, and to be a stronger company. If you have any questions, please feel free to reach out to Jason Custer, Vice President of Regulatory & Government Affairs, at [Jason.c@aptalaska.com](mailto:Jason.c@aptalaska.com). Thank you for your patience during this difficult process.



**City of Gustavus**

P.O. Box 1

Gustavus, AK 99826

Phone: (907) 697-2451

April 22, 2023

Mr. Jim Baumgartner,  
Manager of Permitting, Licensing, and Compliance  
Alaska Power and Telephone Company  
PO Box 34195  
Juneau, AK, 99803  
Via Email: james.b@aptalaska.com

Dear Mr. Baumgartner,

**Subject: Public access to Falls Creek via the Hydro Road in Gustavus**

Thank you for your helpful phone call and follow up emails of Friday August 18, 2023. I appreciate understanding the company's position after its review. Your email stated:

AP&T has asked its legal counsel to interpret the private easement documents that establish access to the Falls Creek Project. Our attorney advised us that the easement narrowly establishes egress and ingress for Alaska Power and Telephone staff, State of Alaska, and adjoining property owners as well as their agents. It does not grant broader vehicle access for members of the public. Based on this read, land owner access permitting is not in conflict with these private easements. AP&T is preparing a billing insert to inform its Gustavus Area customers in a future billing cycle.

Regarding public access and the Project's FERC license, there are two license articles pertaining to project access: Article 417 Road Management Plan and Article 418 Public Access and Recreation Plan. The 2005 Road Management Plan was developed and approved before project development and remains unchanged. It calls for a first gate closing the private easement spur to public vehicular use. The Recreation Plan has been subsequently amended in 2015 and approved by FERC. This plan only requires a single gate at the project access point. Although the two plans are inconsistent, they do not necessarily conflict. Since the road management plan requires a second access gate at Rink Road, we are planning to meet this requirement.

We do recognize that the project's environmental scoping documents intended for members of the public to access the project by land. To correct this, we plan

to negotiate a broader easement document with the property owner to authorize public pedestrian access to the project across these private lands.

I understand from our phone call that the Bear Track Inn is editing their permission form and apparently expects to continue to require the public to get the Inn's permission to use the Hydro Road.

Delegating access permission determinations to the Bear Track Inn may violate AP&T's FERC permit to operate the Falls Creek Hydro Facility. It certainly is not in the public interest. I urge AP&T to postpone sending customers a billing insert suggesting that the Bear Track Inn may require Hydro Road users to get the Inn's permission to use the road. Please reconsider based on the following points.

AP&T's recognition that "the project's environmental scoping documents intended for members of the public to access the project by land" is key. Public access to the project lands and the State and National Park lands beyond, was an enabling condition of the land transfer from the National Park wilderness to the State of Alaska. That expectation was documented in the project EIS and in the FERC license order. The Gustavus Electric Company (GEC), succeeded by AP&T, is responsible under the FERC license for assuring public access as detailed in the FERC-approved Article 417 Road Management Plan and Article 418 Public Access Plan. Public access to the project lands is integral and essential to the overall project. GEC purchased easements from three adjacent property owners along the access road route for *all* the purposes of the project. Regardless of how the current managers of the Bear Track Inn may interpret the easement, GEC reasonably expected that the easements it purchased were sufficient to enable the full requirements of the FERC permit, including enabling public access. Presumably, Inn owner Janie Olney, when she sold and signed the easement, also understood that public access via the easement was integral to the project. The 2004 EIS record, the 2004 FERC License Order, and the 2005 Motion to Intervene document that the Bear Track Inn opposed the land transfer and the FERC license, on grounds that it would "cause substantial damage to their ongoing business" as a "wilderness lodge." The regulators rejected that notion. The EIS and FERC License Order noted that "the Inn is located about 200 yards from the road."

Just because an easement is not explicitly stated as "public" doesn't mean it is not public. There are platted "access and utility easements" throughout Gustavus that are treated as public without being explicitly identified as such. The City maintains roads in such subdivisions and all residents use them freely. Further, if a property owner has been granted an access easement across their neighbor's property for a driveway, the owner may invite (grant) any members of the public to visit via the driveway easement without getting permission for each of them from the easement grantor. Because the public has used the Hydro Road to access the Falls Creek area since its construction, the public may have strengthened access rights through adverse possession. Between 2006 and 2011, the Falls Creek hydro project received \$2.75 million in public funding.

AP&T is the manager, maintainer, and operator of the Hydro Road and is responsible for assuring public access. AP&T not only has the *right* to grant public access to the Hydro Road without hinderance from the Bear Track Inn—it is *obligated to do so under its FERC permit*. The EIS, page 4-200, states “GEC is responsible for implementing license conditions established for the project by FERC.” Therefore, AP&T cannot delegate permitting decisions to an outside party who might deny access to a rightful applicant. If an adjacent property owner has a complaint that road users are not complying with the requirements of the Road Management Plan, the Recreation and Public Access Plan, or the specific easement on their property, the property owner can appeal to AP&T to enforce the requirements on users of the road, but they cannot directly block rightful public use. If a property suffers damage from trespassers, the owner should seek help from law enforcement authorities. They should not attempt to block access to other law-abiding users of the road.

In the hundreds of times that I have hiked the Hydro Road and observed others, people have always appeared respectful of the rules and of adjacent properties along the route up to the gate. Rarely is there a sign even of litter. Only once—on July 26, 2023—did I observe an apparent violation of Road protocols. That afternoon an AP&T employee unlocked the project gate and allowed the Bear Track Inn van to drive two guests up to the overlook area, from which they hiked down the road.

The most efficacious and least costly solution to the present dispute would be to return to the access model that has been in place since about 2008, in which the public, including visitors from afar, is granted access by the utility within the stipulations of the Road and Recreation Plans and no extraneous permit is required. A sign at the start of the Hydro Road reminding users of their responsibilities to avoid impacts on neighbors would be appropriate. The City can partner with AP&T to promote respectful, no-impact use of the road by all. There should be zero impact on neighboring properties or operations. If the Inn operators feel they are being impacted by recreational users or by AP&T, they may direct their complaint to AP&T as operator of the road.

The option of building a parking area and placing a gate at or near the start of the Hydro Road and allowing only pedestrian and bike access beyond that point, *without need for a permit issued by the Inn*, would also probably meet the terms of the FERC license and be acceptable to the public. It would require costly surveying and construction, however. There is a 20 ft wide easement along the east edge of the Bear Track Ridge subdivision that should not be blocked by the gate. The parking area should be sized to accommodate more than five vehicles. I have seen six or more at a time at the existing parking areas near the project entry gate and increasing recreational use in the future should be expected. Frankly activity around such a parking area may prove more noticeable at the Inn than the present pattern where vehicles drive by, usually quietly, without stopping.

Finally, if use patterns, impacts, or violations of Road and Recreation Plan protocols suggest the need for a permit system, then AP&T should issue the permits, rather than the local lodge. The permit system would need to work for both residents and visitors. It is highly unlikely that such additional controls will be needed.



There is no present objective need for a permit system. Although the Inn has reported a few incidents of vandalism and disturbance around their facility, they have offered no evidence that those events had anything to do with recreational use of the Hydro Road. The perpetrators are apparently unknown as are their motives. One hopes that there will be no further deplorable events. It is, however, unlikely that their proposed permit system would deter someone bent on vandalizing or carousing in the area. Should unlawful acts occur, the Inn owners can reasonably file a report with the State Troopers.

As Mayor, I hope to achieve a satisfactory resolution meeting the legitimate needs of all parties concerned. The public should have free access in accordance with the Road Plan and Recreation Public Use Plan and that use may grow over time. The adjacent property owners should feel confident that users of the road will not materially impact their properties or operations. AP&T should be able to manage and operate the road in support of all the objectives of the Falls Creek Hydroelectric Project and in compliance with their license. I pledge to continue to work with AP&T and adjacent property owners to achieve those goals.

Sincerely,

*Mike Taylor*

Mike Taylor  
Mayor  
City of Gustavus

Copy: Mr. Darren Belisle, AP&T, via email: [Darren.b@aptalaska.com](mailto:Darren.b@aptalaska.com)