



# CITY OF KOTZEBUE NOTICE

## Regular City Council Meeting Agenda

April 18, 2024 at 5:15 PM

City Hall Chambers – 258 A Third Avenue

---

### THE PUBLIC IS ENCOURAGED TO ATTEND.

For residents who want to participate telephonically call: **1-800-315-6338**; access code:  
**49401#**

**I. Call to Order**

**II. Roll Call**

a) Excusal Request-Joshua Hadley

**III. Invocation/Moment of Silence**

**IV. Pledge of Allegiance**

**V. Adoption of The Agenda**

**VI. Adoption of Minutes**

a) March 21, 2024

b) April 4, 2024

**VII. Citizen Comments**

**VIII. Correspondence**

a) C.O.K. 2024 Denali Commission Funding Opportunity Application-Cape Blossom Road and Prot Project-Phase II

**IX. Unfinished Business**

a) Maniilaq EMS Contract

b) Representative Thomas Baker-Funding Update Swan Lake Loop and Update  
Legislative Report

**X. New Business**

a) **ORDINANCE NO. 24-03**, A NON-CODE ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE APPROVING THE SALE OF A PORTION OF CITY-OWNED REAL PROPERTY LOCATED WITHIN LOT 10, BLOCK 13, USS 2863 TO THE NATIVE

VILLAGE OF KOTZEBUE ("NVK") FOR THE FAIRMARKET VALUE OF ONE HUNDRED AND SEVENTY THOUSAND DOLLARS AND NO CENTS (\$170,000.00).

**b) RESOLUTION 24-25**, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE ACCEPTING THE BDO BID TO PROVIDE AUDITING SERVICES FOR THE CALENDAR YEARS 2023, 2024, 2025 AND 2026."

**c) RESOLUTION 24-26**, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE DESIGNATING THE MAYOR AS THE CITY OF KOTZEBUE REPRESENTATIVE TO SIGN STATE REVOLVING FUND DOCUMENTS."

**D.** Manager's Reports

1. City Manager
2. Holland and Hart
3. The Mulder Company
4. Joe Evans City Attorney
5. Finance Director
6. Public Works
  - i. Public Works Water
7. Police Department
8. Fire Department
9. Parks & Recreation
10. Package Store
11. Public Relations/Human Resources
12. Planning Department

**XI. Council Members Comments**

Seat A: Ernest Norton

Seat E: Kathleen Sherman

Seat G: Johnson Greene

Seat C: Joshua Hadley

Seat B: Derek Haviland-Lie

Seat F: Vacant

Seat D: Saima Chase

Youth Representative: Finnian Sweeney

**XII. Executive Session**

**XIII. Adjournment**



## **CITY OF KOTZEBUE NOTICE**

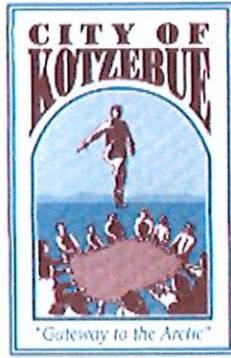
**MAYOR SAIMA CHASE HAS  
SCHEDULED THE NEXT REGULAR CITY  
COUNCIL MEETING FOR**

**THURSDAY, APRIL 18, 2024 AT 5:15 pm.**

***IN THE COUNCIL CHAMBERS LOCATED AT  
258 A Third Avenue***

\*\*\*\*\*  
**THE PUBLIC IS ENCOURAGED TO ATTEND**  
FOR RESIDENTS WHO WANT TO PARTICIPATE TELEPHONICALLY CALL  
1-800-315-6338 ACCESS CODE 49401#

Posted: 04/15/2024  
City Hall/ City FB Page  
KOTZ Radio  
Department Heads  
P.O.  
Bank  
A.C



## **CITY OF KOTZEBUE NOTICE**

**MAYOR SAIMA CHASE HAS  
SCHEDULED THE INTRODUCTION OF  
NON-CODE ORDINANCE 24-03 FOR THE  
NEXT REGULAR CITY COUNCIL  
MEETING ON  
THURSDAY, APRIL 18, 2024 AT 5:15  
IN THE COUNCIL CHAMBERS LOCATED AT  
258 A Third Avenue**

### **This Ordinance 24-03 is entitled:**

**"A NON-CODE ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE APPROVING THE SALE OF A PORTION OF CITY-OWNED REAL PROPERTY LOCATED WITHIN LOT 10, BLOCK 13, USS 2863 TO THE NATIVE VILLAGE OF KOTZEBUE ("NVK") FOR THE FAIRMARKET VALUE OF ONE HUNDRED AND SEVENTY THOUSAND DOLLARS AND NO CENTS (\$170,000).**

**[A copy of the proposed Ordinance 24-03 is attached hereto]**

\*\*\*\*\*

**THE PUBLIC IS ENCOURAGED TO ATTEND**  
FOR RESIDENTS WHO WANT TO PARTICIPATE TELEPHONICALLY CALL  
1-800-315-6338 ACCESS CODE 49401#

Posted: 04/12/2024  
City Hall/ City FB Page  
KOTZ Radio  
Department Heads  
P.O.  
Bank  
A.C

CITY OF KOTZEBUE  
CITY COUNCIL MEETING  
EXCUSAL REQUEST

I, Joshua Hadley, Councilor for the City of Kotzebue, request to be excused from the City Council \_\_\_ regular [KMC 2.20.030]/\_\_\_ special [KMC 2.20.040]/\_\_\_ conference [KMC 2.20.050] meeting of 4/18/2024 for the following reason:  
[Date]

- PERSONAL** (family/relative death, illness or assistance) [KMC 2.28.100(F)]
- MEDICAL** (illness, doctor's appointments) [KMC 2.28.100(F)]
- MILITARY SERVICE** [KMC 2.28.100(F)]
- WORK-RELATED TRAVEL** [KMC 2.28.100(F)]
- TRAVEL** (Council related; counted present if appear telephonically)
- WEATHER RELATED EMERGENCIES** [KMC 2.28.100(F)]
- OTHER** (jury duty, vacation, etc.) Specify: \_\_\_\_\_

I, Joshua Hadley, Councilor for the City of Kotzebue, provided advance notice of my impending absence for the above referenced City Council RCCM, SCCM or Conference Meeting to the City Clerk by \_\_\_ phone call \_\_\_ e-mail \_\_\_ written note on the 15 day of April, 2024, at 9:30 am/pm. At that time, I informed the City Clerk I \_\_\_ would \_\_\_ would NOT attend the above referenced meeting by teleconference.

Joshua Hadley  
Council Member Name [Printed]

Joshua J. Hadley  
Council Member Signature

4/15/2023  
Date

\*\*\*\*\*

Completed Form Received by City Clerk on this date: April 15, 2024

[Signature]  
City Clerk Signature

\*\*\*\*\*

### City Council Action

This Excusal Request came before the City Council on the \_\_\_ day of \_\_\_\_\_, 20\_\_.

On a Motion duly made and passed, this Excusal Request was:

- was APPROVED
- was DENIED, because \_\_\_\_\_  
[reason for denial to be entered by Mayor/Vice Mayor at time of denial]

[Form approved by City Council at RCCM on February 4, 2016]

CITY OF KOTZEBUE  
REGULAR CITY COUNCIL MEETING  
CITY HALL CHAMBERS  
MARCH 21, 2024  
**AMENDED** AGENDA

Minutes

**I. Call to Order**

Mayor Chase called the meeting order at 5:15pm.

**II. Roll Call**

In person Mayor Saima Chase, Vice Mayor Derek Haviland-Lie, Members Johnson Greene, Ariana Erlich, Ernest Norton, Joshua Hadley, and Youth Representative Finnian Sweeney.

Member Kathy Sherman participated telephonically.

**Quorum Established.**

**III. Invocation/Moment of Silence**

Moment of Silence.

**IV. Pledge of Allegiance**

Pledge of Allegiance.

**V. Introduction of Guest & Staff**

No guest in person, Elizabeth Ferguson participated telephonically.

Staff in person Tessa Balwin-City Manager, Russ Ferguson-Public Works Director, Roger Rouse-Chief of Police, Tristen Ferguson- Acting Fire Chief, Jamie Lambert-Arctic Spirits, Rachel Belamour-HR/Public Relations, Sam Atkinson-Public Director, Ron Johnson-Parks & Rec, Rosie Hensley-City Clerk.

Joe Evans-City Attorney, Ben Mohr, participated telephonically.

**VI. Adoption of the Agenda**

Mayor Chase amended the agenda; under Unfinished Business strike item (b) Grain Capital Corporation; make item (c) Maniilaq EMS Contract; under Executive Session add KEA Agreement for the Purchase & Sale of Supplemental Heat Energy.

Derk Haviland-Lie moved, and Ernest Norton seconded to approve the amended agenda.

**Motion Passed by Voice Vote.**

**VII Adoption of the Minutes**

a) February 22, 2024

b) March 7, 2024

Ernest Norton moved, and Joshua Hadley seconded to approve the February 22, 2024 and the March 7, 2024 meeting minutes as a block.

**Motion Passed by Voice Vote.**

**VII. Citizens Comments**

There were no Citizens Comments.

**IX. Correspondence**

- a) RUBA Scoring
- b) Arctic Encounter Symposium Agenda

The following legal proceeding regarding Correspondence, all comments can be found on recording at the City Hall.

**X. Unfinished Business**

- a) Cape Blossom Road Update
- b) Washeteria Update
- c) Maniilaq EMS Contract

The following legal proceeding regarding Unfinished Business, all comments can be found on recording at the City Hall.

**XII. New Business**

- a) **RESOLUTION 24-20** A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE DIRECTING THE CITY MANAGER OR HER DESIGNEE TO APPLY FOR A TWO MILLION DOLLAR (\$2,000,000.00) MATCHING GRANT FROM THE DENALI COMMISSION FOR PHASE TWO OF THE CAPE BLOSSOM ROAD

Ernest Norton moved, and Joshua Hadley seconded to approve Resolution 24-20.

The Roll Call Vote

Saima Chase	Yes	Derek Haviland-Lie	Yes
Johnson Greene	Yes	Ariana Erlich	Yes
Joshua Hadley	Yes	Ernest Norton	Yes
Kathy Sherman	Yes		

**Motion Passed.**

- b) **RESOLUTION 24-21** A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE DIRECTING THE CITY MANAGER OR HER DESIGNEE TO SUBMIT AN APPLICATION TO THE ALASKA DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT FEDERAL FISCAL YEAR 2022/2023 STATE AND LOCAL CYBERSECURITY GRANT PROGRAM ("SLCGP")

Johnson Greene moved, and Joshua Hadley seconded to approve Resolution 24-21.

The Roll Call Vote

Joshua Hadley	Yes	Saima Chase	Yes
Ernest Norton	Yes	Ariana Erlich	Yes
Kathy Sherman	Yes	Johnson Greene	Yes
Derek Haviland-Lie	Yes		

**Motion Passed.**



- c) **RESOLUTION 24-22 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AMENDING SECTION 3.05 - TYPES OF POSITIONS AND CLASSIFICATIONS AND SECTION 3.25 - SPECIAL SALARY PROVISION OF THE CITY OF KOTZEBUE PERSONNEL POLICY MANUAL ("PPM")**

Section VI, Item A.

Kathy Sherman moved; Ernest Norton seconded the motion. No votes were taken, Kathy Sherman resented her motion to approve, and Ernest Norton resented his motion the second, Resolution 24-22 will be added to the next City Council Meeting.

**Motion Passed by Voice Vote.**

**XII. Manager's Report**

- a) City Manager
- b) Holland & Hart
- c) The Mulder Company
- d) Joe Evans City Attorney
- e) Finance Director **(Need to vote to accept & approve Finance Report)**

Joshua Hadley moved and Derek Haviland-Lie second to accept and approve the Finance Director Report and financial statements.

The Roll Call Vote			
Ernest Norton	Yes	Kathy Sherman	Yes
Ariana Erlich	Yes	Johnson Greene	Yes
Saima Chase	Yes	Joshua Hadley	Yes
Derek Haviland-Lie	Yes		

**Motion Passed.**

- f) Public Works **(Need to vote to approve Public Works Report)**
  - Public Works Water

Joshua Hadley moved, and Johnson Greene seconded to approve the Public Works Report.

The Roll Call Vote			
Johnson Greene	Yes	Derek Haviland-Lie	Yes
Ernest Norton	Yes	Ariana Erlich	Yes
Joshua Hadley	Yes	Saima Chase	Yes
Kathy Sherman	Yes		

**Motion Passed.**

- g) Police Department
- h) Fire Department
- i) Parks & Recreation
- j) Package Store
- k) Public Relations/Personnel Office
- l) City Planner

The following legal proceeding regarding Manager's Reports, all comments can be found on recording at the City Hall.

**XIII. Council Members Comments**

- Seat A: Ernest Norton
- Seat E: Kathleen Sherman
- Seat G: Johnson Greene
- Seat C: Joshua Hadley
- Seat B: Derek Haviland-Lie
- Seat F: Ariana Erlich
- Seat D: Saima Chase
- Youth Representative: Finnian Sweeney

The following legal proceeding regarding Council Members Comments, all comments can be found on recording at the City Hall.

**XIV. Executive Session**

- a) **Dowl-Kotzebue Water Plant**
- b) **K.E.A- Agreement for the Purchase & Sale of Supplemental Heat Energy**

Derek Haviland-Lie moved and Ernest Norton second that the council go into an executive session to discuss matters which by law, or municipal ordinance are required to be confidential.

**Motion Passed by Voice Vote.**

The Council Members in Executive Session at 7:10pm.  
The meeting reconvened in open session at 8:09pm.

Mayor Chase reported that no votes were taken during the Executive Session, direction was given to Administration.

**XV. Adjournment**

Ariana Erlich moved, and Johnson Greene seconded to Adjourn.  
Motion Passed by Voice Vote.

**Adjourn at 8:09pm.**

Accepted By:

\_\_\_\_\_  
Saima Chase Mayor

\_\_\_\_\_  
Date

Respectfully Submitted By:

\_\_\_\_\_  
Rosie Hensley City Clerk



**CITY OF KOTZEBUE  
REGULAR CITY COUNCIL MEETING  
CITY HALL CHAMBERS  
APRIL 4, 2024  
MINUTES**

**I. Call to Order**

Mayor Chase called the meeting to order at 5:36pm.

**II. Roll Call**

Present in person Mayor Saima Chase, Vice Mayor Derek Haviland-Lie, Members Ernest Norton, Joshua Hadley, Kathleen Sherman, and Johnson Greene, and Youth Representative Finnian Sweeney.

**Quorum Established.**

**III. Invocation/Moment of Silence**

City Council Member Kathy Sherman gave Invocation.

**IV. Pledge of Allegiance**

Pledge of Allegiance.

**V. Adoption of the Agenda**

Mayor Samia Chase amended the agenda, under New Business add item “g” Council Member Ariana Erlich Formal Resignation, and under Executive Session add Maniilaq Association Memo-Tim Gilbert RE: COK EMS Contract Travel Authorization Document.

**VII. Citizens Comments**

No Citizens Comments.

**VIII. Correspondence**

No Correspondence.

**IX. Unfinished Business**

- a) Cape Blossom Road Update
- b) Swan Lake Update

The following legal proceeding regarding Unfinished Business, all comments found on recording at the City Hall.

**X. New Business**

- a) **AMENDED Resolution 24-22:** A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AMENDING SECTION 3.05 - TYPES OF POSITIONS AND CLASSIFICATIONS OF THE CITY OF KOTZEBUE PERSONNEL POLICY MANUAL ("PPM"), AMENDING SECTION 3.25 - SPECIAL SALARY PROVISION OF THE CITY OF KOTZEBUE PERSONNEL POLICY MANUAL ("PPM") AND ADDING A PROVISION TO THE CITY OF KOTZEBUE PERSONNEL POLICY MANUAL ("PPM") REGARDING BREAKS AND LUNCH PERIODS DURING THE REGULAR WORK DAY

Joshua Hadley moved and Ernest Norton second to approve Resolution 24-22.

The Roll Call Vote

Ernest Norton	Yes	Derek Haviland-Lie	Yes
Johnson Greene	Yes	Saima Chase	Yes
Joshua Hadley	Yes	Kathy Sherman	Yes

**Motion Passed.**

- b) **Resolution 24-23:** A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AUTHORIZING THE CITY MANAGER OR HER DESIGNEE TO PAY DRAKE CONSTRUCTION, INC. ("DCI") SEVEN HUNDRED, TWENTY-EIGHT THOUSAND, SIX HUNDRED THIRTY-THREE HUNDRED DOLLARS AND EIGHTY-SEVEN CENTS (\$728,633.87) FOR DCI'S WORK ON THE SWANW LAKE LOOP EMERGENCY DISASTER

Ernest Norton moved, and Ernest Norton seconded to approve Resolution 24-23.

The Roll Call Vote

Kathy Sherman	Yes	Joshua Hadley	Yes
Ernest Norton	Yes	Johnson Greene	Yes
Saima Chase	Yes	Derek Haviland-Lie	Yes

**Motion Passed.**

- c) **Resolution 24-24:** A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AUTHORIZING THE CITY MANAGER OR HER DESIGNEE TO NEGOTIATE AND FINALIZE A MEMORANDUM OF UNDERSTANDING ("MOU") WITH THE NORTHWEST ARCTIC BOROUGH ("NWAB") REGARDING THE ALASKA HOUSING FINANCE CORPORATION ("AHFC") LAST FRONTIER HOUSING INITIATIVE PROGRAM

Johnson Greene moved, and Joshua Hadley seconded to approve Resolution 24-24.

The Roll Call Vote

Kathy Sherman	Yes	Joshua Hadley	Yes
Derek Haviland-Lie	Yes	Ernest Norton	Yes
Saima Chase	Yes	Johnson Greene	Yes

**Motion Passed.**

- d) NVOK Land Request - Planning Commission Resolution 2024-02 and Recommendation
- e) Planning Commission Letter to Remain - Clay Nordlum  
Ernest Norton moved, and Joshua Hadley moved to accept and approve the letter to Remain on the Planning Commission from Clay Nordlum.

**Motion Passed by Voice Vote.**

- f) Parks and Recreation Advisory Committee - Conrad Kerber  
Kathy Sherman moved, and Joshua Hadley seconded to accept and approve the letter of interest from Conrad Kerber for the Parks and Recreation Advisory Committee.

**Motion Passed by Voice Vote.**

- g) Council Member Ariana Erlich Formal Resignation.  
Ernest Norton moved and seconded by Joshua Hadley to accept the Formal Resignation.

**Motion Passed by Voice Vote.**

City Clerk will post notice for Vacant Seat "F" for one month and send out a thank you letter to Ariana Erlich.

The following legal proceeding regarding New Business, all comments can be found on recording at the City Hall.

**XII. Council Members Comments**

- Seat B: Derek Haviland-Lie
- Seat D: Saima Chase
- Seat C: Joshua Hadley
- Seat F: Ariana Erlich
- Seat E: Kathy Sherman
- Seat A: Ernest Norton
- Seat G: Johnson Greene
- Youth Representative: Finnian Sweeney

The following legal proceeding regarding Council Members Comments, all comments can be found on recording at the City Hall.

**XIII. Executive Session**

Derek Haviland-Lie moved and Ernest Norton second that the council go into an executive session to discuss matters which by law, or municipal ordinance are required to be confidential.

**Motion Passed by Voice Vote.**

The Council Members in Executive Session at 6:29pm.  
The meeting reconvened in open session at 7:35pm.

Mayor Chase reported that no votes were taken during the Executive Session,  
direction was given to Administration.

**XIV. Adjournment**

Ernest Norton moved, and Johnson Greene seconded to Adjourn.  
Motion Passed by Voice Vote.

**Adjourn at 7:35pm.**

Accepted By:

\_\_\_\_\_  
Saima Chase Mayor

\_\_\_\_\_  
Date

Respectfully Submitted By:

\_\_\_\_\_  
Rosie Hensley City Clerk

City of Kotzebue 2024 Application for the Denal Commission Funding Opportunity

Cape Blossom Road and Port Project- Phase II

Project Information

Executive Summary - Cape Blossom Regional Port has been a goal for the Northwest Arctic since the 1970s. The purpose of the effort is to improve transportation efficiency and reduce safety risks during loading and unloading freight, eliminate the expense of barge lighterage services, and reduce the overall cost of transporting goods and services to 12 Northwest Arctic Borough (NAB) communities, including Kotzebue. Phase II is being funded with State funding to build the needed infrastructure to reach the anticipated port location. This funding will also include an estimated 300-foot-long bridge over Sadie Creek and the rest of the road to Cape Blossom Port. This portion of the project was put out to bid in the Spring of 2024. This funding request will be used local match funding for the Northwest Arctic Region to ensure that Phase II of the road is built.

Infrastructure Fund- Yes, the City of Kotzebue is applying for the infrastructure fund section of the FOA.

Program Area- Infrastructure, Surface Transportation

Distressed Communities/ Disadvantaged Communities- The City of Kotzebue is identified as a disadvantaged community according to Memorandum M-21-28.

Environmentally Threatened Communities

Table with 2 columns: Environmental Threatened Category, Ranking. Rows include Erosion (Group 2), Flooding (Group 1), and Permafrost (Group 1).

Project Narrative

Community description, characterizing the community and population served by the proposed project.

The City of Kotzebue is located in Northwest Alaska and is about 30 miles above the Arctic Circle. Kotzebue is the hub community to 10 surrounding villages, and makes up about 40 percent of the region’s population. Just like much of Rural Alaska, Kotzebue is not connected to the road system. The shipment of freight, such as heating fuel, groceries, and building supplies, becomes more expensive due to the remote location of the state. Cape Blossom Regional Road and Port project aims to lower the cost of living in Northwest Alaska by increasing access to barge services and eliminating lightering fees. This project will lower the cost of infrastructure and the cost of fuel. The population of the city was 3,102 as of the 2020 census, down from 3,201 in 2010. The city has received an All-American City Award. Kotzebue is an:

- Area of Persistent Poverty: This project is located within a county (Northwest Arctic Borough). Census Tract 1 meets the designation of an Area of Persistent Poverty.
Historically Disadvantaged Community: The project is located within the NANA Region, meeting the designation of any Tribal land.

Problem statement, describing why the proposed project is needed.

There are no roads or railroads that serve Kotzebue, so all goods must be flown in or barged. Shallow draft barges transfer fuel and freight 15 miles to shore, which adds a 25% cost to all materials and equipment brought into the community. Goods in the region are 61% higher than goods purchased in Anchorage, Alaska, the largest city in Alaska. Additionally, land availability at the current port is limited,

## City of Kotzebue 2024 Application for the Denal Commission Funding Opportunity

### Cape Blossom Road and Port Project- Phase II

and storage problems exist. There is a critical need for more fuel storage capability. A new port site at Cape Blossom would allow larger vessels to dock and provide room for expansion of fuel and other storage.

The project is intended to address shipping logistics and economic development issues for the region. The purpose of the Kotzebue to Cape Blossom Road is to provide access between Kotzebue and a future port site at Cape Blossom. Kotzebue serves as a transportation and economic center for Northwest Alaska. Nearly all regional supplies arrive in Kotzebue by ocean shipments between June and September. Deep draft marine freight vessels serving Kotzebue set anchor in 30 feet of water approximately 15 miles from shore at the north end of the Baldwin Peninsula. From these offshore anchorages, freight is then lightered by smaller vessels over shifting mudflats during incoming tides. In contrast to this current practice, waters 1 mile offshore of Cape Blossom are over 25 feet deep with no evidence of dynamic shoaling.

#### Project description, presenting the proposed project and how it addresses the problem/need

Kotzebue is the transportation hub and the largest of the 11 communities in the Northwest Arctic Borough (NWAB). The purpose of the Cape Blossom Road project is to improve transportation efficiency and reduce the cost of shipping freight between cargo barges and the NWAB communities. It will provide a critical link between Kotzebue and the future port site at Cape Blossom, as well as expand opportunities for land-use productivity and housing development, while providing increased access to traditional subsistence resources.

The Cape Blossom Road is designed for commercial freight transport and recreational uses with an estimated volume of 100 vehicles per day or less. The project will construct a two-lane gravel road 11 miles long, with a road surface width of 24 feet and side slopes 3:1 or steeper. Turnouts with ramps down to the tundra would be constructed along the road near traditional trail crossings and in other areas, respecting and contributing to Tribal access in the area. The project will include accessing local gravel for materials, further expanding transportation access in the region.

The project will construct an all-season transportation facility and freight-staging area, and provide access to a much needed barge-landing site. An all-season road would reduce the distance and cost for freight lightering, and provide multi-modal connectivity for deep draft barges, improving access and efficiency for transportation of freight and other commodities to Kotzebue and nearby communities in the NWAB. The project should result in more affordable goods and services to disadvantaged communities.

#### Impact/value statement, describing the impact and/or value of the proposed project to the community and population served

The project is identified as a regional priority needed to address transportation deficiencies and provide economic opportunities. The advancement of the road project is included in the Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) legislation (SAFETEA-LU 2005). The road will also open up areas for new housing. The region suffers from a shortage of housing and lacks land to build on. Some of the existing housing is threatened by eroding coast lines and will eventually be lost to the sea. In recent years, the airport has flooded and will eventually need to be relocated. The community has expansion plans to extend into the higher elevation areas to the east and south of Kotzebue.

The City of Kotzebue's Comprehensive Plan, the city's community planning document, explains the need for housing developments, along with the expansion of the sewer and water utilities, airport



## City of Kotzebue 2024 Application for the Denal Commission Funding Opportunity

### Cape Blossom Road and Port Project- Phase II

expansion/relocation, and the development of a small boat harbor. The road will open a whole new section of town to develop for housing away from the coastline with direct access to town.

Another need for the Cape Blossom Road is to provide access to private land holdings and for the community to develop recreation and subsistence areas. Also, Sadie Creek has been identified in public meetings as a potential recreational and subsistence area that would receive greater use if access was available year-round with the construction of a permanent bridge. A road to Cape Blossom would also allow access to private landholdings along the western coast of the Baldwin Peninsula, where current access is limited to four wheelers, snow machines, or boats. The road will also present an opportunity for comprehensive transportation safety planning.

Population served – this may include descriptions of improved sustainability and/or greater community resilience.

The USDOT Equitable Transportation Community (ETC) Explorer identifies Kotzebue’s health vulnerability as 97%, well into the disadvantaged range, and its social vulnerability at 62%. These are strong indicators that reflect the challenges that this project is working to address. The outcome of the project targets no less than 40 percent of benefits towards disadvantaged communities. 100% of the community benefiting from the project is considered disadvantaged, based on the [White House guidance on Justice](#), which notes that all Federally Recognized Tribal entities are considered disadvantaged communities for the purposes of the Justice40 Initiative. This project falls within the Kotzebue ANVSA.

Without this project, Alaskans and companies will have reduced viability for access to and from the community and region. This will not only impact commerce but will put limitations on Alaskans from the southeast panhandle from having reliable and safe access to the central part of the state. That access may be required to maintain familial connections, exercise harvesting rights for native and non-native Alaskans, access to health care services only available in major centers and capitalizing on job opportunities that exist outside of their home communities. This project will serve an Area of Persistent Poverty, as the entire Northwest Arctic Borough (outside of city limits) is considered such, and 40% of goods brought into Kotzebue are distributed to surrounding communities.

Project purpose with problem it intends to solve and intended outcomes:

To reduce transportation costs the City of Kotzebue plans to construct an all-season access road from Kotzebue to Cape Blossom that would allow development of a deepwater port at Cape Blossom, eliminating the expense of barge lighterage service and expanding new opportunities for regional economic development such as natural gas exploration and fish processing. This project would facilitate freight movement from barges landing at Cape Blossom. The gravel staging pad would accommodate temporary parking of vehicles, equipment, freight, and supplies being transported to or from Kotzebue via barge.

#### Scope of Work

Project Background: DOT&PF completed the Kotzebue to Cape Blossom Road Reconnaissance Study in 2011. The Federal Highway Administration (FHWA) reviewed the study and gave DOT&PF the approval to move forward with this project. This project is shovel-ready. The project has completed the required environmental documentation under the NEPA and is now moving forward through final design. The initial Environmental Assessment (EA) and Finding of No Significant Impact (FONSI), as well as a 2017 EA Re-Evaluation outlining minor design revisions, are available at DOT&PF’s [project website](#).

The City of Kotzebue has already obtained \$17 million in funding for studies and construction. Local entities have spent \$10 million for material hauling and staging. DOT&PF has \$20.5 million in the draft

## City of Kotzebue 2024 Application for the Denal Commission Funding Opportunity

### Cape Blossom Road and Port Project- Phase II

STIP. Cape Blossom was selected as “the best location to develop a deep-water port.” DOT&PF completed Stage 1 with \$30 million in expenditures, which delivered road access to Sadie Creek. Other reports have been completed evaluating the feasibility of a port at Cape Blossom by the Corp of Engineers since the 1980s, but those reports are not as comprehensive or as broad in scope. The most recent studies conducted by the Corp of Engineers focus on port developments, not road development. A plan and profile index map is included as [available information](#).

This project has been underway in Northwest Alaska since 2013. In the summer of 2023, Phase I of Cape Blossom Road was completed. This portion of the road is 5 miles long and stops at Sadie Creek. The Cape Blossom Road is designed for commercial freight transport and recreational uses with an estimated volume of 100 vehicles per day or less. The project will construct a two-lane gravel road 11 miles long, with a road surface width of 24 feet and side slopes 3:1 or steeper. Turnouts with ramps down to the tundra would be constructed along the road near traditional trail crossings and in other areas, respecting and contributing to Tribal access in the area. The project will include accessing local gravel for materials, further expanding transportation access in the region.

The project will construct an all-season transportation facility and freight-staging area, and provide access to a much needed barge-landing site. An all-season road would reduce the distance and cost for freight lightering, and provide multi-modal connectivity for deep draft barges, improving access and efficiency for transportation of freight and other commodities to Kotzebue and nearby communities in the NWAB. The project should result in more affordable goods and services to disadvantaged communities.

#### Impact and value of the project

Traveling in northern Alaska can present unique challenges due to the remote and harsh environment. The current safety challenges are multi-pronged: 1) the City is working to reduce the total marine exposure experienced by freight traffic, who move goods 15 miles over water in often uncertain and treacherous conditions, and 2) improve local road conditions for subsistence users who otherwise navigate over ever-changing permafrost. Safety challenges depend on the time of year and weather conditions.

Kotzebue currently has a small docking area located in front of town. The dock consists of a 250 foot long "tied back" bulkhead. The sheet pile structure is located on the town's waterfront, where the water depth is about eight feet. During the summer, barges deliver vehicles, petroleum products, building supplies, and other items to the town, where they are then distributed to surrounding villages. Kotzebue Sound is too shallow for the barges to come up on the dock. Instead, barge tugs drive out to where the barge is anchored, some 13-15 miles away from the town, and supplies are then transferred from the tug to the main dock. A large crane is stored on the barge, which is used to load goods and takes up a large amount of space. This time-consuming process can be delayed further by adverse weather conditions, and drifting ice floes. Compulsory pilotage is required for vessels larger than 300 GRT or longer than 65 ft. (although there are exemptions for vessels up to 175 ft.). These vessels must contact the Alaska Marine Pilots when sailing to Kotzebue.

NOAA's Coast Pilot reads, “During ice-free months privately maintained buoys mark the entrance to the navigation channel. The channel is difficult to follow and is restricted to vessels with drafts under 6 feet... The trip by small boat from the anchorage to Kotzebue is about 15 miles and over many sandbars that are constantly shifting.” The Coast Pilot also describes the local draw down condition, including observations of draw down and ebbs and flows at Cape Blossom.

**City of Kotzebue 2024 Application for the Denal Commission Funding Opportunity**

**Cape Blossom Road and Port Project- Phase II**

The village of Kotzebue has a population of 3,245 (US Census Bureau, 2016), and has 604 registered snowmachines and only 372 passenger cars. These vehicles serve various purposes like hunting, recreation, and daily chores, making them popular among rural residents. However, their use alongside other modes of travel on roads and public facilities poses safety risks. About a quarter of all traffic-related crashes in Kotzebue, with only 4,000 residents, involve snowmachines or ATVs, with 21 crashes due to speeding ATVs on city streets in the last four years alone (Native Village of Kotzebue, 2015). For villages like Kotzebue, where all-terrain vehicles and snow machines are often the only travel option, they fulfill basic mobility needs for residents. The coexistence of these vehicles raises safety concerns, especially in mixed-use environments. Addressing these issues is crucial to ensure the safety of residents who rely on these vehicles for transportation in rural Alaska.

Concise scope of work, outlining step-by-step tasks using verbs describing accomplishments.

Phase I Completion: Phase I of the project, completed in the summer of 2023, involved the construction of a 5-mile section of Cape Blossom Road leading up to Sadie Creek.

Phase II Objectives: Phase II of the project focuses on achieving the following objectives:

- Building a bridge over Sadie Creek to connect Phase I with the anticipated port location.
- Constructing the remaining portion of Cape Blossom Road to facilitate access to the regional port.
- Conduct an economic study for Cape Blossom Road and Port to assess economic benefit of the port.
- Developing the regional port authority to oversee Phase III for planning and design.

Project Timeline:

Phase II of Cape Blossom Regional Road and Port project was put out to bid in the spring of 2024. The project will be slated for construction in the summer of 2025.

Key Deliverables: The scope of work for Phase II includes but is not limited to:

- Place Request for Proposals out through the State of Alaska Department of Transportation.
- Bridge construction over Sadie Creek to ensure uninterrupted connectivity.
- Road construction to extend Cape Blossom Road to the designated port site.
- Port facility development to enhance barge services and eliminate lightering fees.
- Installation of necessary infrastructure to support the port operations, including storage facilities, docking areas, and utilities.

TASKS - YEAR 1	DURATION DAYS	DURATION WEEKS	PRODUCTION PER SEASON
Mobilization to Kotzebue	24	4	NA
Survey ROW for Ice Roads	20	3	10 Miles
Frost packing and Snow Fence	35	6	10 Miles
Ice Access Road to Mine Site (Land Based) Build and Operational	35	6	10 Miles
Ice Access road to Water Sources (Land Based)	11	2	3 Miles
Water/Ice Source Development (Duration of Ice road use)	126	21	6 M Gal
Ice Work Pad Construction	6	1	11,000 sf
Clear Mine Site (Remove Overburden and Silt)	72	12	300,000 cy
Build Temporary Facilities (North and Primary Pads)	6	1	11,000 sf
Develop Pit	29	5	131,250 sf
Mine/Process Gravel (Time includes Blasting)	0	0	0 cy

City of Kotzebue 2024 Application for the Denal Commission Funding Opportunity

Cape Blossom Road and Port Project- Phase II

Haul/Place Silt and Gravel (Double shift)	72	12	300,000 cy
Close pit for Season (Date based on weather conditions)	15	3	NA
<b>TASKS - YEAR 2</b>			
Survey ROW for Ice Roads (Check staking from last season)	20	3	10 Miles
Frost packing and Snow Fence	35	6	10 Miles
Ice Access Road to Mine Site (Land Based) Build and Operational	35	6	10 Miles
Ice Access road to Water Sources (Land Based)	11	2	3 Miles
Water/Ice Source Development (Duration of Ice road use)	126	21	6 M Gal
Ice Work Pad Construction	6	1	11,000 sf
Clear Mine Site (Remove Overburden and Silt)	19	3	80,000 cy
Build Temporary Facilities (Material Storage Pad)(Refresh)	6	1	11,000 sf
Develop Pit (Continue Cell Development)	29	5	131,250 sf
Mine /Process Gravel ( Includes Blasting Time)	53	9	220,000 cy
Haul/Place Silt and Gravel (Double shift)	72	12	300,000 cy
Close pit for Season (Date based on weather conditions)	15	3	NA
Demobilization from Kotzebue	24	4	NA

**Cost Management:** The project will adhere to budgetary constraints outlined by the State of Alaska, with a focus on cost-effective solutions without compromising on quality and safety standards. The City of Kotzebue has already obtained \$17 million in funding for studies and construction. Local entities have spent \$10 million for material hauling and staging. DOT&PF has \$20.5 million in the draft STIP. Cape Blossom was selected as “the best location to develop a deep-water port.” DOT&PF completed Stage 1 with \$30 million in expenditures, which delivered road access to Sadie Creek. Other reports have been completed evaluating the feasibility of a port at Cape Blossom by the Corp of Engineers since the 1980s, but those reports are not as comprehensive or as broad in scope. The most recent studies conducted by the Corp of Engineers focus on port developments, not road development. A plan and profile index map is included as [available information](#).

**Stakeholder Collaboration:** Collaboration with stakeholders, including local communities, government agencies, contractors, and regulatory bodies, will be integral to the successful execution of the project. Currently our stakeholder team includes the State of Alaska Department of Transportation, Northwest Arctic Borough, NANA Regional Corporation, Kotzebue IRA, and Kikiktaqgruk Inupiat Corporation.

DOT&PF completed the Kotzebue to Cape Blossom Road Reconnaissance Study in 2011. The Federal Highway Administration (FHWA) reviewed the study and gave DOT&PF the approval to move forward with this project. This project is shovel-ready. The project has completed the required environmental documentation under the NEPA and is now moving forward through final design. The initial Environmental Assessment (EA) and Finding of No Significant Impact (FONSI), as well as a 2017 EA Re-Evaluation outlining minor design revisions, are available at DOT&PF’s [project website](#).

**Environmental Considerations:** The project will comply with environmental regulations and incorporate sustainable practices to minimize ecological impact during construction and operation. The permit needs include:

- Update to the USACE permit for an additional 45.7 acres of impact

## City of Kotzebue 2024 Application for the Denal Commission Funding Opportunity

### Cape Blossom Road and Port Project- Phase II

- Title 9 Major Use Permit from Northwest Arctic Borough.
- Land use permit from the Department of Natural Resources (DNR) Division of Mining, Land, and Water.
- Temporary water use authorization from DNR.
- Possible hydrology and hydraulics and fish data on lakes used for water extraction.

NEPA Status: A Finding of No Significant Impact (FONSI) was obtained by the Federal Highway Administration in 2015.

Monitoring and Evaluation: Regular monitoring and evaluation will be conducted throughout the project lifecycle to assess progress, address challenges, and ensure timely completion within specified parameters.

Project Completion: Upon completion of Phase II, the Cape Blossom Regional Road and Port project aims to significantly reduce the cost of living in Northwest Alaska by lowering infrastructure costs, enhancing access to essential services, and optimizing transportation of goods through expanded barge services.

#### Organization, Capacity, and Delivery Method

Description of the applicant's organization, including its structure, leadership, relevant programs, and unique perspective/expertise.

The City of Kotzebue is a municipality in the Northwest Arctic Borough. We serve 3,200 residents within the municipality, but many of our services are region wide. The City of Kotzebue has a city council to city manager structure in which the city council hires a city manager to oversee all operations. The City of Kotzebue oversees city hall, capital projects/ planning department, parks and recreation, fire department/ emergency medical services, police department, public works, and a distribution store.

DOT&PF is delivering this project. DOT&PF are highly experienced and intimately familiar with this project's local conditions and needs. DOT&PF's project development staff comprises 75 persons, including materials and geotechnical engineers, environmental and right of way professionals who can navigate and achieve the required support products according to all Federal regulations and requirements. DOT&PF staff are knowledgeable about federal requirements, including Build America stipulations. The proposed project will be administered by the Alaska DOT&PF. DOT&PF is the owner-operator of the Alaska Highway, responsible for all maintenance costs and activities as well as management authority for design and construction of the proposed project. For many years, the DOT&PF and the FHWA have operated under an executed Stewardship and Oversight Agreement where the DOT&PF has assumed stewardship and oversight responsibilities of federal funding, including Title 23 funds from the FHWA.

Summary of the organization's experience managing federal grant programs and/or similar projects, including the experience of key personnel (resumes may be included in the appendix).

The City of Kotzebue and DOT&PF have extensive experience working legal, financial, and technical aspects of federally funded projects, including grant administration. DOT&PF has a successful track record in delivering FHWA Grant projects on time and within the Scope, Schedule and Budget. City Manager Tessa Baldwin, and the Finance Director Chelsea Sieh, will be responsible for City grant and project management. Their resumes are included in the appendix.

Description of the delivery method, describing how the tasks outlined in the scope of work will be carried out and by whom (information about contractors may be included in the appendix, as appropriate).

## City of Kotzebue 2024 Application for the Denal Commission Funding Opportunity

### Cape Blossom Road and Port Project- Phase II

The City of Kotzebue will oversee the grant, including delivery of the project by DOT&PF.

#### Partnerships and Leveraged Funds

All project supporters and stakeholders, including loans, funding from other sources, and in-kind participation.

For years, the City has established formal public-private partnerships and joint ventures to expand and create new infrastructure and develop economic development. For example, the City is currently building a new \$1.5MM washeteria and public shower facility for the community of Kotzebue with a grant received in August 2022. In addition, several of these supporting entities have contributed funding resources to studies and reports that have established a foundation for this vision to proceed. After many years of working together, NANA, NAB, and other entities are prepared to continue this effort, as demonstrated by their letters and resolutions of support.

Clarify secured or pending partnerships.

Phase II is funded by the State of Alaska capital funds through Congressionally Designated Spending of \$26 million dollars. The phase will focus on building the bridge over Sadie Creek and to the anticipated port location. Phase II of Cape Blossom Regional Road and Port was put out to bid in spring of 2024.

In addition, The City of Kotzebue has secured \$500,000.00 from the State of Alaska capital project budget in 2023. This funding is being used to develop a port authority and an economic study. We are currently in the beginning phases of an economic study contracting through DOWL Engineering. In addition, we have worked on developing the Regional Cape Blossom Committee made up of the Northwest Arctic Borough, Kikiktagruk Inupiat Corporation, NANA Regional Corporation, Kotzebue IRA and the City of Kotzebue. Lastly, the City of Kotzebue was awarded \$2,455,000 from the United States Department of Transportation Port Infrastructure Development Program (PIDP) grant to start Phase III of planning and development of the port, a separate but complementary project.

All work to date, for example, funding, community plans, letters of support, agreements with other parties, and/or prior completion of tasks or phases that support the current phase of the project.

The following list of entities have provided the City with letters of support and resolutions to confirm their continued commitment to this project.

- Alaska Congressional Delegation: Senator Lisa Murkowski, Senator Dan Sullivan, and Representative Marry Sattler Peitola.
- Alaska State Representative Josiah Patkotak and Senator Donald Olson.
- DOT&PF, Commissioner Ryan Anderson. For over a decade, the DOT&PF has been working with the City of Kotzebue and the Northwest Arctic Borough to collaboratively fund the first stage of construction of Cape Blossom Road.
- NAB, Dickie Moto, Sr., Mayor. Home rule regional government.
- NANA Regional Corporation, John Lincoln, President/CEO. NANA is the region's Alaska Native corporation, formed as a result of the Alaska Native Claims Settlement Act (ANCSA), which was passed by Congress in 1971.
- Native Village of Kotzebue (Kotzebue IRA), Sitkauraq Whiting, Executive Director. The Federally-recognized Tribal government representing the Qikiktagrukmiut, the original inhabitants of the area of northwest Alaska surrounding modern day Kotzebue (Qikiktagruk).
- Maniilaq Association, Tim Gilbert, President/CEO. Maniilaq Association represents twelve federally recognized tribes located in Northwest Alaska.
- Noorvik Native Community, Wilbur Howarth, Sr., President.

## City of Kotzebue 2024 Application for the Denal Commission Funding Opportunity

### Cape Blossom Road and Port Project- Phase II

- Northwest Arctic School District (NWASD), Terri Walker, Superintendent and Margaret Hansen, School Board President.
- Alaska Commercial Grocery, Walt Pickett, General Manager.
- Red Dog Mine, Les Yesnik, General Manager, Red Dog Operations.
- Vitus Marine, Justin Charon, CEO.

#### Future (planned) work with partners to manage and complete the project, including plans for future operations and maintenance.

Proper maintenance is essential to ensure the road's usability and safety and this project will ensure a state of good repair by delivering an active maintenance plan that includes:

1. Regular grading of the gravel surface is crucial to keep it smooth and free from potholes and washboarding caused by the freeze-thaw cycle. The City's graders will be used to level the surface, redistribute gravel, and fill in any depressions.
2. Gravel roads can experience significant wear and tear due to the effects of freezing and thawing. Adequate supplies of gravel will be stockpiled at City reserves for quick repairs.
3. During the warmer months, gravel roads can generate dust and become susceptible to erosion due to rain and melting snow. Applying dust suppressants or watering the road can help control dust and stabilize the road surface, which is a common strategy of the City for all roads.
4. In winter, heavy snowfall can cover gravel roads, making them impassable. Snow removal equipment such as plows are used to clear the road. Regular snow removal helps maintain access to communities and resources, improving safety as well.
5. Ice buildup on gravel roads can make them extremely hazardous. Sand is commonly used to improve traction, with salt an inappropriate method in this fragile environment.
6. Proper drainage is crucial to prevent water from pooling on the road and causing erosion or freezing. Maintaining culverts and ditches is essential to ensure proper water flow.
7. Road maintenance equipment and vehicles need to be winterized to function in extreme cold temperatures. Adequate city shelters and storage facilities are in place to protect equipment from the elements.
8. Regular inspections are necessary to identify issues such as road damage, erosion, or drainage problems. Use of technology, such as remote cameras or weather sensors, can aid in monitoring road conditions. The City will work with DOT&PF to invite drone operations to assist in this, based on their recent SMART award for DOT&PF's ARROW project.
9. Effective maintenance of gravel roads in arctic conditions requires collaboration between local authorities, transportation departments, and community members. Comprehensive winter and maintenance plans are in place to address the challenges posed by the harsh climate.

#### Creative approaches to partnerships that go beyond financial commitment, including community outreach, leveraged resources, or other in-kind support that demonstrate breadth of support.

The City has collaborated alongside a broad range of stakeholders who have provided input into this project; the City has received Letters of Support from diverse people, private entities, and regional communities, from local, regional, State, and Federal levels, from education agencies, community-based organizations, health organizations, Tribal governments, and barge companies. Commitment for this project is also demonstrated from across the region from Tribal governments, Tribal corporations, and local businesses enterprises. These long-term partnerships have demonstrated interest and support for this project to achieve the proposed local and regional benefits, and the public has, for many years, engaged in the planning process through many meetings conducted for studies and research. This project will continue to support and engage diverse people and communities to ensure equity

## City of Kotzebue 2024 Application for the Denal Commission Funding Opportunity

### Cape Blossom Road and Port Project- Phase II

considerations for underserved communities are meaningfully integrated throughout the lifecycle of the project and are integrated into all stages of the port development. During the feasibility study process, the City will coordinate with other types of industry to discuss the potential for positive economic development, commercial or residential development near the terminus, and power/electric infrastructure agencies such as the Kotzebue Electric Association.

#### Program Specific Evaluation Criteria

##### Enables regional connectivity and supports opportunities for multi-modal transportation connections.

This project will increase the safe delivery of essential goods that are critical for quality of life in Alaska, such as food, fuel and consumer goods that support the local economy and small and medium sized businesses. This project will reduce freight-shipping costs into Kotzebue and the region. The current method of lightering goods and supplies from 15 miles off-shore has increased freight costs by at least 25%. The missing link for this region is a more direct cost-saving route to get goods and supplies into Kotzebue. This project will allow for the development of a barge-landing site at the road terminus of Cape Blossom, and is part of the City of Kotzebue 2012 Comprehensive Plan. The Cape Blossom Road will eliminate the need for the expense of barge lighterage service and allow resources to be exported from the region.

This project will directly increase intermodal and multimodal freight movement. Beyond resident use that includes four-wheelers, snowmachines, bicycles, and pedestrian, the eventual port development facilitated by this project will 1) expand options for movement of goods and materials to the region's villages; 2) evaluate fuel and freight costs; 3) collaborate with state and federal agencies to collect data, evaluate climate change rates and impacts; and 4) develop sustainable port requirements. The entire region supports the concept of increasing multimodal freight movement and the movement of supply chains through and to the villages. More goods and supplies arriving in Kotzebue at more reasonable costs will reduce the transactional costs and encourage development of businesses and infrastructure in the region, and community members can use the road's terminus to access increased subsistence activities.

##### Improves community health and safety.

Road safety benefits will stem from various factors such as road design, maintenance, traffic regulations, and community engagement.

- Design elements focus on the safety benefits of building on permafrost, where current conditions endanger residents who transit the area on four-wheelers or snowmachines. The tundra is susceptible to sinking and ponding that increase safety risks. The project's design includes significant strengthening of the surface for safe transportation.
- There is limited maintenance of the service road that extends to the wind farm by the utility, but the City of Kotzebue will take this over on a more regular and responsive basis for this extended public route.
- Traffic regulations are responsive to rural conditions and multi-modal users. Road traffic is expected to be commercial, as well as utility services, alongside resident users traveling on alternative transportation to visit nearby communities or participate in hunting and gathering activities (cultural subsistence) on overland routes.
- Community engagement has been critical to the project's development, with a road to and port at Cape Blossom part of community and regional planning documents for decades. Residents continue to cite safety benefits as part of this future development.



## City of Kotzebue 2024 Application for the Denal Commission Funding Opportunity

### Cape Blossom Road and Port Project- Phase II

A U.S. Army Corps of Engineers (USACE) feasibility study (2019) discussed the safety benefits of Cape Blossom development and the safety concerns of subsistence users in the region by noting that there are subsistence benefits from not having to sail around the tip of the Baldwin Peninsula if inclement weather were to occur while hunters are in the Cape Blossom area. By including a boat ramp in the project's design, opportunities are increased for additional subsistence resource use. Should inclement weather arise, the boat ramp also promotes security, health, and safety by providing mariners a safe spot where they can pull their vessels out of the water instead of having to motor around Cape Blossom. Increased security, safety and subsistence are publicly significant in Alaska and were considered important during the USACE focus group interviews in Kotzebue.

NOAA's Coast Pilot reads, "During ice-free months privately maintained buoys mark the entrance to the navigation channel. The channel is difficult to follow and is restricted to vessels with drafts under 6 feet... The trip by small boat from the anchorage to Kotzebue is about 15 miles and over many sandbars that are constantly shifting." The Coast Pilot also describes the local draw down condition, including observations of draw down and ebbs and flows at Cape Blossom.

Improves access to services (e.g., solid waste disposal site, sewage lagoon, water source, health care facility, airport, or port).

Without this project, Alaskans and companies will have reduced viability for access to and from the community and region. This will not only impact commerce but will put limitations on Alaskans from the southeast panhandle from having reliable and safe access to the central part of the state. That access may be required to maintain familial connections, exercise harvesting rights for Native and non-Native Alaskans, access to health care services only available in major centers and capitalizing on job opportunities that exist outside of their home communities. This project will serve an Area of Persistent Poverty, as the entire Northwest Arctic Borough (outside of city limits) is considered such, and 40% of goods brought into Kotzebue are distributed to surrounding communities.

This project will continue to support and engage diverse people and communities to ensure equity considerations for underserved communities are meaningfully integrated throughout the lifecycle of the project and are integrated into all stages of the port development. During the feasibility study process, the City will coordinate with other types of industry to discuss the potential for positive economic development, commercial or residential development near the terminus, and power/ electric infrastructure agencies such as the Kotzebue Electric Association.

Supports planned land use, and the pursuit of housing and economic development opportunities.

After the port is built, significant regional improvements in economic strength and opportunity will increase the economic productivity of land, and capital; will include creating and expanding high-quality, good-paying jobs with relevant training opportunities; and improve the economic strength of the Northwest Arctic Borough. Increased transportation connectivity from the lower-48 will revitalize underserved and disadvantaged communities in the region and increase affordable housing options with affordable freight costs. A road to Cape Blossom can also significantly reduce fuel and freight costs for residents in the NAB, as future development occurs. In addition, the site's development would provide benefits for the local salmon fishery, improved access to local gravel sources, and increased economic opportunities like cruise ship port calls (Arctic tourism is increasing) and tourists and provide access to mineral resources that are available near Kotzebue. Upland development for the port operations and a need for other support facilities may result in decisions to support equitable commercial and mixed-income residential development closer to the port.

City of Kotzebue 2024 Application for the Denal Commission Funding Opportunity

Cape Blossom Road and Port Project- Phase II

**Budget / Resources**

Tessa Baldwin, City Manager, [tbaldwin@kotzebue.org](mailto:tbaldwin@kotzebue.org), 907-412-3571.

Personnel: City of Kotzebue has budgeted for an FTE to participate in all aspects of project management, estimated to be \$123,950.

Fringe: The City’s fringe rate of 31% includes retirement and healthcare benefits, PTO, insurance, etc.

Travel: No travel is needed by the City for this local project.

Equipment: No equipment over \$5,000 will be purchased as part of this project.

Supplies: No supplies will be purchased as part of this project.

Contractual: City of Kotzebue has budgeted \$100,000 to support city project management needs, including any additional feasibility or benefit cost analysis needed to complete the project. This line item is based on historical costs of similar services.

Other: This project will be delivered by Alaska DOT&PF, which has completed a detailed budget that includes all construction needs. DOT&PF has included 25% contingency due to supply chain and inflationary risks involved, embedded within current cost estimates. DOT&PF provided preliminary construction costs for excavating, hauling, and placing the material. Cost estimates were developed for each phase and season, activities that are described in the project schedule. The costs are based on a 10-mile road, Davis Bacon and union labor rates, and include mobilization costs from Anchorage or Seward to Kotzebue. Basis of cost estimate has been developed using itemized quantities and adjusted historical costs based on past bid results and includes built in contingency levels and risk mitigation measures. While construction costs can vary widely depending on the economic climate, our confidence in the cost estimating work to date is relatively high, especially with the involvement of the CMGC. That budget is included in the appendix.

Indirect Charges: City of Kotzebue is waiving its indirect rate to maximize the funding that will go to this project, and acknowledging the ICAP rate embedded in DOT&PF’s budget.

“Budget by Cost Category”

Cost Category	Total
Personnel	\$123,950
Fringe	\$38,425
Travel	\$0
Contractual	\$100,000
Other	\$53,401,977
Subtotal	\$53,664,352
Indirect	Waived
Total	\$53,664,352

“Budget by Task”

Budget by Task	
Project Management	\$262,375
Construction	\$53,401,977
Total	\$53,664,352

“Funding Summary”

Denali Commission	\$ 2,000,000
Applications pending	\$ 24,064,352
Federal CDS	\$ 27,600,000
Total	\$ 53,664,352



P.O. Box 46  
Kotzebue, Alaska 99752-0046  
(907) 442-3401 [City Hall]  
(907) 442-3742 [City Hall-fax]  
[saimachase@gmail.com](mailto:saimachase@gmail.com)

April 9, 2024  
[via email]

Tim Gilbert, President/CEO  
Maniilaq Association  
P.O. Box 256  
Kotzebue, Alaska 99752-0256  
[tim.gilbert@maniilaq.org](mailto:tim.gilbert@maniilaq.org)

Dan Bain, Chief Financial Officer  
Maniilaq Association  
P.O. Box 256  
Kotzebue, Alaska 99752-0256  
[daniel.bain@maniilaq.org](mailto:daniel.bain@maniilaq.org)

Re: City of Kotzebue/Maniilaq Association EMS Contract

Dear President/CEO Gilbert and Chief Financial Officer Bain:

It is with a heavy-heart I write this letter after the City Council and I reviewed your three-page Memorandum of April 2, 2024, a copy of which is attached hereto, at our Regular City Council Meeting (“RCCM”) on Thursday, April 4, 2024. The tone, tenor, misrepresentations, misunderstandings and omissions in that Memorandum are unfortunate to say the least. It is certainly not what we had expected from Maniilaq Association, our decades-old partner, which has worked with the City of Kotzebue to “provide high quality Emergency Medical Services (“EMS”) to the City and the entire Northwest region through ground transports from Medevacs and the Health Center.” To that end, I must set the record straight so that going forward – whatever our relationship may be in the future – regarding the misrepresentations, misunderstandings and omissions contained in your April 2, 2024 Memorandum do not go unchallenged.

Comments at the March 21, 2024 City of Kotzebue RCCM (regarding the EMS Contract): Maniilaq’s distress about the on-the-record discussion of the EMS Contract and progress to that date of the efforts to negotiate a new Contract shows a fundamental misunderstanding about the operation of local government in Alaska. The Open Meetings Act (“OMA”), AS 44.62.310-312, in Alaska requires that meetings held by a governmental body be open to the public. According to AS 44.62.312, while a governmental unit’s purpose is to “aid in the conduct of the people’s business,” this purpose does not result in a forfeiture of the people’s sovereignty or right to determine what information they can access. Further, the people have a right to be informed so that they have the power to “control ... the instruments they have created.” See AS 44.62.312. (The OMA is narrowly construed.) Although Maniilaq Association does not apparently operate under the dictates of the OMA, the City of Kotzebue is required to do so and the “public comments” at the March 21, 2024 RCCM were not inappropriate nor were they inaccurate. If Maniilaq Association was advised that the City of Kotzebue can negotiate public contracts in a Star Chamber-type setting, such advice was inapposite.

Letter to Maniilaq  
Re: EMS Contract  
April 9, 2024  
Page 2 of 3

Budget deficit allegations: Maniilaq Association’s claim that the City of Kotzebue operates a “*deficit*” budget and is seeking to “balance its budget” using these Contarct negotiations shows once again a fundamental misunderstanding of local government operations in Alaska. See, Kotzebue Municipal Code 3.04.070 (**Encumbrance—Conformance—Lapse—Transfers**, *No budget appropriations may be encumbered without prior certification by the city manager that there is an unencumbered appropriation sufficient to cover such encumbrance and sufficient funds available to meet the expenditure....The city manager shall not permit without council approval, during any budget year, an expenditure or contract incurring any liability in excess of the amount appropriated for each department of the city.*) So, unlike the federal government which can borrow money and print money at an unfettered rate, the City of Kotzebue must balance its budget each year with the revenues available. To the contrary, the City of Kotzebue has used other General Fund Revenues, i.e., sales tax, bed tax, alcohol tax, tobacco tax, to subsidize the under funded EMS Contract to make up for Maniilaq’s long-term refusal to pay its fair share of providing “*high quality Emergency Medical Services (“EMS”) to the City and the entire Northwest region through ground transports from Medevacs and the Health Center.*” Furthermore, the Government Finance Officers Association (GFOA) recommends that local governments maintain reserves equal to two months of operating revenue or, put another way, equal to 16.7 percent of annual revenue. Hence, protestations to the contrary by Maniilaq are a misrepresentation and a serious misunderstanding of how local governments operate in Alaska.

“The City did not provide justification for the increase past inflation”: This statement by Maniilaq Association is unfortunately a complete, inaccurate statement of what has occurred to date in these negotiations. Last Fall when these negotiations commenced, the City of Kotzebue prepared detailed packets of information regarding the costs of providing EMS services including, *inter alia*, a comprehensive analyses of the EMS services broken out by residences of patients receiving those services. This information was provided to the City Council. Was this same information provided to the Maniilaq Board of Directors? If not, I would respectfully request that your Board of Directors be provided this important information and have an opportunity to review it before any final decision is made on this EMS Contract.

Ultimatum/Final Offer: Maniilaq’s ultimatum in its Memorandum of April 2, 2024 is not worthy of our partnership over the past several decades. (Note: prior to 2009, it would appear that Maniilaq Association did not provide any funding for EMS services in Kotzebue and the Northwest region. If that is incorrect, please provide information regarding Maniilaq Association’s contributions to this vital public service prior to 2009 and I will stand corrected.) Rather than seriously jeopardizing the health, safety and well being of our mutual clients/patients – the residents of Kotzebue and the Northwest region – in continuing to “*provide high quality Emergency Medical Services (“EMS”) to the City and the entire Northwest region through ground transports from Medevacs and the Health Center*” I would respectfully renew the City of Kotzebue’s request for our two bodies – City Council of the City of Kotzebue and Maniilaq Board of Directors – to meet in a joint session for a frank, open discussion of how best to proceed with this most important matter.

Letter to Maniilaq  
Re: EMS Contract  
April 9, 2024  
Page 3 of 3

If this renewed request for a meeting between our two bodies is denied, please confirm your Memorandum of April 2, 2024: (1) is the **Section XII: Right to Terminate this [EMS] Agreement** (thirty (30) days written notice) under our current 2018 Memorandum of Agreement, (2) sets the date of termination of the current MOA as June 30, 2024 and (3) sets a take it or leave it deadline of Monday, April 15, 2024 for your **FINAL OFFER**. Your prompt response to these specific inquiries would be much appreciated.

In conclusion, I would hope the misrepresentations, misunderstandings and omissions as set out herein are considered by Maniilaq Association before your ultimatum of April 2, 2024 is effectuated. To proceed in a “take it or leave it posture” is not in keeping with our Iñupiaq Values, is contrary to our decades old partnership in not only this matter but in many other endeavors and will not serve the best interests of our People.

Respectfully,  
CITY OF KOTZEBUE

Saima Chase, Mayor

Attachment: Maniilaq MEMORANDUM of April 2, 2024 [3 pages]

cc: City Manager [via email with attachment]  
City Members [via email with attachment]  
KFD Fire Chief [via email with attachment]  
City Attorney [via email with attachment]  
Individual Maniilaq Board of Directors [via email with attachment]  
Maniilaq General Counsel [via email with attachment]





**MANIILAQ**  
ASSOCIATION

**MEMORANDUM**

April 2, 2024

**TO:** Tessa Baldwin, City Manager  
CITY OF KOTZEBUE

**THRU:** Tim Gilbert, President/CEO   
MANIILAQ Association

**FROM:** Dan Bain, Chief Financial Officer   
MANIILAQ ASSOCIATION

**RE:** City of Kotzebue EMS Contract

**INTRODUCTION:**

The City of Kotzebue (City) and Maniilaq Association (Maniilaq) have a long and productive history of working together to provide high quality Emergency Medical Services (EMS) to the City and the entire Northwest region through ground transports from Medevacs and the Health Center. Maniilaq's total contribution to the City for EMS services is approximately \$400,000 annually through:

- Monetary contribution totaling \$330,000;
- Loaned ambulance vehicles;
- EMS supplies and pharmaceuticals;
- EMS training resources,
- EMS Occupational health screenings; and
- EMS Medical Director.

Despite these investments, Maniilaq has recently been made aware of public comments the City has made regarding our partnership as a burden to the City budget and a hardship to the community. If that is the case, Maniilaq could alleviate this burden by operating Medevac transport services at a more cost-effective rate than the city is currently charging. Maniilaq is proud to have fostered a relationship with NANA's Qavvik Air Ambulance Service to provide Medivac services to the region. With this relationship, Maniilaq can provide Medevac transport services in Kotzebue while supporting our sister organization and regional economy.

While Maniilaq is more than willing to come to an equitable arrangement with the City, we cannot compensate for the City's general budget deficit's outside of the costs of EMS services. Maniilaq is a regional organization and must provide medical services to all twelve communities within the regional service area. Since other Northwest communities do not receive EMS services from Maniilaq, it would be unethical to compensate for the City's general budget deficit issues with regional funding.

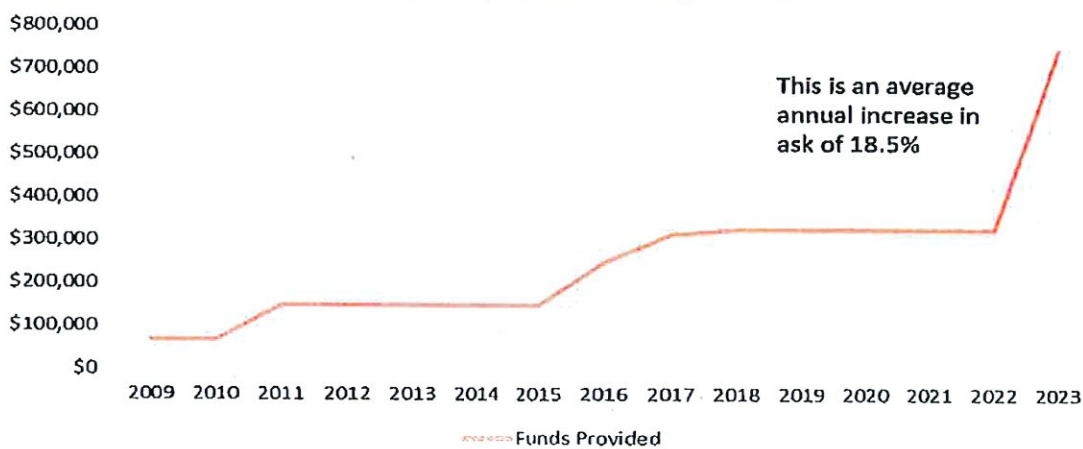
**FINAL OFFER: Deadline April 15, 2024**

It is Maniilaq’s intent to continue our productive relationship with the City. We believe that our December 27 offer of \$432,600 covers the costs of our patients and provides the city with an additional \$30,000 to assist with training of EMS staff. The December 27 offer of \$432,6000 is Maniilaq’s final offer, and will be retracted if the City does not respond by **April 15, 2024**. Maniilaq will continue to operate under the existing MOA until at least June 30<sup>th</sup>, 2024. However, Maniilaq cannot operate indefinitely on a month to month basis, and will work towards finalizing other solutions as soon possible with a goal of terminating the MOA with City on July 1, 2024.

**BACKGROUND:**

Throughout the negotiation process, Maniilaq has tried to adequately compensate the City for Maniilaq’s services and address areas of collaboration. Maniilaq has negotiated this issue in good faith and provided the city with sound justification on our dollar amount determinations.

**Figure 1. Cash Payment to City of Kotzebue**



In September 2023, the City of proposed a new agreement more than doubling the monetary component of the contract to \$750,000 bringing the total cost to Maniilaq over \$800,000 (see Figure 1 above). The City did not provide justification for the increase past inflation.

In October 2023, Maniilaq attempted to address the City’s inflation issue and offered a total monetary compensation of \$402,600 annually. The \$402,600 proposal was determined by accounting for the 22% Consumer Price Index inflationary growth rate since the 2018 agreement was signed.

In November 2023, the City countered Maniilaq’s proposal with a \$610,000 monetary amount without fiscal justification. The proposal included collaborative language regarding applying and implementing the State’s supplemental emergency medical transport (SEMT) program, which would provide significantly more revenue to the City.

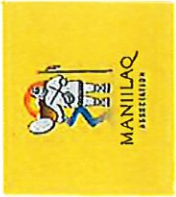
On December 27, Maniilaq countered with the amount \$432,600, which is the previous amount Maniilaq proposed plus an additional \$30,000 to assist the City’s internal

training needs. As strong community partners, Maniilaq also accepted the City's request to work collaboratively on the SEMT program, acknowledged the City's request for regimented Medical Director schedule, and promised to work towards acquiring a new GSA ambulance.

**CONCLUSION:**

Maniilaq is still willing to meet and discuss the outstanding items of the cost of the contract and collaborating on the State SEMT program. While Maniilaq continues to negotiate in good faith, it's unfortunate the City has made partial public comments regarding the contract negotiations. As community partners, we hope to come to an agreement and continue our productive working relationship. Alternatively, Maniilaq is prepared to alleviate the burden of our Medivac needs by contracting the service to another provider.





Grace Singh, Manilla General Counsel

→ grace.singh@manilaq.org

\* need to confirm this e-mail address



# BOARD OF DIRECTORS



**Eva Kinneveauk, Chair**  
Village: Point Hope  
popsy@astacalaska.net



**Lorena Walker, Vice-Chair**  
Village: Kiana  
ljwalker@manilaq.org



**Bonita Barr, Treasurer**  
Village: Deering  
bonita\_barr@manilaq.org



**Johnetta Horner, Secretary**  
Village: Kobuk  
johnettacleland@hotmail.com



**Tanya Kirk, At-Large**  
Village: Noatak  
[tanya.kirk@maniilaq.org](mailto:tanya.kirk@maniilaq.org)



**Percy Ballot, Member**  
Village: Buckland  
[percy.ballot@maniilaq.org](mailto:percy.ballot@maniilaq.org)



**Toni Raye Bergan, Member**  
Village: Kotzebue  
[toniraye.bergan@maniilaq.org](mailto:toniraye.bergan@maniilaq.org)



**Isabelle Booth, Member**  
Village: Kivalina  
[Isabelle.booth@maniilaq.org](mailto:Isabelle.booth@maniilaq.org)



**Roselynn Custer, Member**  
Village: Ambler  
[roselynn.custer@maniilaq.org](mailto:roselynn.custer@maniilaq.org)



**Nellie Griest, Member**  
Village: Shungnak  
[nellie.griest@maniilaq.org](mailto:nellie.griest@maniilaq.org)



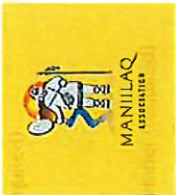
**Jessica Snyder, Member**  
Village: Noorvik  
[jessica.snyder@maniilaq.org](mailto:jessica.snyder@maniilaq.org)



**Vida Coaltrain, Member**  
Village: Selawik  
[vida.coaltrain@maniilaq.org](mailto:vida.coaltrain@maniilaq.org)

## SUBMIT COMMENTS TO OUR BOARD OF DIRECTORS

Your Name (required)



Your Email (re

Your Phone Ni

Subject

Your Message

Send



**CITY OF KOTZEBUE, ALASKA  
ORDINANCE NO. 24-03**

**ENTITLED: "A NON-CODE ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE APPROVING THE SALE OF A PORTION OF CITY-OWNED REAL PROPERTY LOCATED WITHIN LOT 10, BLOCK 13, USS 2863 TO THE NATIVE VILLAGE OF KOTZEBUE ("NVK") FOR THE FAIRMARKET VALUE OF ONE HUNDRED AND SEVENTY THOUSAND DOLLARS AND NO CENTS (\$170,000).**

**BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF KOTZEBUE, ALASKA:**

**Section 1.** This is a Non-Code Ordinance pursuant to Kotzebue Municipal Code ("KMC") **3.12.010 Acquisition of real property** which provides in pertinent part "*B. ...disposal of real property shall be approved...by ordinance if the property is valued at fifty-five thousand dollars to one million, one hundred thousand dollars...*"

**Section 2.** The Native Village of Kotzebue is the Tribal Government serving the Inupiaq people of Qikiqtagruk and wishes to purchase certain City-owned property from the City of Kotzebue and has obtained funding for the construction of a building to house a Nikaitchuat Iḷisaḡviat Inupiaq Immersion School and Tribal offices.

**Section 3.** The City of Kotzebue by Trustee's Deed dated August 22, 1958, is the owner of that portion of lot 10, block 13, USS 2863, described as beginning at the corner no. 8, USS 2863A, Kotzebue Townsite, thence S. 45° 59' E., 200 feet, thence S. 44° 01' W., 173.06 feet, thence N. 45° 59' W., 200 feet, thence N. 44° 01' E. 173.06 feet to the beginning, containing 34,612 square feet.

**Section 4.**

The portion of City-owned real property sought by the Native Village of Kotzebue is located within City Limits and is described as the easterly portion of lot 10, block 13, USS 2863 conveyed by the 1958 Trustee's Deed referenced above and bordered by Lagoon Street and Fourth Avenue excluding the westerly portion of the City-owned Ashley Johnson-Barr Park and which portion sought by the Native Village of Kotzebue is measured at 110.02 linear feet by 173.98 linear feet for a total area of 19,141 square feet of the City-owned portion of lot 10, block 13 and that portion has been appraised at value of \$170,000 by a Certified Residential Real Estate Appraiser of the Appraisal Company of Alaska and the Native Village of Kotzebue has agreed to pay for a formal metes and bounds survey from a qualified Alaska surveyor which sets out a legal description of the property to be purchased starting from a point of beginning, then traces the outline of the property's boundary lines until there is closure in the legal description and provide the City of Kotzebue a copy of this survey as a condition subsequent to the purchase of the City's property set forth herein. The Native Village of Kotzebue and City of Kotzebue will work together on the documentation necessary to complete this purchase with the Native Village of Kotzebue paying for the filing/recording of same.

The Ashley Johnson-Barr Park and its immediately adjoining environs are not available for purchase by the Native Village of Kotzebue, so only that portion of the property adjacent to the east of the park as described above will be conveyed to the Native Village of Kotzebue once that property has been properly subdivided following the City of Kotzebue applicable subdivision requirements. Although the Native Village of Kotzebue will not own Ashley Johnson-Barr Park, the Native Village of Kotzebue shall under covenant take full and complete responsibility for the maintenance, upgrades, safety, and well-being of the park and fully indemnify and hold harmless the City of Kotzebue from any and all claims and costs resulting from any harm or loss associated with the park as a condition subsequent.

**Section 5.** If by December 31, 2027, the Native Village of Kotzebue has not fully constructed the proposed building to house a Nikaitchuat Iḷisagviat Inupiaq Immersion School and Tribal offices, the ownership of the property will revert to the City of Kotzebue and the Native Village of Kotzebue will complete and file the necessary documentation to effectuate this reversion and the Native Village will be refunded its payment of \$170,000 in its entirety without any costs and/or interest. Furthermore, if at any time after the purchase of the property described herein by the Native Village of Kotzebue, the Native Village of Kotzebue decides to sell the property it has purchased as described herein, the City of Kotzebue shall be given the right of first refusal to the real property purchased by the Native Village of Kotzebue as described herein at the fairmarket value of the real property at that time.

**Section 6.** As a condition precedent for the purchase of this property, the Native Village of Kotzebue by a duly passed Resolution of its Tribal Council shall waive its sovereign immunity for the limited, express purpose of enforcing the terms and conditions of this Non-Code Ordinance and any subsequent Agreements for the purchase of the City of Kotzebue’s property described herein. Said Resolution shall be provided to the City of Kotzebue on or before the Public hearing set for this Non-Code Ordinance on May 2, 2024.

**ENACTED** this 2<sup>nd</sup> day of May, 2024.

**CITY OF KOTZEBUE**

\_\_\_\_\_  
Saima Chase, Mayor

[SEAL]

ATTEST:

\_\_\_\_\_  
Rosie Hensley, City Clerk

ATTESTATION: I, Rosie Hensley, Clerk for the City of Kotzebue, hereby attest that the above Ordinance, No. 24-03, was duly presented to the Kotzebue City Council, duly published and that a valid public hearing was held and that it was duly enacted on May 2, 2024.

Introduction: April 18, 2024  
Published/Posted: April 12, 2024  
Public Hearing: May 2, 2024  
Passage: May 2, 2024



**CITY OF KOTZEBUE  
RESOLUTION NO. 24-25**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE  
ACCEPTING THE BDO BID TO PROVIDE AUDITING SERVICES FOR THE  
CALENDAR YEARS 2023, 2024, 2025 AND 2026.**

**WHEREAS,** BDO USA, LLP, 3601 “C” Street, Suite 600, Anchorage, Alaska 99503 (“BDO”) (f/n/a Mikunda Cottrell & Company) has provided auditing services for the City of Kotzebue for many years and BDO’s services have been of the highest quality during the time that the City of Kotzebue (“City”) has used its auditing services;

**WHEREAS,** BDO was the only bidder to submit a response to the City’s Invitation to Bid for Auditing Services as set forth in Exhibit “A” attached hereto;

**WHEREAS,** BDO has proposed in its 42-page March 29, 2024 submittal, attached hereto as part of Exhibit “A” at Pages 2 of 45 and 43 of 45 of Exhibit “A” to provide auditing services for CY2023 in the amount of \$84,300, for CY2024 in the amount of \$88,850, for CY 2025 in the amount of \$93,850 and for CY2026 in the amount of \$99,100 on the terms and conditions as set out therein; and,

**WHEREAS,** pursuant to Kotzebue Municipal Code, Chapter 3.04, BUDGET, appropriations for CY2024, CY2025 and CY2026 auditing services from BDO must be duly present to and approved by the City Council of the City of Kotzebue, to wit: the auditing services for CY2024, CY2025 and CY2026 are subject to appropriation by the then sitting City Council of the City of Kotzebue at the time required for such appropriations pursuant to Kotzebue Municipal Code, Chapter 3.04, BUDGET.



**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Kotzebue authorizes the City Manager or her designee to proceed with obtaining and utilizing the auditing services of BDO for CY2023 on the terms and conditions as set out in Exhibit “A” attached hereto.

**PASSED AND APPROVED** by a duly constituted quorum of the City Council of the City of Kotzebue, Alaska, this 18<sup>th</sup> day of April, 2024.

**CITY OF KOTZEBUE**

\_\_\_\_\_  
Saima Chase, Mayor

ATTEST:

\_\_\_\_\_  
Rosie Hensley, City Clerk

Attachments: Exhibit "A" – BDO Response to ITB [45 pages]

CITY OF KOTZEBUE  
INVITATION TO BID/REQUEST FOR PROPOSAL/  
REQUEST FOR QUOTE  
OPENING REPORT

PROPOSAL NUMBER/TITLE: ITB24-02 Audit Svc.

DATE/TIME OPENED: 4/1/24, 2024 AT 1:18 A.M./P.M.

	<u>CONTRACTOR</u>	<u>PROPOSAL AMOUNT</u>
01	<u>BDO</u>	<u>84,300.00</u>
02		
03		
04		
05		
06		
07		
08		
09		
10		

[Signature]  
City Clerk

4-1-2024  
Date

[Signature]  
Witness

Bids frozen 4pm 3/29/24. Opened bids at 4/1/24 1:18pm

# Value for Fees

We are committed to quality, value-added service.

We understand the importance of efficiencies and cost control and have specifically designed our audit, methodologies to provide your engagement team with the tools they need to perform high quality audit services in as cost effective a manner as possible.

BDO is committed to investing the necessary time to discuss the changes, challenges, and potential issues which may impact you and your business. We believe in complete transparency, which means:

- ▶ We quote services based on experience and realistic expectations to avoid unexpected fees.
- ▶ It is not our practice to bill for routine telephone discussions or questions unless they require significant research.
- ▶ If you request special services outside the scope of services outlined in this bid, we will discuss those services and provide management with a fee estimate related to such assistance.
- ▶ We will not allow concerns about fees to jeopardize our working relationship.

## OUR FEE BID

Assurance	2023	2024	2025	2026
Financial Statement, Audit, and Report preparation	\$69,500	\$73,300	\$77,550	\$82,000
Per Federal major program	\$7,800	\$8,200	\$8,600	\$9,000
Per State major program	\$7,000	\$7,350	\$7,700	\$8,100

Our fee Assumption is based on approximately 450 hours for the financial statements audit and report preparation, 55 hours for each major federal program and 48 hours for each major state program.

Our fees are exclusive of out-of-pocket expenses and other costs related to providing the services mentioned. These costs, including communication, data and technology, printing, and other direct engagement costs, will be billed separately as incurred. We bill monthly and require payment upon presentation. The amount billed reflects the approximate progress made towards completion of the professional service.



DELIVERY SLIP

Station : OTZ

AWB	HAWB	Origin	Std Pcs/Wt	SCC	Shipment Des	Consignee	Clearing Agent	Customs Ref.Numb	ULD	Div.Pc	Div.Wt.	DN Details
91-73457204		ANC	1/0	SOA,L,TR,NON DOCUMENTS	ROSIE HENSLEY CITY CLERK					1	0.38	DN3994( 1/0.38L )

Exhibit "A" to Resolution 24-25 for April 18, 2024 RCCM

above consignment(s) received in full and apparent good order and condition except as noted in the remarks section

Delivered By: 1054254

Delivered To: ROSIE (Signature)

Delivered Date/TI : 27-Mar-2024 13:04:00

Vehicle Number:  
Contact Address:

Remarks :

Section X, Item B.

Page 1



# CITY OF KOTZEBUE, AK

BIKKY SHRESTHA, CPA  
3601 C STREET, SUITE 600  
ANCHORAGE, AK 99503  
TEL: 907-770-2234  
FAX: 907-278-5779 BSHRESTHA@BDO.COM  
FEBRUARY 9, 2024





CITY OF KOTZEBUE

INVITATION TO BID # 2024-01

ITB Form

BUSINESS' NAME: BDO USA, P.C.  
(Owner or Authorized Representative of Company)

COMPANY NAME: BDO USA, P.C.

COMPANY ADDRESS: 3601 C Street, Suite 600  
Anchorage, AK 99503

(Physical Address)

Same as above  
(Mailing Address)

TELEPHONE: 907-770-2234 FACSIMILE: 907-278-5779

EMAIL ADDRESS: bshrestha@bdo.com

**I am an owner and/or have been authorized by my company to submit itb for Auditing Services for the City of Kotzebue. I submit the following ITB:**

Request for Auditing Services

§ Please see proposed fees on page 40.


Signature of Owner or Authorized Representative

3/22/24

Date

CITY OF KOTZEBUE  
NON-COLLUSION CLAUSE

1. By submission of this offer, the offeror certifies, and in the case of a joint offer, each party thereto, certifies as to its own organization, that in connection with this procurement:
  - a. The prices of this offer have been arrived at independently, without consultation, communication or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other offeror or with any competitor.
  - b. Unless otherwise required by law, the prices which have been quoted in this offer have not been knowingly disclosed by the offeror and will not knowingly be disclosed by the offeror, prior to opening in the case of an advertised procurement, or prior to award in the case of a negotiated, directly or indirectly, procurement to any other offeror or to any competitor.
  - c. No attempt has been made or will be made by the offeror to induce any other person or firm to submit or not submit an offer for that purpose of restricting competition.
  
2. Each person signing this offer certifies that:
  - a. He is the person in the offeror's organization responsible within that organization, for the decision as to the prices being offered, herein, and that he has not participated, and will not participate in any action contrary to 1a through 1c above.
  - b. He is not the person in the offeror's organization responsible within that organization, for the decision as to the prices being offered, herein, but that he has been authorized, in writing, to act as agent for the persons responsible for such decision in certifying that such persons have not participated and will not participate in, any action contrary to 1c above and as their agent, does hereby so certify; and he has not participated, and will not participate in any action contrary to 1a through 1c above.

  
 \_\_\_\_\_  
 Signature of Authorized Representative  
 Bikky Shrestha  
 \_\_\_\_\_  
 Printed Name of Authorized Representative  
 BDO USA, P.C.  
 \_\_\_\_\_  
 Company Name

3/22/24  
 \_\_\_\_\_  
 Date  
 Assurance Principal  
 \_\_\_\_\_  
 Title

# Table of Contents

	PAGE NUMBER
Transmittal Letter	5
Firm Qualifications	7
Independence	16
License to Practice in Alaska	19
Report of External Quality Control	21
Principal, Supervisory and Staff Qualifications and Experience	25
Similar Engagements with Other Government Entities	32
Specific Audit Approach	34
Professional Fees	40





Tel: 907-278-8878  
 Fax: 907-278-5779  
 www.bdo.com

3601 C Street, Suite 600  
 Anchorage, AK 99503

March 29, 2024

City of Kotzebue  
 Chelsea Sieh, Finance Director  
 258A Third Avenue  
 PO Box 46  
 Kotzebue, AK 99752

Dear Ms. Sieh,

Thank you for giving BDO USA, P.C ("BDO") the opportunity to present our bid to continue to meet the auditing needs of the City of Kotzebue ("the City"). The firm selected to serve the City must demonstrate that it has the depth of resources required to perform this engagement in a timely fashion; experience in performing audits of similar size and complexity as the City's operations; familiarity with the laws and regulations that govern contracts; and the ability to understand and test internal controls, including compliance with laws and regulations. The BDO Team offers unmatched experience in relation to the services required by the City.

We will perform an audit of the City's basic financial statements in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards* issued by the Comptroller General of the United States of America; the provisions of the Federal Single Audit Act of 1984 and the Single Audit Amendments of 1996; U.S. Office of Management and Budget (OMB) Uniform Guidance and the State of Alaska Single Audit Regulation 2AAC 45.010.

BDO USA nationally serves many government agencies. The firm has over 80 offices in the U.S. and global network of offices in 160+ countries making BDO the fifth largest international accountancy network. The Anchorage office of BDO represents one of the largest CPA practices in Alaska and offers a long history of experience working directly with Alaska municipal governments. The BDO Team's depth of resources will be further complemented with the extensive experience gained from performing hundreds of federal and state single audits for various public sector organizations. As leaders in the municipal audit market, we stand ready to support the City in carrying out its fiscal responsibilities, with minimal disruption and learning curve.

The City will continue to be a valuable client to the BDO Anchorage office and will receive the full attention of our senior resources. We anticipate substantial audit participation from the audit partner, in addition to highly qualified technical reviewers. In this bid, we have described our qualifications that we believe make us the best choice for the City. We are confident that the services we provide, our proactive service delivery approach, and our open communication style, all of which have helped us establish long-term relationships with hundreds of organizations similar to the City, are suitably matched to your needs.

We wish to again express our appreciation for the opportunity to present our bid to serve as your independent auditors and accountants. We would welcome the opportunity to discuss our bid in detail and answer any questions you may have. This bid for auditing services for the **year ended December 31, 2023**, represents a firm and irrevocable offer. The undersigned is authorized to make representations regarding this bid on behalf of the firm and certifies that all information is accurate and that this bid is valid for 90 days from February 9, 2024.

Sincerely,

Bikky Shrestha  
 Assurance Principal  
 Direct: 907-770-2234  
 bshrestha@bdo.com



# Firm Qualifications and Experience



# About BDO

## FIRM HISTORY AND OVERVIEW

BDO has a 113-year record as a premier accounting, tax, and advisory organization. We are recognized for our attentive client service, experienced and accessible team members, focus on quality and efficiency, ability to adapt to and navigate successfully in a changing marketplace, and dedication to the municipal government community.

Founded as Seidman & Seidman in New York City in 1910, the firm has grown to serve clients through more than 80 offices nationwide.

## HELPING PEOPLE THRIVE EVERY DAY

BDO's philosophy defines our mission to achieve sustainable professional, cultural, and economic growth, as well as meaningful recognition in the marketplace and the profession. We will accomplish this by:

- ▶ Demonstrating our core values to put people first, embrace change, choose accountability, be exceptional every day and every way, and gain empowerment through knowledge
- ▶ Investing in our people and infrastructure
- ▶ Capitalizing on market opportunities and strategic relationships
- ▶ Providing attentive client service

## BDO USA, LLP

**\$2.49** billion Revenues

**38%** Assurance    **35%** Tax    **27%** Advisory and Other

**20** Partners    **9,671** Client Service Personnel    **80+** Offices  
**8** Partners    **11,270** Total Personnel



## BDO IN ALASKA

Our Anchorage office is located at 3601 C Street, Suite 600. It has been in business for over 40 years and is led by four partners who serve the region with a proud focus on Alaska-based clients. We deliver for small entities, large operations in diverse geographic regions, and everything in between. We currently serve 20 of Alaska's "Top 49ers." Our client base reflects the local market economy and is comprised of the following extensive range of sectors and industries.

- ▶ Aerospace/Aviation
- ▶ Alaska Native Tribal Entities
- ▶ Construction
- ▶ Environmental Remediation
- ▶ Government Contracting
- ▶ Healthcare
- ▶ Hospitality/Tourism
- ▶ IT
- ▶ Manufacturing/Logistics
- ▶ Media/Entertainment
- ▶ Municipal and State Governments
- ▶ Nonprofit
- ▶ Operations and Maintenance
- ▶ Postal Services
- ▶ Real Estate
- ▶ Retail and Wholesale
- ▶ School Districts
- ▶ Security Services
- ▶ Small Business
- ▶ Utilities

## ALASKA BY THE NUMBERS

**70+** professionals in Anchorage serving the region with a proud focus on Alaska-based clients

**4** Partners

# BDO Knows State and Local Government Audits

BDO has extensive experience in the public and nonprofit sectors, including governmental and tax-exempt programmatic, membership, social welfare, charitable, educational, religious, cultural, and research entities. Our professionals deliver hands-on experience and technical skills to address each of our clients' distinctive needs. *As a client of the BDO Anchorage office, you have access to these national-level resources whenever you need them.*

BDO's public sector professionals have an in-depth knowledge and understanding of applicable federal, state, and local government rules and regulations, as well as accounting and auditing standards and requirements, financial management rules and requirements, information technology system auditing standards, and economic stimulus program and reporting requirements.



**Public sector-specific methodologies and program management**

- ▶ Guide our highly experienced public sector auditors
- ▶ Recognize schedule and budget constraints
- ▶ Help us analyze which federal, state, or municipal accounting rules, regulations, and laws are applicable
- ▶ Encourage deeper discussions with our clients that can drive auditor insights and streamlined processes



**Tailored technologies and tools**

- ▶ Enable secure, encrypted document and information sharing in real time
- ▶ Drive audit efficiencies
- ▶ Foster knowledge through our customized public sector analytics dashboards



**Extensive experience in auditing similar activities, programs, and funds**

- ▶ Achieve GFOA top honors for ACFRs our teams have audited
- ▶ Guide knowledge of roll-up entities, such as school districts, healthcare organizations, utilities, transportation agencies, and airport authorities
- ▶ Offer leadership for state and federal single audits
- ▶ Understand current, relevant GASB guidelines and anticipate future requirements



**Immersion in the public sector space**

- ▶ Serve on public sector task forces, teams, and fellowships in the AICPA and GASB
- ▶ Interpret public sector issues and regulations to help our clients



**Knowledge-base sharing with public sector clients**

- ▶ Deliver timely information through articles, archives, webinars, and trainings

## BDO Experience with Alaska Entities

Below we have provided information on our overall audit experience with Alaska government and utilities entities. For the requested reference information, please see the following page.

### PUBLIC SECTOR DEPTH

BDO's Public Sector professionals have an in-depth knowledge and understanding of applicable state and local government rules and regulations, federal and industry accounting and auditing standards and requirements, financial management rules and requirements, information technology system auditing standards, and economic stimulus program and reporting requirements. Our methodologies and program management approach are designed to deliver repeatable and reliable processes that help clients achieve their goals, facilitate communications, assure accurate and timely reporting, and enable effective operations.

The City will be served by leaders of BDO's dedicated Public Sector practice. Consisting of approximately 800 audit and advisory professionals and led by members of our proposed client service team, our practice has recently performed the financial statement audits, Single Audits, and prepared the Annual Comprehensive Financial Reports for numerous municipal, state, regional, and federal government agencies.

BDO is a valued business advisor to approximately 4,000 agencies in the public sector, including educational, governmental and tax-exempt programmatic, membership, social welfare, charitable, religious, cultural, and research with asset sizes ranging from \$500,000 to approximately \$10,000,000,000. Our professionals deliver hands-on experience and technical skills to address each of our clients' distinctive needs.

We have extensive experience in auditing some of the largest governments in the United States and Alaska.

We have performed all the required tasks and all aspects of the services outlined in the RFP for numerous government and tax-exempt entities. The BDO team of professionals offers the hands-on experience and technical skill you can rely upon to serve the distinctive needs of City.

### STATE, LOCAL AND OTHER GOVERNMENTS

#### Local public engagement teams

Our Alaska offices serve as auditors for many governmental units, including state agencies, cities, and counties, such as Municipality of Anchorage and Anchorage School District, Kenai Peninsula Borough and School District, City and Borough of Sitka, Aleutians East Borough, City of Kenai, City and Borough of Yakutat, Alaska International Airports System, Alaska Municipal Bond Bank Authority, and Petersburg Borough.

#### National practice resources serving state and local governments

In addition, various BDO offices have provided audit and/or advisory services to the City and County of Denver, California Public Employees' Retirement System, Government of the U.S. Virgin Islands, City of Las Vegas, Government of the District of Columbia, Virgin Islands Port Authority, and the Virgin Islands Power and Water Authority, Clark County Water Reclamation District, Las Vegas Valley Water Authority, State of West Virginia, City of Wilmington, Diamond State Port Corporation, Wilmington Parking Authority, New Castle County, Sussex County and Kent County, Delaware.



## Experience Providing Additional Services

### SINGLE AUDIT EXPERIENCE

BDO has regular experience working directly with a variety of federal and state agencies as inquiries and/or audits occur with clients. Our assurance professionals have performed hundreds of Single Audits under the requirements of OMB Circular A-133 and/or Uniform Guidance for governmental and tax-exempt entities and are also closely familiar with federal acquisition regulations.

We have fluent knowledge of cost accounting standards, cost allowability and allocability, budgeting and forward pricing, and time reporting and labor distribution systems, and have helped clients develop their indirect cost rates and structure their indirect cost pools. These reviews focus on establishing a structure to raise the indirect cost recovery for the organization while helping to verify that it remains compliant. BDO has also performed numerous extensive reviews of clients' internal controls to assess whether required controls are in place and identify areas in which controls can be strengthened.

The City will have access to BDO's wide range of resources. Your engagement leads have experience working with federal funding from the following federal agencies.

#### Federal Funding from Federal Agencies

- ▶ Agency for International Development
- ▶ Department of Agriculture
- ▶ Department of Commerce
- ▶ Department of Defense
- ▶ Department of Education
- ▶ Department of Energy
- ▶ Department of Health and Human Services
- ▶ Department of Homeland Security
- ▶ Department of Housing and Urban Development
- ▶ Department of the Interior
- ▶ Department of Justice
- ▶ Department of Labor
- ▶ Department of State
- ▶ Department of Transportation
- ▶ Department of Treasury
- ▶ Environmental Protection Agency
- ▶ Federal Aviation Administration
- ▶ Federal Emergency Management Agency
- ▶ General Services Administration
- ▶ National Aeronautics and Space Administration
- ▶ National Endowment for the Arts
- ▶ National Endowment for the Humanities
- ▶ Social Security Administration

# Experience Providing Additional Services

The vast majority of our public sector clients require Single Audits. BDO has significant experience performing Single Audits for a variety of clients of all sizes and with a diverse program base. The strength of our Uniform Guidance audits is evident through the desk and quality reviews conducted by oversight organizations such as the General Accounting Office (GAO), federal inspectors general, and state auditors. At BDO, we:

- ▶ Work closely with federal agencies responsible for overseeing and implementing the Uniform Guidance
- ▶ Have a dedicated group of professionals who direct an education and communication program to our staff and clients
- ▶ Provide a Uniform Guidance training curriculum that meets the Government Auditing Standards continuing professional education requirements for all professionals who serve on these audits
- ▶ Offer our clients and service teams direct access to our BDO Institute for Nonprofit Excellence for technical questions or unusual issues that may arise; this enables individuals who interact directly with federal agencies to answer single audit questions from the client or our team in a timely, efficient, and consistent manner

The following is a partial listing of our recent similar public entity clients, all of which required Single Audits of various sizes and magnitudes.

## Government-wide

- |  |                                |
|--|--------------------------------|
| ▶ City and County of Denver              | ▶ Aleutians East Borough       |
| ▶ City of Grand Rapids                   | ▶ City and Borough of Sitka    |
| ▶ City of Homer                          | ▶ City and Borough of Wrangell |
| ▶ City of Kenai                          | ▶ City and Borough of Yakutat  |
| ▶ City of Kotzebue                       | ▶ City of Palmer               |
| ▶ City of Wilmington                     | ▶ City of Sand Point           |
| ▶ City of Wyoming                        | ▶ City of Soldotna             |
| ▶ Government of the District of Columbia | ▶ City of Wasilla              |
| ▶ Government of the U.S. Virgin Islands  | ▶ City of Unalaska             |
| ▶ Kalamazoo County                       | ▶ Kenai Peninsula Borough      |
| ▶ Petersburg Borough                     | ▶ Municipality of Skagway      |
| ▶ Municipality of Anchorage              |                                |
| ▶ Sussex County                          |                                |

## Alaska School Districts

- |   |   |
|---|---|
| ▶ Aleutians East Borough School District  | ▶ Matanuska-Susitna Borough School District |
| ▶ Anchorage School District               | ▶ Petersburg School District                |
| ▶ Galena City School District             | ▶ St. Mary's School District                |
| ▶ Kenai Peninsula Borough School District | ▶ Yukon Koyukuk School District             |
| ▶ Lower Yukon School District             |   |

## Public Sector Industry Credentials

### BDO INSTITUTE FOR EXCELLENCE

BDO is proud to be one of the few national accounting firms with a strategic dedication to the public sector. That commitment led us to develop the Institute to address the needs of U.S. nonprofit and public sector entities.

The Institute serves as a resource, studying and disseminating information pertaining to public sector accounting and business management. It also supports and collaborates with BDO offices around the country to develop innovative and practical accounting and operational services for our Public Sector practice and our clients. The Institute, which is in the Washington, D.C., area, provides monthly in-person or web-based informational sessions for clients and other interested parties on the latest topics and opportunities impacting the public sector.

Additionally, the Institute sponsors educational seminars locally or by webcast on such topics as new Governmental Accounting Standards Board (GASB) implementation and compliance, new Financial Accounting Standards Board (FASB) implementation and compliance, tax planning, alternate revenue streams, and management and governance topics.

### CONTRIBUTIONS TO REGULATORY MATTERS

BDO's participation in regulatory and public policy affairs is extensive, involving partners' activity at the highest levels across a wide range of bodies and groups locally, nationally, and internationally. BDO partners and members of its leadership team are active as respected commentators in the blogosphere and media.

Our Public Sector practice monitors the various projects at the GASB and provides ongoing information through newsletters, webinars, and client-specific trainings to keep our clients updated on future endeavors.

### Current BDO Public Sector Appointments

- ▶ **Lee Klumpp** – AICPA's State and Local Government Entities Task Force, and the firm's liaison to the AICPA Government Audit Quality Center
- ▶ **Sam Thompson** – AICPA's Ethics Enforcement Subcommittee, Alaska Government Finance Officers Association Board of Directors

### Recently Completed BDO Appointments

- ▶ **Randy Watkins** – AICPA Government Audit Quality Center, Executive Committee Member; AICPA Governmental Auditing and Accounting Conference, Conference Planning Committee; AICPA Government Performance and Accountability Committee; Colorado Society of CPAs' Government Issues Forum, Past Chair
- ▶ **Neena Masih** – AICPA Nonprofit Task Force on Revenue Recognition
- ▶ **Lee Klumpp** – FASB Industry Fellow
- ▶ **Kurt Miller** – AICPA State and Local Government Training Program Update

### Experience with GFOA Certificate of Achievement for Excellence

Consultation related to the achievement of the GFOA Certificate of Achievement for Excellence in Financial Reporting is very important to us as your service provider.

BDO has routinely assisted state and local governments in the successful completion of the GFOA Certificate of Achievement for Excellence in Financial Reporting. We stand willing and able to assist the City in achieving excellence in financial reporting.

Many of your service team members have served as members of the Government Finance Officers Association and as GFOA-appointed reviewers.



# Public Sector Industry Credentials

## THOUGHT LEADERSHIP AND CLIENT EDUCATION

We demonstrate our knowledge and experience in our relevant client work and thought leadership – from proprietary research to timely reports and industry events, BDO is at the forefront of the public sector conversation and believe in the power of industry participation. Many of our practice professionals are in the field with our clients, author articles on salient issues, and comment on breaking news. We are speakers at industry conferences and seminars, are active in organizations and trade associations, and serve as resources for trade publications.

Our goal is to bring perspective on opportunities, trends, issues and regulations that frame our approach and services to address our clients' needs.

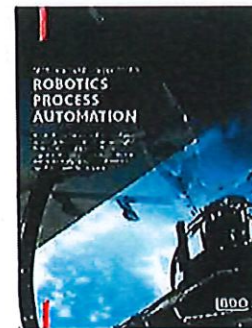
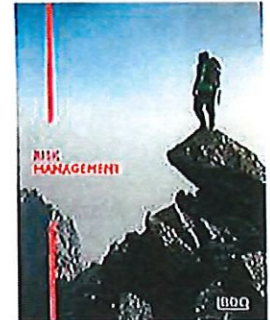
## PUBLICATIONS AND TECHNICAL UPDATES

We share our knowledge through a variety of thought leadership, keeping you abreast of relevant news and hot topics that go beyond balance sheets and financial statements.

- ▶ **Public-Private Partnership (P3s)** – Drawing upon our P3 practice's 20+ year history, BDO's mobilization process can capture the unique nuances to develop tailored strategies to win alignment and approval for your development goals.
- ▶ **Significant Accounting and Reporting Matters Guide** – quarterly digest of final and proposed financial accounting standards.
- ▶ **GASB, FASB, and Single Audit Flash Reports** – information about selected developments and emerging issues are immediately e-mailed to BDO professionals for timely communication to clients.
- ▶ **Tax Newsletters and Alerts** – updates on federal, state, local, expatriate, and international developments along with other specific tax planning and strategy considerations.
- ▶ **Industry Newsletters, Alerts, Reports, Proprietary Studies, Infographics, and Surveys** – a variety of publications depicting specific industry issues, emerging trends, and developments.

Topical resources available for our clients include:

- ▶ Community Infrastructure Act: [Community Infrastructure](#)
- ▶ Community Resilience: [Community Resilience](#)
- ▶ Innovation and Transformation: [Business Innovation](#)
- ▶ Corporate Governance and Financial Reporting: [Corporate Governance](#)
- ▶ Single Audit: [Frequently Asked Questions](#)
- ▶ [OMB Uniform Guidance](#)
- ▶ [The Latest in COVID-19 Funding Compliance Guidance](#)



# Public Sector Industry Credentials

If there are complex transactions or considerations, our Professional Practice leaders stand ready to help investigate the relevant standards and requirements. In addition, they have a direct line of communication with GASB leaders to help resolve technical matters. We will facilitate a meeting with you, a GASB representative and your BDO team to ensure the matter is understood, documented, and resolved.

The following listing is representative of developments and emerging issues we make available to our clients.

Understanding the Impacts of GASB Statement No. 84, Fiduciary Activities	Shows how to identify fiduciary activities, determine appropriate reporting, and review questions from implementation guide
GASB Statement No. 87, Leases, Implementing the Standard	Provides examples and review questions from implementation guide
GASB Statement No. 91, Conduit Debt Obligations	Provides examples of accounting requirements and disclosures
GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements	Provides examples of accounting requirements and disclosures
GASB Statement No. 96 - Subscription-based Information Technology Arrangements	Provides examples of accounting requirements and disclosures
GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans	Provides examples of accounting requirements and disclosures
Accounting for Pension and OPEB Plans	Notes disclosures and required supplementary information
GASB Financial Reporting Deficiencies	Reviews common financial reporting deficiencies found in ACFRs
Government Risks and Trends	Reviews current developments in the government environment
Accounting and Financial Reporting for Investments	Reviews accounting and disclosure requirements (GASB Statements No. 40, 72, and 79)
Accounting and Disclosures for Debt	Reviews accounting for debt issuance, refundings, and disclosures, and reviews latest GASB standards related to debt, including GASB Statements No. 86 and 88
GASB Statement No. 34 Conversions	Reviews components of a conversion from the governmental funds to the governmental activities
Understanding Procurement Standards Under the Uniform Guidance (UG)	Reviews UG procurement requirements
Schedule of Expenditures of Federal Awards (SEFA)	Reviews required content and format of the SEFA
Safeguarding Against Fraud	Reviews common types of fraud found in governments and identifies methods to prevent and/or detect those frauds
IT Auditors Training Updates	Provides overview of IT auditing and update on latest requirements (e.g., cybersecurity, data analytics, and prevention and detection of fraud)
Financial Reporting Model	Reviews exposures; aimed at improving financial reporting



Independence





# Independence

## INDEPENDENCE

Generally accepted auditing standards require that an auditor be independent in both fact and appearance. Independence is the cornerstone of the public accounting profession. Our firm and the specific personnel assigned to the engagement meet the independence standards of the Code of Professional Ethics of the AICPA, the Government Accountability Office (GAO) Independence rules, and as defined by Government Auditing Standards with respect to the City of Kotzebue.

BDO represents and covenants that our firm is independent with respect to the City and that the firm and all staff of the firm shall remain independent with respect to the City for the duration of the contract. Should any other professional relationships be entered into between BDO and the City, we shall provide notice to the City in writing.

BDO has had no professional relationships with the City of Kotzebue in the past five years.

## SUPPLEMENTAL RESOURCES AVAILABLE TO ASSIGNED PERSONNEL

BDO commits significant resources to keep our Assurance professionals up-to-date on current and evolving accounting, reporting, and auditing developments. Our training includes monthly web-based programs covering current accounting and auditing topics. Managers and partners attend national conferences conducted by BDO's top technical professionals annually. Level-specific training sessions are conducted nationally and locally and address the needs of our professionals at various points in their careers.



## Independence and Client Confidentiality

We are required to be independent of our audit clients and their affiliates both in fact and in appearance. We have several safeguards in place to make sure this is the case.

### AUDIT INDEPENDENCE

As your audit principal, it will be Bikky Shrestha's responsibility to authorize any non-audit services that we may be asked to provide to you; this includes corporate tax services. Our colleagues are aware that they must obtain Bikky's prior approval before undertaking such work on your behalf.

Prior to accepting any non-audit engagement, we would discuss our potential appointment with the audit committee, explaining any threats to our independence and the safeguards we propose to minimize such threats to an acceptable level. This allows both parties to be confident that, by accepting such an appointment, our independence is not impaired.

If any of our staff believe that they might be conflicted, they have a duty to make the circumstances known to the principals. Any staff with financial, business, or personal relationships with you will not be allowed to be part of the audit team.

The firm fully complies with the auditing profession's ethical standards on independence.

### OUR APPROACH TO DEALING WITH COMMERCIAL CONFLICTS OF INTEREST

We recognize that commercial conflicts can arise from time to time—for example, due to a corporate transaction. We will always consider these conflicts on a case-by-case basis. For every case, we will seek permission to discuss with the other party before proceeding.

If both parties are content for us to act, we will agree on the necessary safeguards, which may involve the use of separate teams and offices.

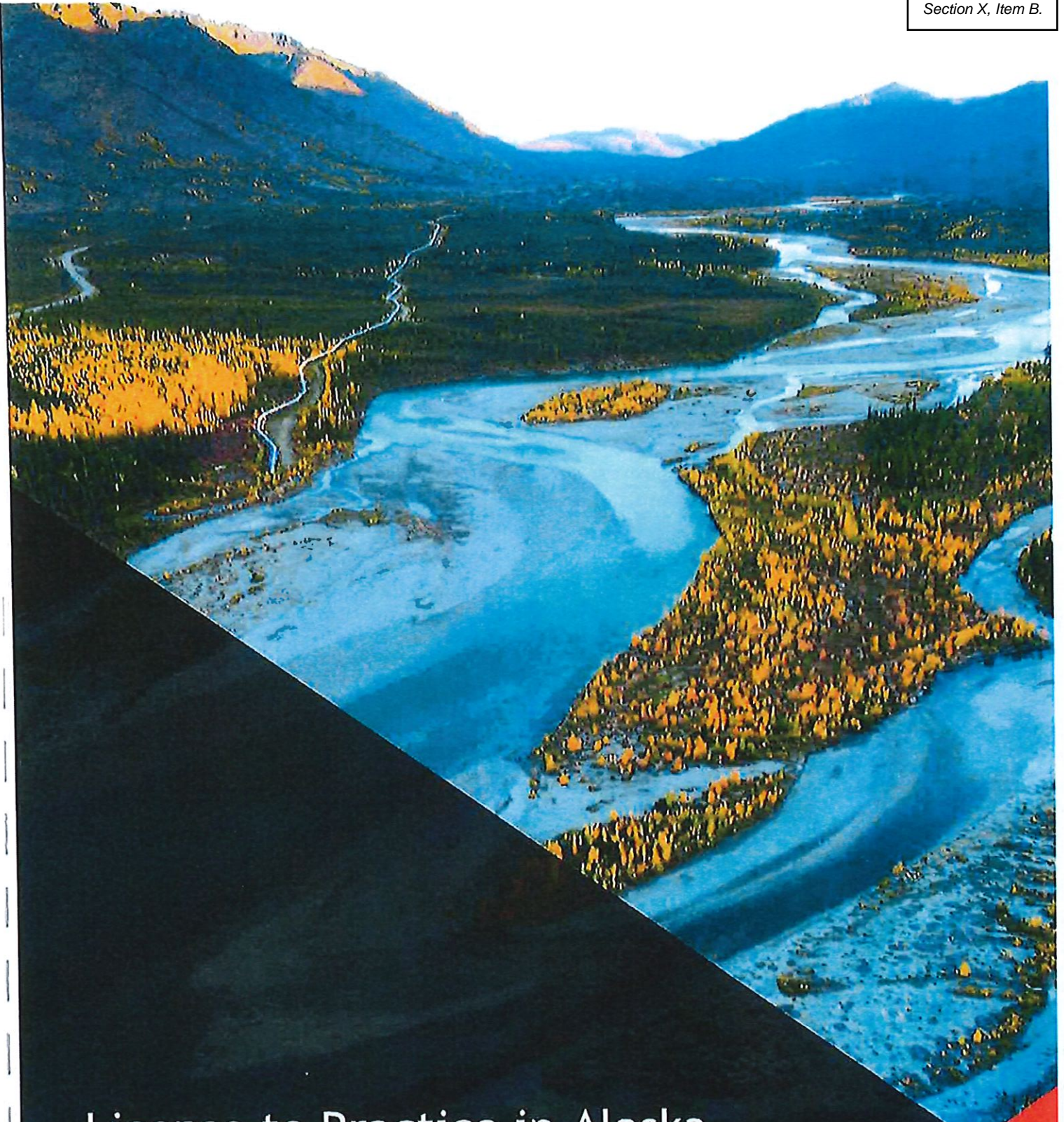
If it is not appropriate for us to act for both parties, we will aim to reach the fairest solution by recognizing the respective position of each party and their ability to engage the services of another provider.

### POTENTIAL CONFLICTS

We have made appropriate conflict of interest inquiries in accordance with our quality assurance procedures and can confirm that our appointment by you will not give rise to any conflicts.

### CONFIDENTIALITY

We confirm that when you give us confidential information, we shall always keep it confidential, except as required by law, regulation, or professional pronouncements applicable to our engagement.



# License to Practice in Alaska



# BDO License to Practice in Alaska

BDO USA, P.C. affirms that we are properly licensed to practice as a certified public accountant in the State of Alaska. The key personnel who will conduct or oversee the contracted services contemplated under this Item to Bid hold current and appropriate professional licenses to practice in Alaska.





# Report of External Quality Control







## BDO Quality Control Review

### BDO RESOURCES

Our firm has membership in the Government Audit Quality Center of the AICPA. Nationally, our firm has direct representation on the AICPA expert panel, as well as regular participation on focus groups, technical review and conference participation.

### QUALITY CONTROL

Under the guidelines established and controlled by the AICPA, BDO's audits, workpapers, reports and all other areas concerning quality control are reviewed and examined through the AICPA peer review process. A copy of our latest AICPA peer review letter is included in this bid. In addition, as members of the AICPA Government Audit Quality Center, BDO peer reviews specifically included a review of government and non-profit engagements.

Like virtually all national firms, BDO has been the subject of various government investigations with regard to client service work. However, none of these have resulted in sanctions against the firm. In addition, on a national level, some of our professionals are currently or have been under review in AICPA Ethics or other regulatory investigations, which are the normal consequences of litigation. We pride ourselves on our record as it is outstanding for a firm of this size.

The Anchorage office has had no significant contract disputes requiring mediation or arbitration, nor have we been the subject of any litigation. There are no disciplinary actions taken or pending against the Anchorage office during the past three years with state regulatory bodies, professional organizations, or as a result of federal or state desk or field reviews.

### ADDITIONAL RESOURCES

In addition to formal and informal training, our Firm subscribes to several leading industry technical guides and resources which provide reference materials at our fingertips. The resources include access to the CCH accounting research manager, PPC Checkpoint materials (probably the number 1 utilized resource in public accounting firms nationwide), as well as direct GASB subscriptions, GFOA technical guides and resources, as well as membership in the Government Audit Quality Center of the AICPA. Nationally, our firm has direct representation on the AICPA expert panel, as well as regular participation on focus groups, technical review and conference participation.

### PEER REVIEW REPORT

As a member of the AICPA, we are subject to triennial external peer reviews of the portion of our auditing practice applicable to non-SEC issuers.

Our 2021 peer review concluded that the system of quality for the firm's accounting and auditing practice applicable to non-SEC issuers was suitably designed, and the firm had complied with its own quality guidelines. The peer review also concluded the system provided the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies), or fail. Our firm received a rating of pass.

# Peer Review Letter



## Report on the Firm's System of Quality Control

November 22, 2021

To the Partners of BDO USA, LLP and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of BDO USA, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (the Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/summary](http://www.aicpa.org/summary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, an audit performed under FDICIA, an audit of a broker-dealer, and examinations of service organizations (SOC 1 and SOC 2 engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of BDO USA, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. BDO USA, LLP has received a peer review rating of *pass*.

*Baker Tilly US, LLP*

Baker Tilly US, LLP, trading as Baker Tilly, is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

# Peer Review Letter



National Peer Review Committee

December 09, 2021

Wayne Berson  
BDO USA, LLP  
12505 Park Potomac Ave Ste 700  
Potomac, MD 20854-6801

Dear Wayne Berson:

It is my pleasure to notify you that on December 09, 2021, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is September 30, 2024. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

Michael Wagner  
Chair, National PRC

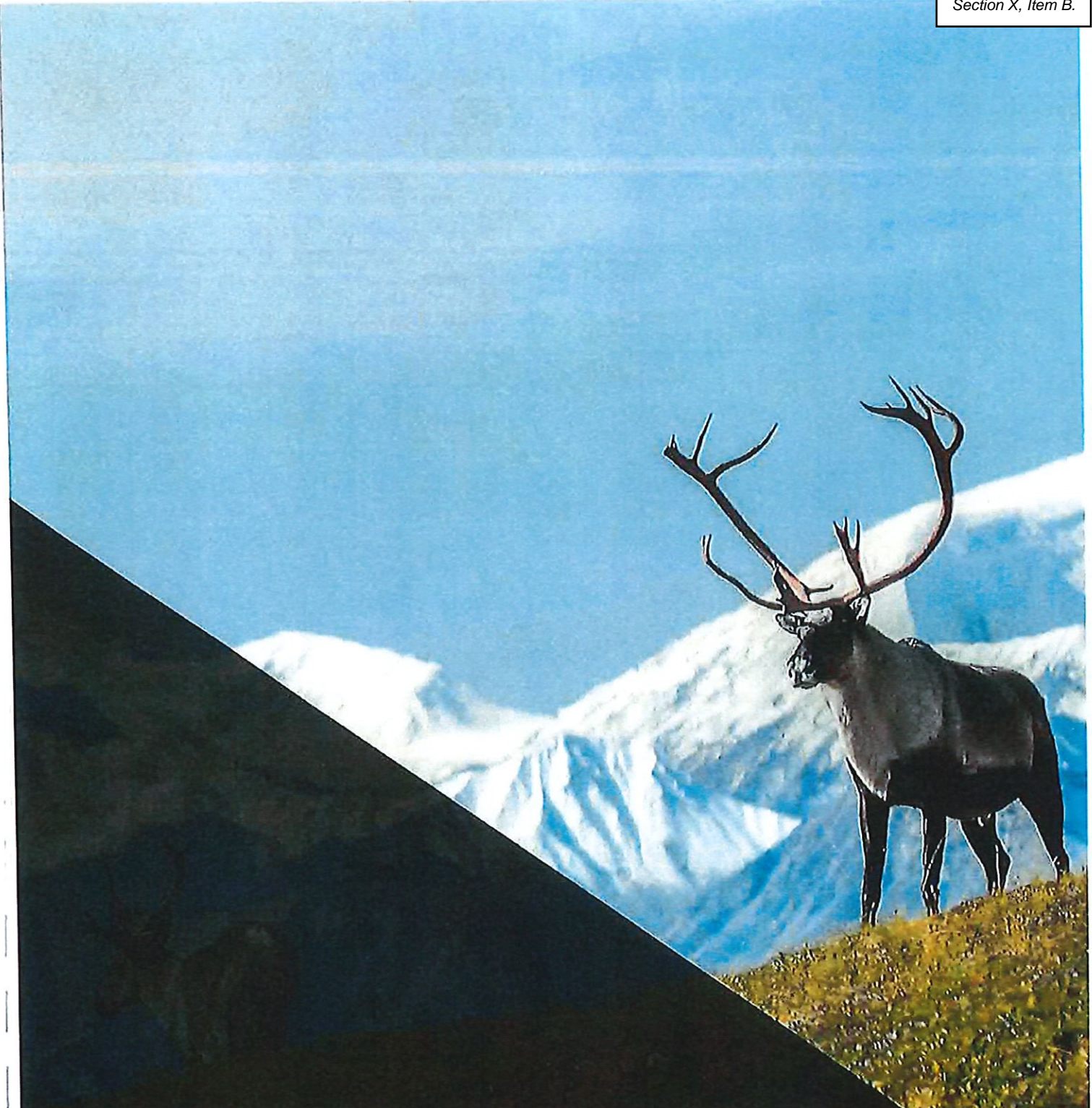
+1.919.402.4502

cc: Jeffrey Gendreau, Michael Fawley

Firm Number: 900010063586

Review Number: 584260

220 Leigh Farm Road, Durham, NC 27707-8110  
T: +1.919.402.4502 F: +1.919.419.4713  
aicpaglobal.com | cimaglobal.com | aicpa.org | cima.org



# Principal, Supervisory and Staff Qualifications and Experience



# Personnel Information

## PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

The audit team that BDO will provide has the necessary experience and knowledge to provide superior service, work well with the City’s management and each other, communicate with City personnel on an ongoing basis regarding progress and the status of all activities and report preparation, and maintain the enthusiasm and commitment to complete all tasks, and deliver all audit reports and other deliverables. We are confident that our audit team will both meet and exceed the City’s expectations.

BDO is an equal opportunity employer and has an Affirmative Action plan that complies with Federal law.

Following we have listed the key personnel we will assign to perform the proposed engagement and described each of their relevant roles and experience. We believe that their significant knowledge, experience, and understanding of their clients’ management, financial operations, and information systems make them extremely well-qualified to provide the requested audit services and will translate into direct benefits for the City.

All of your Anchorage based leadership team are licensed CPAs in Alaska.

### Responsibilities of the Engagement Principal

**Bikky Shrestha**

The engagement principal will maintain an intimate knowledge of the engagement – its objectives, requirements, and processes – so that the management review and deliverables can be completed in a timely manner. He will perform the principal review and will be working actively with you and the engagement team to ensure the success of the engagement. He will also be available to assist the engagement team in resolving technical issues. Finally, he will personally present the results of the audit to the City.

### Responsibilities of the Quality Control Reviewer

**Joy Merriner**

The technical reviewer will ensure compliance of the audit with various applicable standards developed by the AICPA and *Government Auditing Standards* issued by the Government Accountability Office, and provide additional support throughout the engagement. If management review is determined deficient, they will consult with the engagement principal to determine how to correct the noted deficiency. The manager responsible for the fieldwork will correct the deficiency.

The technical reviewer will not be on site for the audit. Her primary role will be as a technical resource during all parts of the audit.

### Responsibilities of the Manager

**Michelle Kiese**

For this engagement, the director will assist the engagement principal by directly supervising the audit team. She will be primarily responsible for compliance with applicable regulations and applicable auditing standards. The director will perform on-site reviews, as well as office reviews. In addition, she will ensure that the audit is completed promptly in accordance with the scheduled completion dates.

### Responsibilities of the Senior and Staff

**Marcus Brown**

The audit senior and staff will have experience in performing audits of governmental entities and internal control and compliance reviews. The audit senior will also have the technical skills to perform any of the audit steps independently, as well as conduct entrance and exit conferences. The audit staff will perform tests of details, transactions, reconciliations, and compliance as outlined and directed by the senior.

The senior will be on-site for the duration of fieldwork to coordinate daily requests and oversee the team.

The senior and staff will be dedicated entirely to the completion of the City audit work during your engagement.



[bshrestha@bdo.com](mailto:bshrestha@bdo.com)  
 Direct: 907-770-2234  
 3601 C Street  
 Suite 600  
 Anchorage, AK 99503  
 Tel: 907-278-8878  
 Fax: 907-278-5779  
[www.bdo.com](http://www.bdo.com)

**BIKKY SHRESTHA, CPA**

Assurance Principal

**EXPERIENCE SUMMARY**

Bikky has more than 18 years of public accounting experience and has been with BDO for 18 years. He manages audits of boroughs, cities, school districts, Alaska Native Tribal organizations, Alaska Native Corporations, and closely-held corporations, and is proud to have served the City for 4 years. Bikky has extensive experience with compliance audits performed in accordance with Uniform Guidance and the State of Alaska Audit Guide and Compliance Supplements for State Single Audits. He is well versed in audit matters and challenges facing governmental organizations. Audits of municipal governments, cities and school districts have been a major focus throughout Bikky's career in public accounting.

Bikky coordinates audits with clients and audit teams, manages and develops client relationships, and performs and manages audits. He serves as the main contact person and provides the technical knowledge in implementing new GASB standards and new federal and state compliance rules. Bikky also performs technical reviews and presents financial statements and required communications to audit committees.

He was chosen to attend the BDO Leadership Institute in 2018 and serves as the office lead for training on single audits, healthcare audit considerations, and audits of tribal governments. He serves as a focus consulting reviewer at the national level with BDO.

**PROFESSIONAL AFFILIATIONS**

- American Institute of Certified Public Accountants
- Alaska Society of Certified Public Accountants
- Asian Alaskan Cultural Center (Board Secretary)

**EDUCATION**

B.S., Business Administration, emphases in Accounting, Western Oregon University

Bikky meets or exceeds the minimum professional requirements each year for audit and attest, and government auditing standards engagements.



**JOY MERRINER, CPA**

Office Managing Partner, Assurance

[jmerriner@bdo.com](mailto:jmerriner@bdo.com)  
Direct 907-770-2257

3601 C Street  
Suite 600  
Anchorage, AK 99503

Tel: 907-278-8878  
Fax: 907-278-5779  
[www.bdo.com](http://www.bdo.com)

**EXPERIENCE**

Joy has 20+ years of public accounting experience, working on audits, consulting projects, and reviews in various industries. She is the office lead partner for a diverse group private companies, governments, benefit plans and nonprofit organizations in Alaska with annual revenues ranging from \$1 million to over \$1 billion.

Joy frequently provides training and assistance for Boards of Directors on governance, strategic planning, internal control, fiduciary duty, and single audit requirements. She serves on the National BDO Government team as both a reviewer and course instructor. In this role, she assists with the development of firm policies and templates related to audits of governments, develops course content for national and client trainings, and reviews audit policy associated with new standards and issues. Joy also serves as a technical specialist on audits in accordance with *Government Auditing Standards* and State and Federal Single Audits. In addition, she is a Focus Consulting Reviewer and specialist related to utilities and regulated operations.

Upon graduating from Wellesley with a degree in Economics, Joy worked for the Federal Reserve Bank of Boston. Before joining BDO, she was in the consulting sector, working mostly with various nonprofit organizations, state offices and granting agencies. This background gives her a unique perspective on business, the government-sector environment, and the risks and opportunities that face her clients.

Joy serves on the Board of the Anchorage Chamber of Commerce, is past Chair, and serves on the Executive Committee. She is a frequent speaker at industry trainings and conferences, including with the Alaska Government Finance Officers Association. She also serves as a national trainer for BDO in the government industry and at national training conferences. Joy graduated in 2017 from the BDO Leadership Institute, where she received the MVP Leadership Award.

**PROFESSIONAL AFFILIATIONS**

- Alaska Government Finance Officers Association
- Alaska Society of Certified Public Accountants
- American Institute of Certified Public Accountants
- Anchorage Chamber of Commerce - Board of Directors (2013 - present), Executive Committee
- Chartered Global Management Accountant
- Honorary Commander of the Air Force at Joint Base Elmendorf-Richardson, AK

**EDUCATION**

- B.A. Economics, Wellesley College, Massachusetts
- B.A. Education, Wellesley College, Massachusetts
- M.B.A. Candidate, University of Washington Foster School of Business 2023

Joy meets or exceeds the minimum professional requirements each year for audit and attest, and government auditing standards engagements.



**MICHELLE KIESE, CPA**

Assurance Director

mkiese@bdo.com  
Direct: 907-646-7335

3601 C Street  
Suite 600  
Anchorage, AK 99503

Tel: 907-278-8878  
Fax: 907-278-5779  
[www.bdo.com](http://www.bdo.com)

**EXPERIENCE SUMMARY**

Michelle has over 14 years of public accounting experience and has been with BDO for 14 years. She serves as the Anchorage office's lead manager for the local and state government sector. Her clients include municipalities, school districts, government hospitals, and state agencies, and she is proud to have served the Borough for seven years. Michelle has extensive experience performing audits in accordance with Government Auditing Standards, the Federal Uniform Guidance, and the State of Alaska Audit Guide and Compliance Supplement for State Single Audits.

Michelle is well versed in auditing the more complex areas under GASB, including investments, capital assets, municipal debt, solid waste landfills, pensions and OPEB (both from the employer and plan perspective), pollution remediation obligations, and self-insured healthcare plans. She is very knowledgeable of financial reporting and disclosure requirements under GASB, as well as both federal and state regulatory reporting requirements. Michelle is also one of the Anchorage office's lead managers for Federal Uniform Guidance Single Audits.

Michelle plays an active role in BDO's on-campus new hire recruiting program and has served as an in-house instructor on a host of governmental accounting and financial reporting topics, including audits performed in accordance with Federal Uniform Guidance and State of Alaska Audit Guide and Compliance Supplement for State Single Audits.

**PROFESSIONAL AFFILIATIONS**

Alaska Government Finance Officers Association  
Alaska Society of Certified Public Accountants  
American Institute of Certified Public Accountants

**EDUCATION**

B.S., Accounting, Winona State University

Michelle meets or exceeds the minimum professional requirements each year for audit and attest, and government auditing standards engagements.





**MARCUS BROWN**

Assurance Senior Associate

**EXPERIENCE SUMMARY**

Marcus serves as one of the Anchorage office’s lead associates in the state and local government industry.

Marcus has experience in the state and local government industry serving boroughs, cities, and school districts. In his time at BDO, Marcus has audited multiple financial accounts and disclosures, including investments, capital assets, municipal debt, grants, receivables, sales taxes and utility charges for service. Marcus is very familiar with performing audits in accordance with the *Federal Uniform Guidance and the State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, as well as with *Government Auditing Standards*.

**EDUCATION**

B.B.A., Accounting, University of Alaska Fairbanks

Marcus meets or exceeds the minimum professional requirements each year for audit and attest, and government auditing standards engagements.

Marcus.brown@bdo.com  
Direct: 907-770-2258

3601 C Street  
Suite 600  
Anchorage, AK 99503

Tel: 907-278-8878  
Fax: 907-278-5779  
[www.bdo.com](http://www.bdo.com)

# Continuing Professional Education

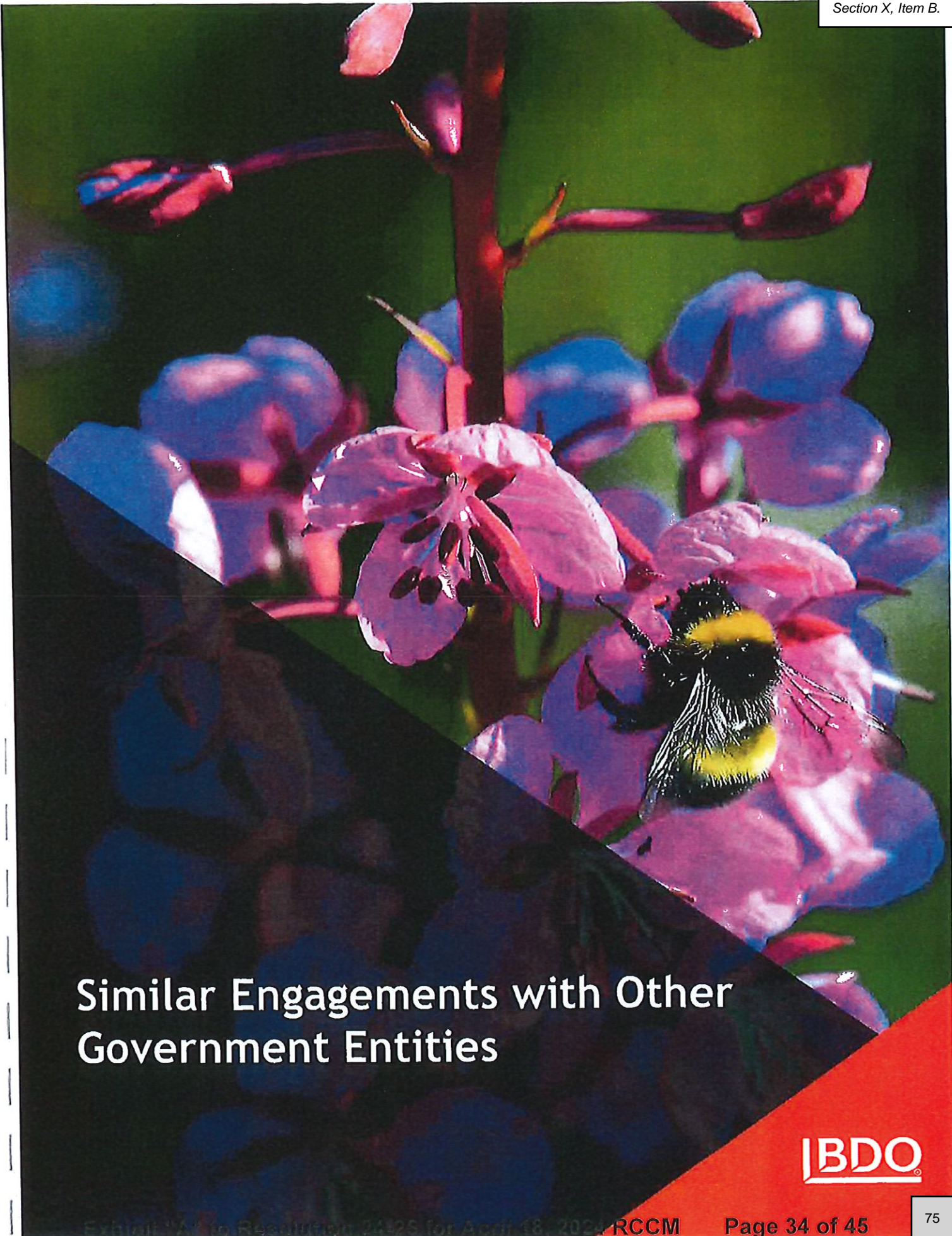
BDO USA, P.C. requires all professionals to comply with PCAOB, AICPA, and state guidelines with respect to continuing education and CPA licensure. In addition, BDO USA requires all professionals to obtain no less than 120 hours of continuing education over three calendar years, with a minimum of 20 hours each year, and offers a broad range of excellent in-house continuing professional education courses.

BDO participates triennially in a peer review process led by an external team that consists of individuals in a peer accounting firm to ensure that all continuing education requirements have been achieved. In addition to the external triennial review process, BDO USA, P.C. participates annually in a continuing education review led by an internal inspections team to validate that continuing education requirements have been fulfilled on a State level as well as validate that all requirements have been fulfilled by the AICPA, PCAOB, YellowBook & EBP as outlined by the respective governing bodies.

That monitoring includes:

- ▶ Pre-issuance reviews of selected engagement workpapers, reports, and financial statements.
- ▶ Analysis and assessment of: (a) new professional pronouncements, (b) results of independence testing, (c) continuing professional education undertaken by professional personnel as it relates to State, AICPA and Firm CPE requirements, (d) decisions related to acceptance and continuance of client relationships and engagements, and (e) focus group sessions with Firm personnel.
- ▶ Policies and procedures for inspection of local offices and selected engagements to provide reasonable assurance that the Firm's policies and procedures for quality control are suitably designed and being effectively applied

To further monitor state and other requirements, BDO has a CPE tracking and reporting tool available to all client service professionals, People & Culture representatives, and Compliance members of the firm to allow real time tracking of required continuing education. This tracking and reporting system is pre-programmed with the CPE rules of every state in the United States. In addition to tracking State requirements, this tool also tracks Yellow Book requirements, PCAOB requirements, In-Firm requirements, as well as a variety of other certifications.



# Similar Engagements with Other Government Entities

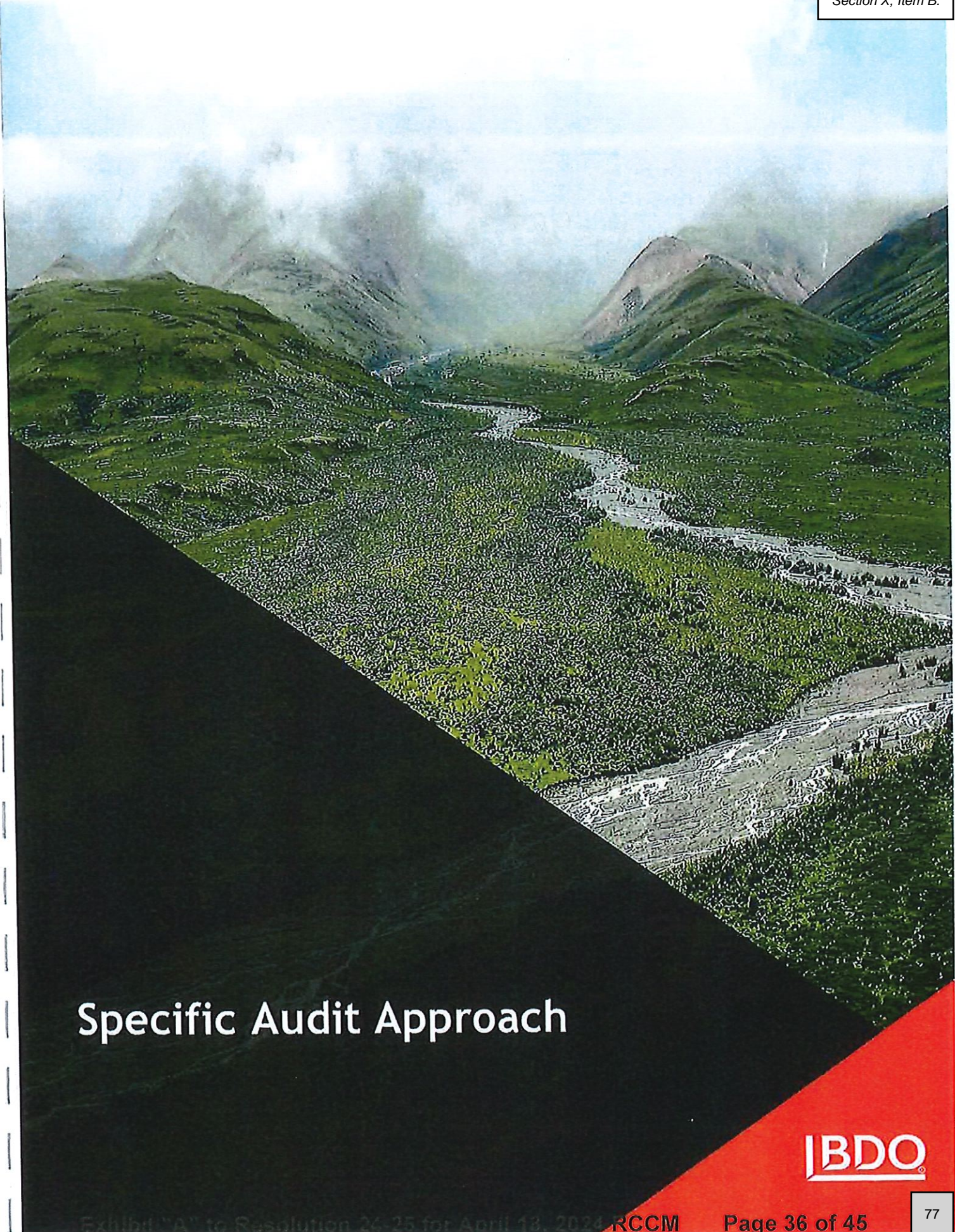


## Similar Engagements

BDO Anchorage office serves as the independent auditing firm for more municipal governments than any other firm in Alaska, making us uniquely qualified to serve the City of Kotzebue. In the last five years, BDO Anchorage has performed approximately 150 Alaska public sector audits. Though ranging in size and degree of complexity, all of these share common issues and concerns; each following the same GASB standards, offering similar services, and participating in many of the same grant and entitlement programs.

The following represents five engagements similar to the audit of the City of Kotzebue. As a matter of policy, we do not disclose project costs for other clients.

Client Name	Years of Service	Scope of Work	Client Contact	Engagement Partner
Petersburg Borough	22	Audit, Federal and State Single Audit, GASB implementation assistance, drafting of financial statements	Jody Tow, Finance Director 907-772-4511	Bikky Shrestha
Aleutian East Borough	6	Audit, Federal and State Single Audit, GASB implementation assistance, drafting of financial statements	Anne Bailey, Borough Administrator 907-274-7580	Bikky Shrestha
City of Homer	22	Audit, Federal and State Single Audit	Elizabeth Walton, Finance Director 907-235-8121	Bikky Shrestha
Kenai Peninsula Borough	29	Audit, Federal and State Single Audit	Brandi Harbaugh, Finance Director 907-714-2171	Joy Merriner
City of Kenai	29	Audit, Federal and State Single Audit, GASB implementation assistance, drafting of financial statements	Terry Eubank, Finance Director 907-283-8227	Joy Merriner



# Specific Audit Approach





### THE BDO **ADVANTAGE**

We have over 40 years of experience auditing municipal governments, school districts, and healthcare facilities in Alaska, and bring a tailored, distinct, and efficient approach to our engagements. BDO is invested in the public sector. Accordingly, we use a governmental audit approach that seeks to reconcile the required risk assessment standards with ever-changing rules and regulations.

Our audit approach may vary in scope from one year's audit to the next, depending on changes in accounting standards, the City's operations, and the results of each year's risk analysis.

#### AUDIT QUALITY



##### WORKING ON WHAT MATTERS

- ▶ Our automations enable our people to focus on more strategic work. The use of cutting-edge data analytics in our risk-based audit approach enables our auditors to target risks and testing to the critical areas of the audit.

FOCUSED INSIGHT



##### CLARITY AND COLLABORATION

- ▶ Our project management tools and global portal help prevent surprises and provide a snapshot of audit progress.
- ▶ Our teams have access to dedicated user enablement support to provide a smooth client experience.

SEAMLESS AUDIT



##### PEOPLE AND PROCESS ENHANCEMENT

- ▶ Our engagement-level automations, continuous process evaluation, and ongoing enhancements help us guide the workflow and process of the audit. This drives consistency in the execution of the audit.

GREATER PRECISION

# The BDOADVANTAGE

Our team is invested in helping people thrive every day. We leverage technology to advance our audits and equip our professionals with a deeper understanding of our clients to create a seamless experience for the City's team.

## THE BDOADVANTAGE DIGITAL AUDIT SUITE CONSISTS OF:



**Global Audit Platform.** Our proprietary all-in-one platform is used by every BDO Member Firm around the world, contributing to a globally consistent audit approach. Our team uses this tool to scope and execute your audit and apply our risk-based audit methodology, resulting in a high-quality audit for your stakeholders.



**Audit Automations.** Our proprietary technology tools automate repetitive tasks for confirmations, sampling, and workspace and report checking, allowing us to more confidently identify and address high-risk areas.



**Data-driven Analysis.** Our custom analytics program allows our team to closely examine every aspect of your data from the preliminary analytical review through execution of the audit. Industry-specific and tailored analytic tests help us identify risks, better understand your business, and generate insightful questions, as well as reduce sample sizes.



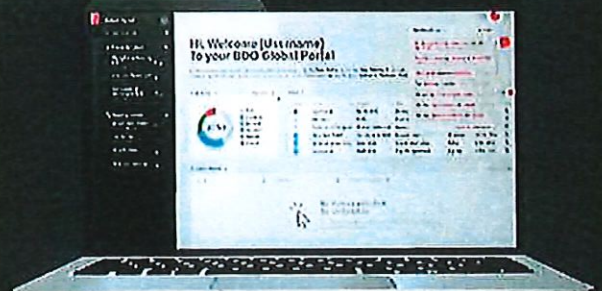
**Project Management and Business Insights.** Our secure, digital portal gives you real-time status updates on your audit and allows you to work seamlessly with your audit team. Our business insight dashboards help us evaluate the status of your audit. Together, these tools create clear and concise communications.

## PROJECT MANAGEMENT AND BUSINESS INSIGHTS

Dashboards



BDO Global Portal

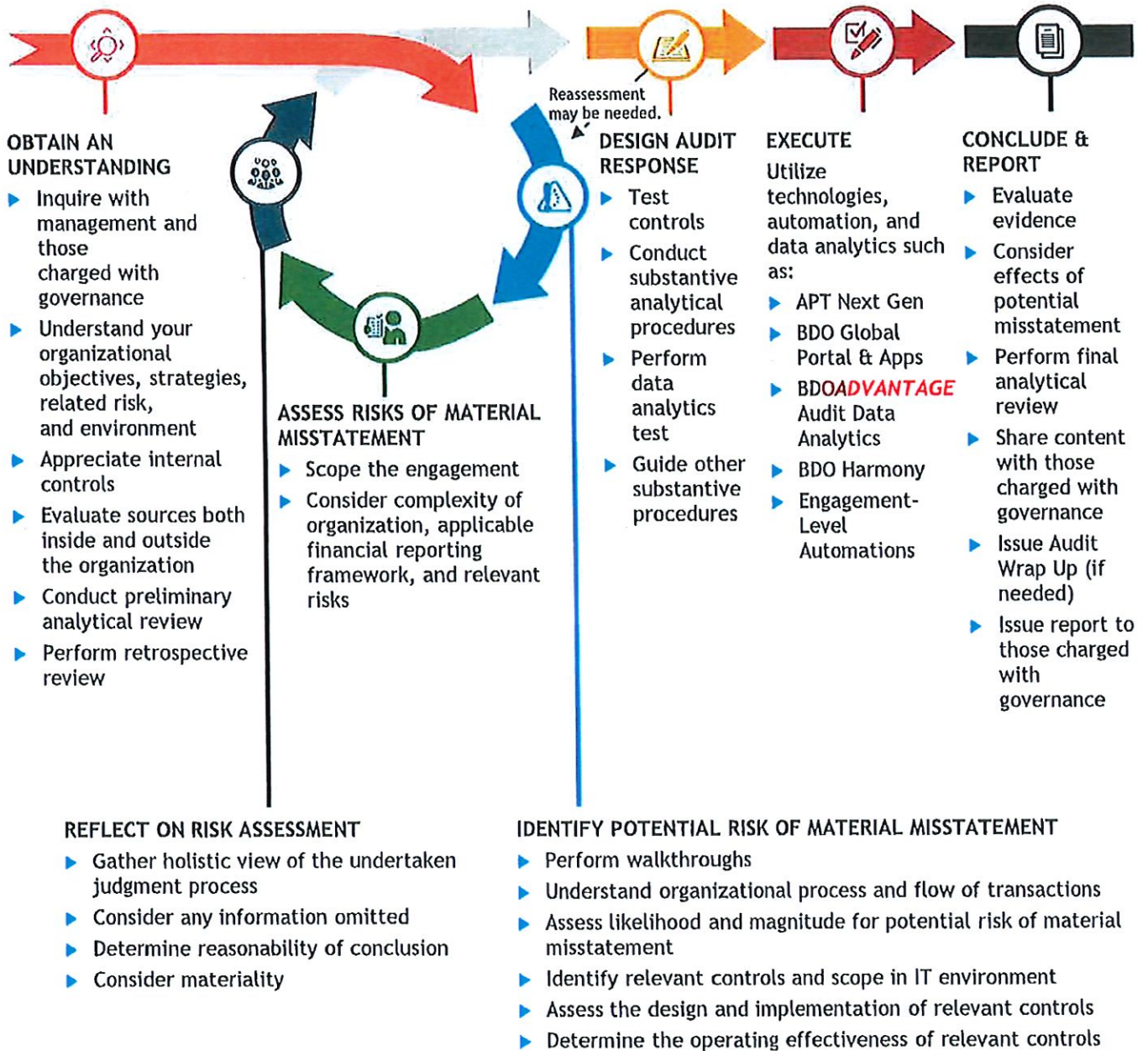


[Click here to learn more about the BDO Global Portal](#)

# Audit Approach for City of Kotzebue

BDO will deliver our audit methodology that combines the professional judgment of responsive partners who have sector and technical experience, a risk-based audit approach, audit innovation through advanced technologies and data analytics, and a continuous focus on audit quality.

This combination of personal service, risk focus, and progressive technology will enable us to understand your organization and identify risks of material misstatement.







## CONTINUOUS REPORTING

We will communicate with management and those charged with governance on a regular basis as requested:

- ▶ Meet with the City Council to discuss the audit plan and approach prior to the start of the audit and provide a work plan .
- ▶ Provide a written update each week to the Municipal Audit Committee and Municipal Clerk's Office designee to discuss audit progress.
- ▶ Meetings with management weekly to discuss and review audit status, audit results, findings and recommendations.
- ▶ Annual audit closing meetings to discuss audit findings and resolve any outstanding issues.
- ▶ Sharing of intended content of Audit Committee documents, to the extent appropriate, before they are formally issued.
- ▶ Formal report of results of the audit to the Municipal Audit Committee.
- ▶ Debrief meeting at the conclusion of the audit with management to identify efficiency improvements, request feedback on the audit process, understand impacts of future accounting pronouncements, and prepare a plan for the next audit cycle.
- ▶ Ad-hoc meetings and telephone conversations as necessary throughout the year to discuss financial and strategic challenges as they arise.

## COMMUNICATING WITH THOSE CHARGED WITH GOVERNANCE

We will strive for open lines of communication between the City and Bikky Shrestha.

At a minimum, we intend to participate in a planning meeting and will continue to attend meetings with the Audit Committee throughout the year as requested. During fieldwork, we will contact the Chair of the Audit Committee directly if any significant items require discussion.

We would expect to issue two formal Audit Committee reports:

- ▶ A planning document issued prior to your mid-year, outlining our strategy for the audit and identifying technical issues that will affect the full-year accounts.
- ▶ A document issued at the conclusion of the audit process addressing salient matters arising from the process, audit adjustments, and key audit and accounting issues.

# SINGLE AUDIT APPROACH

## BRIEF DESCRIPTION, UNIFORM GUIDANCE AND STATE SINGLE AUDIT APPROACH

### GOVERNMENT AUDITING STANDARDS - LEGAL AND REGULATORY COMPLIANCE

BDO's auditors will perform tests of compliance with laws and regulations as part of *Government Auditing Standards*. Our auditors will also work with management and draw on our municipal, school district, and healthcare experience to identify significant provisions of laws, regulations, contracts, and grant agreements that are applicable to the City, then perform procedures to determine whether compliance was achieved. This may include compliance with debt agreements, arbitrage, labor laws and regulations, environmental regulations, and payroll tax. Our goal is to note those items that might have a material impact on our audit and ability to achieve compliance.

BDO will select samples of tax filings, recalculate or verify debt covenants, test arbitrage calculations, and confer with attorneys regarding other compliance concerns. We will also send confirmations to the Department of Labor, Equal Employment Opportunity Commission, and Human Rights Commission to search for outstanding claims.

### UNIFORM GUIDANCE AND STATE SINGLE AUDIT

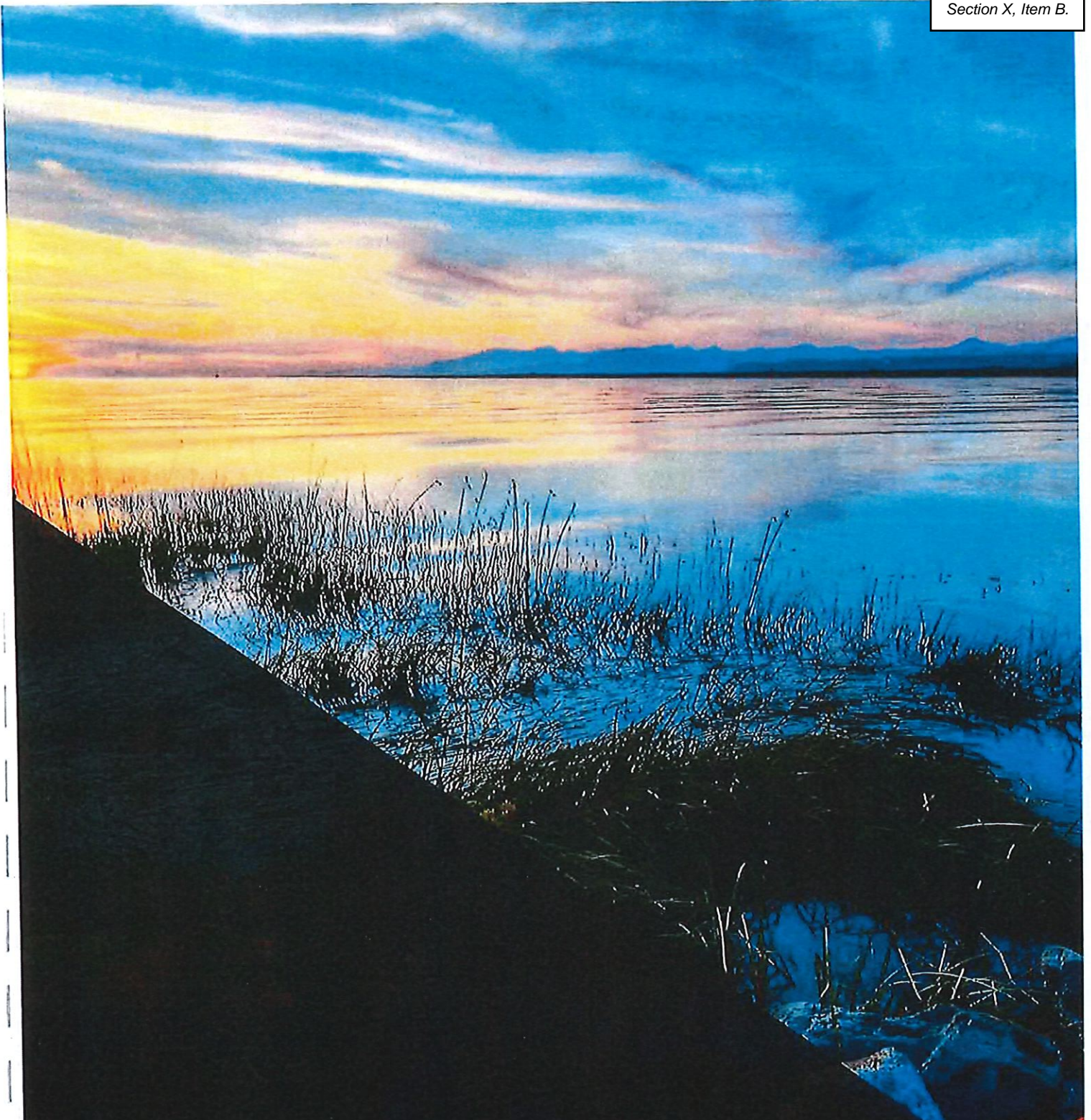
The Uniform Guidance and the State of Alaska Single Audit Guide and Compliance Supplement require auditors to obtain an understanding of the entity's internal control over compliance for federal and state programs to support assessments of low control risk for major programs and to perform internal control tests. An assessment will be made for each requirement applicable to each major program. We will design and review specific tests of the internal controls to verify that the key controls are in place and operating effectively.

There are 12 compliance requirements enumerated in the Uniform Guidance, and five outlined for state compliance. We will determine for each major program which of the compliance requirements apply, to what extent, and how material each is to the major program(s). If the requirement applies, we will perform tests of compliance with the applicable law, regulation, or terms of the grant agreement.

As a condition of receiving federal awards, non-federal entities agree to comply with laws, regulations, and the provisions of contract and grant agreements, and to maintain internal control to provide reasonable assurance of compliance with these requirements.

Auditors are required to obtain an understanding of a non-federal entity's internal control over the compliance requirements for each of the major programs sufficient to plan the audit to support a low assessed level of control risk, plan the testing of internal control over major programs to support a low assessed level of control risk for the assertions relevant to the compliance requirements for each major program, and, unless internal control is deemed likely to be ineffective, perform testing of internal control as planned.

Objectives of Internal Control Pertaining to Compliance Requirements for Federal and State Programs		
<p>Transactions are properly recorded and accounted for to:</p> <ul style="list-style-type: none"> <li>▶ Permit the preparation of federal or state financial reports.</li> <li>▶ Maintain accountability over assets</li> <li>▶ Demonstrate compliance with laws, regulations, and other compliance requirements.</li> </ul>	<p>Transactions are executed in compliance with:</p> <ul style="list-style-type: none"> <li>▶ Laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on a federal or state program.</li> <li>▶ Any other laws and regulations that are identified in the <i>OMB Compliance Supplement and State Single Audit Guide</i>.</li> </ul>	<p>Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.</p> <p>Reporting is accurate, requirements are met, match calculations are reviewed, and subrecipient information is correctly monitored.</p>



# Professional Fees



# Value for Fees

We are committed to quality, value-added service.

We understand the importance of efficiencies and cost control and have specifically designed our audit, methodologies to provide your engagement team with the tools they need to perform high quality audit services in as cost effective a manner as possible.

BDO is committed to investing the necessary time to discuss the changes, challenges, and potential issues which may impact you and your business. We believe in complete transparency, which means:

- ▶ We quote services based on experience and realistic expectations to avoid unexpected fees.
- ▶ It is not our practice to bill for routine telephone discussions or questions unless they require significant research.
- ▶ If you request special services outside the scope of services outlined in this bid, we will discuss those services and provide management with a fee estimate related to such assistance.
- ▶ We will not allow concerns about fees to jeopardize our working relationship.

## OUR FEE BID

Assurance	2023	2024	2025	2026
Financial Statement, Audit, and Report preparation	\$69,500	\$73,300	\$77,550	\$82,000
Per Federal major program	\$7,800	\$8,200	\$8,600	\$9,000
Per State major program	\$7,000	\$7,350	\$7,700	\$8,100

**Our fee Assumption is based on approximately 450 hours for the financial statements audit and report preparation, 55 hours for each major federal program and 48 hours for each major state program.**

Our fees are exclusive of out-of-pocket expenses and other costs related to providing the services mentioned. These costs, including communication, data and technology, printing, and other direct engagement costs, will be billed separately as incurred. We bill monthly and require payment upon presentation. The amount billed reflects the approximate progress made towards completion of the professional service.

# Fee Assumptions

## ASSUMPTIONS

Our fee estimate is based on the following assumptions:

- ▶ Key documents are provided on the dates agreed and there are no significant delays outside of our control
- ▶ Your personnel prepare schedules and analyses as requested and are available to assist us as needed
- ▶ Prior year workpapers will be made available for our review
- ▶ Financial statements and supporting schedules for all entities are prepared in-house by management
- ▶ No significant changes occur in the internal accounting controls, accounting systems, key personnel, or structure of the organization
- ▶ There are no material acquisitions

## OUR INVESTMENT IN THE CITY

BDO is willing to invest in a long-term business relationship with you. Accordingly, we will:

- ▶ Absorb certain initial-year and non-recurring transition costs, including learning your accounting systems and working with you to prepare for the audit preparation services
- ▶ Make every effort to ensure the process will occur with minimum disruption and transparency
- ▶ Schedule update meetings with you throughout the year
- ▶ Provide technical updates for your finance team

## FUTURE YEAR FEES

Given our basic assumptions, we will commit to no annual fee increases for the first three engagement years. Should a significant new accounting pronouncement, acquisition, or complex financing transaction occur, we would revisit a fair fee structure if additional unforeseen time is necessary.

## PROFESSIONAL HOURLY RATES

Although we do not anticipate any out-of-scope fees related to transition, below are our standard average hourly bill rates. We evaluate these rates each year to take inflation and salary increases into consideration.

Professional Level	Assurance
Principal	375
Director	300
Manager	225
Senior Associate	175
Associate	125



At BDO, our purpose is helping people thrive, every day. Together, we are focused on delivering exceptional and sustainable outcomes – for our people, our clients and our communities. Across the U.S., and in over 160 countries through our global organization, BDO professionals provide assurance, tax and advisory services for a diverse range of clients.

BDO is the brand name for the BDO network and for each of the BDO Member Firms. BDO USA, P.C., a Virginia professional corporation, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms: [www.bdo.com](http://www.bdo.com)

Material discussed in this publication is meant to provide general information and should not be acted on without professional advice tailored to your needs.

© 2024 BDO USA, P.C. All rights reserved.





**CITY OF KOTZEBUE  
RESOLUTION NO. 24-26**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE  
DESIGNATING THE MAYOR AS THE CITY OF KOTZEBUE REPRESENTATIVE TO  
SIGN STATE REVOLVING FUND DOCUMENTS.**

**WHEREAS,** the City of Kotzebue has submitted an application to the State of Alaska Revolving Loan Fund (“SRF”) for the Swan Lake Loop and Lagoon Loop Replacement Project pursuant to the duly passed Resolution of 24-14 of the City Council of the City of Kotzebue attached hereto as Exhibit “A” and incorporated by reference herein;

**WHEREAS,** the State of Alaska Department of Environmental Conservation requires that by Resolution the City Council designate a City of Kotzebue representative to execute the required loan documents as set forth in Exhibit “B” attached hereto and incorporated by reference herein;

**WHEREAS,** the Kotzebue Municipal Code 2.08.020 Powers and duties [of the mayor], provides in pertinent part, “*The mayor shall...sign documents on the city's behalf upon council authorization.*”; and,

**WHEREAS,** this SRF loan in the amount of \$2,500,000 is forgivable with \$12,500 withheld from the forgivable \$2,500,000 loan amount for the 0.05% loan fee and this SRF loan is vital for the preliminary phase of the Swan Lake Loop and Lagoon Loop Replacement Project.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Kotzebue authorizes the City of Kotzebue Mayor to execute the required SRF loan documents for the forgivable Swan Lake Loop and Lagoon Loop Replacement Project.

**PASSED AND APPROVED** by a duly constituted quorum of the City Council of the City of Kotzebue, Alaska, this 18<sup>th</sup> day of April, 2024.

**CITY OF KOTZEBUE**

\_\_\_\_\_  
Saima Chase, Mayor

ATTEST:

\_\_\_\_\_  
Rosie Hensley, City Clerk

Attachments: Exhibit "A" – City of Kotzebue Resolution 24-14 [9 pages including flysheet]  
Exhibit "B" – April 5, 2024 email from ADEC [1 page]



**Exhibit “A”**  
**Resolution 24-26**  
**April 18, 2024 RCCM**  
**[8 pages]**



**CITY OF KOTZEBUE  
RESOLUTION NO. 24-14  
AMENDED**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AUTHORIZING THE CITY MANAGER AND/OR HER DESIGNEE(S) TO APPLY TO THE STATE OF ALASKA, STATE REVOLVING FUND (“SRF”) IN THE AMOUNT OF TWO MILLION, FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000) FOR THE BEGINNING PHASES OF THE REPLACEMENT OF SWAN LAKE LOOP AND LAGOON LOOP**

**WHEREAS,** the State of Alaska, Department of Environmental Conservation, Division of Water (“DEC/DW”), has offered the City of Kotzebue (“City”) the option of applying to the State Revolving Fund (“SRF”) in the amount of \$2,500,000 for the beginning phases of the replacement of the Swan Lake Loop and Lagoon Loop as set forth in the email string attached hereto a Exhibit “A” and DEC/DW Table attached hereto as Exhibit “B” and incorporated by reference herein;

**WHEREAS,** this SRF loan application would be for the preliminary phase of Swan Lake Loop and Lagoon Loop replacement projects;

**WHEREAS,** this is a forgivable loan in the amount of \$2,500,000 with \$12,500 withheld from the forgivable \$2,500,000 loan amount for the 0.05% loan fee;

**WHEREAS,** this SRF loan application is due on or before April 1, 2024 as set forth in the Table attached hereto as Exhibit “B” but the City intends to submit this application as soon as possible; and,

**WHEREAS,** this SRF loan application is part of a forgivable loan program as set forth in Exhibits “A” and “B” attached hereto and therefore will not require General Fund monies from the City and will not require the City to take out a loan for these SRF monies, ergo no public vote is necessary to apply for and repay these SRF monies.

Resolution No. 24-14  
SOA SRF Loan Application Re: Swan Lake Loop and Lagoon Loop Replacement Projects  
Page 2 of 2

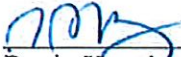
**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Kotzebue, authorizes the City Manager and/or her designee(s) to apply for a SRF forgivable loan in the amount of \$2,500,000 for the beginning phases of the replacement of the Swan Lake Loop and Lagoon Loop as set forth in the email string attached hereto a Exhibit "A" and DEC/DW Table attached hereto as Exhibit "B" with all due haste.

**PASSED AND APPROVED** by a duly constituted quorum of the City Council of the City of Kotzebue, Alaska, this 22<sup>nd</sup> day of February 2024.

**CITY OF KOTZEBUE**

  
\_\_\_\_\_  
Saima Chase, Mayor



ATTEST:  
  
\_\_\_\_\_  
Rosie Hensley, City Clerk

Attachment:            Exhibit "A" – Email string February 9-16, 2024 [5 pages]  
                                 Exhibit "B" – DEC Table [1 page]

Replacement of Swan Lake Loop and Lagoon Loop

Tessa Baldwin <TBaldwin@Kotzebue.org>

Fri 2/16/2024 5:48 PM

To:City Council <CityCouncil@Kotzebue.org>  
Cc:Joe Evans <Joe@jwevanslaw.com>;Russ Ferguson <RFerguson@Kotzebue.org>;Samuel Atkinson <SAtkinson@Kotzebue.org>;Chelsea Sieh <CSieh@Kotzebue.org>;Eldon Mulder <muldereldon@gmail.com>;Eldon Mulder <eldon.mulder@icloud.com>;Benjamin Mohr <benmohr@gmail.com>

📎 1 attachments (11 KB)

Kotzebue Funding Recommendation 02.15.24.xlsx;

Dear Members of the City Council and Administration,

Our team was approached by the State revolving fund (SRF) for the beginning phases of the replacement of Swan Lake Loop and Lagoon Loop.

The option that was presented was to us does **not use any public dollars**. This would be for us to apply for the State Revolving Fund, which acts as a loan in most cases, however only for the amount in which we are eligible for reimbursement. This means we would not use any public tax payer dollars for the first phase of the project which would set us up for construction as early as next year and allow us to be eligible for grant funding for the replacement.

Please see attached the Kotzebue funding recommendation that lays out the pressing necessary steps to start these phases. Please note, that since this is a recommendation that we are planning on putting this on the agenda by resolution for your review. The transparency in this is that usually with a loan we would have to go out to public vote, however, we were reassured that since we are only applying for the amount we are eligible for reimbursement that this would act more like a grant. The pressing part is, is that if we do not apply for this action before the end of this month, we will jeopardize the project funding this year and will have to wait a whole additional year to apply for funding for any beginning phase pushing the replacement of the line to 2026 or 2027.

We have this on the agenda for next week but would like have some food for through this weekend. Eldon, Chelsea and I would act as a team to push this application forward however, we need direction and okay from the council to do this. Please review documents as you are able and we will present this information in person during the city Council meeting.

Thank you,

Tessa Baldwin  
City Manager  
City of Kotzebue  
258A Third Avenue  
PO Box 46, Kotzebue, AK 99752  
Work: 907-442-5101  
Cell: 907-412-3571  
Fax: 907-442-3742



From: Bohan, Carrie D (DEC) <carrie.bohan@alaska.gov>  
Sent: Friday, February 16, 2024 2:24 PM  
To: Tessa Baldwin <TBaldwin@Kotzebue.org>  
Cc: Ben Mohr <benmohr@gmail.com>; emulder@gci.net; Hodges, Elizabeth <ehodges@anthc.org>; Hancey, Derek <dhancey@anthc.org>; Ha, Young (DEC) <young.ha@alaska.gov>; Ulman, Peggy L (DEC) <peggy.ulman@alaska.gov>; Charlie Santos <CSantos@Kotzebue.org>  
Subject: RE: Phone Call

I truly hope third time is the charm. The attached spreadsheet has all references to the fee amount corrected. I apologize for the repeated messages.

From: Bohan, Carrie D (DEC)  
Sent: Friday, February 16, 2024 2:18 PM  
To: Tessa Baldwin <TBaldwin@Kotzebue.org>  
Cc: Ben Mohr <benmohr@gmail.com>; emulder@gci.net; Hodges, Elizabeth <ehodges@anthc.org>; Hancey, Derek <dhancey@anthc.org>; Ha, Young (DEC) <young.ha@alaska.gov>; Ulman, Peggy L (DEC) <peggy.ulman@alaska.gov>; Charlie Santos <CSantos@Kotzebue.org>  
Subject: RE: Phone Call

My apologies; the previous attachment included the incorrect loan fee information. Please refer to this attachment which has been corrected.  
Carrie

From: Bohan, Carrie D (DEC)  
Sent: Friday, February 16, 2024 2:07 PM  
To: Tessa Baldwin <TBaldwin@Kotzebue.org>  
Cc: Ben Mohr <benmohr@gmail.com>; emulder@gci.net; Hodges, Elizabeth <ehodges@anthc.org>; Hancey, Derek <dhancey@anthc.org>; Ha, Young (DEC) <young.ha@alaska.gov>; Ulman, Peggy L (DEC) <peggy.ulman@alaska.gov>; Charlie Santos <CSantos@Kotzebue.org>  
Subject: RE: Phone Call

Tessa,

The City of Kotzebue would like to pursue replacement of the Swan Lake Loop as soon as possible. The City currently has a Village Safe Water (VSW) Capital Improvement Project (CIP) funded planning effort to evaluate the best path towards replacement, however that project is bundled with planning efforts for several other needed projects and there is not sufficient funding for the full scope. The City must either reduce scope or request additional funding to proceed with the CIP funded project.

The City has also previously submitted project questionnaires (letters of interest) to the State Revolving Fund (SRF) Program for low interest loans for design and construction of the Swan Lake and Lagoon Loops. The SRF is offering the City up to \$2.5M in loan forgiveness on these loans if the City applies by April 1, 2024. The City could consider

**Exhibit A to Resolution 24-14, February 22, 2024 RCCM Page 2 of 5**

applying for a \$2.5M loan for planning and design of the Swan Lake and Lagoon Loops. This would result in a fully forgiven loan with up to \$12,500 (0.05% of disbursed funds) in fee withheld from reimbursements (note that my math was bad yesterday when I said \$125,000 in fees). Once the planning effort is complete and the funding agencies have reviewed and approved the selected alternative, the City could initiate design immediately. Then, the City could apply for VSW CIP funding for construction the following spring, even if design is ongoing. This method is likely to result in a complete design and initiation of construction more quickly than using CIP funding alone. Additionally, this would allow for the current CIP funded planning project to be rescoped to focus solely on the wastewater aspects and a supplemental funding request will not be necessary.

On a related note, the City has an interest in pursuing improvements to the Vortac Lake dam. The City could submit a project questionnaire to the SRF program by February 29, 2024 for planning, design, and construction of this project. The SRF Program will publish a new Project Priority List in June 2024 which will include allocation of new subsidy. It is possible that the City may be eligible for up to \$2.5M in loan forgiveness for this project as well. Once the new Priority List is available, we could regroup to discuss how the City might proceed with this project. If the City does not submit a questionnaire by the end of February, they are still welcome to do so, however the likelihood that substantial loan forgiveness will be available is very small until as it is allocated in the spring each year.

I've attached a table containing this same information in a different format that I hope will be easy to digest. Our teams are available to answer additional questions or discuss options, so please let us know how we can be most helpful.

Carrie

From: Tessa Baldwin <[TBaldwin@Kotzebue.org](mailto:TBaldwin@Kotzebue.org)>  
 Sent: Wednesday, February 14, 2024 5:35 PM  
 To: Bohan, Carrie D (DEC) <[carrie.bohan@alaska.gov](mailto:carrie.bohan@alaska.gov)>  
 Cc: Ben Mohr <[benmohr@gmail.com](mailto:benmohr@gmail.com)>; [emulder@gci.net](mailto:emulder@gci.net); Hodges, Elizabeth <[ehodges@anthc.org](mailto:ehodges@anthc.org)>; Hancey, Derek <[dhancey@anthc.org](mailto:dhancey@anthc.org)>; Ha, Young (DEC) <[young.ha@alaska.gov](mailto:young.ha@alaska.gov)>; Ulman, Peggy L (DEC) <[peggy.ulman@alaska.gov](mailto:peggy.ulman@alaska.gov)>; Charlie Santos <[CSantos@Kotzebue.org](mailto:CSantos@Kotzebue.org)>  
 Subject: Re: Phone Call

You don't often get email from [tbaldwin@kotzebue.org](mailto:tbaldwin@kotzebue.org). [Learn why this is important](#)

Let's do 3PM! Charlie, can you send out the calendar invite to the group with a zoom link?

---

From: Bohan, Carrie D (DEC) <[carrie.bohan@alaska.gov](mailto:carrie.bohan@alaska.gov)>  
 Sent: Wednesday, February 14, 2024 5:24:51 PM  
 To: Tessa Baldwin  
 Cc: Ben Mohr; [emulder@gci.net](mailto:emulder@gci.net); Hodges, Elizabeth; Hancey, Derek; Ha, Young (DEC); Ulman, Peggy L (DEC)  
 Subject: RE: Phone Call

Unfortunately, I don't think time works for our group. We are available tomorrow (Thursday) from 3pm – 430pm, or Friday from 130pm-300pm.

From: Tessa Baldwin <[TBaldwin@Kotzebue.org](mailto:TBaldwin@Kotzebue.org)>  
 Sent: Wednesday, February 14, 2024 5:16 PM  
 To: Bohan, Carrie D (DEC) <[carrie.bohan@alaska.gov](mailto:carrie.bohan@alaska.gov)>  
 Cc: Ben Mohr <[benmohr@gmail.com](mailto:benmohr@gmail.com)>; [emulder@gci.net](mailto:emulder@gci.net); Hodges, Elizabeth <[ehodges@anthc.org](mailto:ehodges@anthc.org)>; Hancey, Derek <[dhancey@anthc.org](mailto:dhancey@anthc.org)>; Ha, Young (DEC) <[young.ha@alaska.gov](mailto:young.ha@alaska.gov)>; Ulman, Peggy L (DEC) <[peggy.ulman@alaska.gov](mailto:peggy.ulman@alaska.gov)>  
 Subject: Re: Phone Call

You don't often get email from [tbaldwin@kotzebue.org](mailto:tbaldwin@kotzebue.org). [Learn why this is important](#)

How does tomorrow at 11AM work for you?

Thank you,

---

**From:** Tessa Baldwin  
**Sent:** Wednesday, February 14, 2024 1:02:22 PM  
**To:** Bohan, Carrie D (DEC)  
**Cc:** Ben Mohr; [emulder@gci.net](mailto:emulder@gci.net); Hodges, Elizabeth; Hancey, Derek; Ha, Young (DEC); Ulman, Peggy L (DEC)  
**Subject:** Re: Phone Call

Absolutely! I would very much appreciate this call. I am cc'ing Charlie to find a time for all of us to meeting  
I'll also extend the invite to you all for our emergency operations which Charlie can forward to you as well.

Thank you!

---

**From:** Bohan, Carrie D (DEC) <[carrie.bohan@alaska.gov](mailto:carrie.bohan@alaska.gov)>  
**Sent:** Wednesday, February 14, 2024 11:50:16 AM  
**To:** Tessa Baldwin  
**Cc:** Ben Mohr; [emulder@gci.net](mailto:emulder@gci.net); Hodges, Elizabeth; Hancey, Derek; Ha, Young (DEC); Ulman, Peggy L (DEC)  
**Subject:** RE: Phone Call

Good morning Tessa,

I had the opportunity to speak with Elizabeth Hodges of ANTHC this morning to brainstorm about potential paths for the City of Kotzebue to pursue funding for replacement of the Swan Lake and Lagoon loops, as well as Vortac Lake. We do have some suggestions that could move these projects along more quickly than the usual process. There are some upcoming deadlines at the end of February and it would be helpful to meet before then.

Would you be interested in meeting with us via phone or video call (Teams or Zoom) later this week? We are available tomorrow (Thursday) from 3pm – 430pm, or Friday from 130pm-300pm. If these times don't work, we can look to next week sometime. I know you have quite a lot to deal with at the moment!

Carrie



Carrie Bohan  
Facilities Programs Manager  
DIVISION OF WATER  
OFFICE 907.465.5143  
[CARRIE.BOHAN@ALASKA.GOV](mailto:CARRIE.BOHAN@ALASKA.GOV)  
PO BOX 111800  
JUNEAU, AK 99811

From: Bohan, Carrie D (DEC)  
Sent: Friday, February 9, 2024 1:52 PM  
To: [emulder@gci.net](mailto:emulder@gci.net); Tessa Baldwin <[TBaldwin@Kotzebue.org](mailto:TBaldwin@Kotzebue.org)>  
Cc: Ben Mohr <[benmohr@gmail.com](mailto:benmohr@gmail.com)>  
Subject: RE: Phone Call

Good afternoon,

I am going to be out of the office starting at about 2pm today, but I am still happy participate in a call anytime this afternoon. My calendar is also completely open on Monday so I can be available to meet whenever best fits your schedules.

Carrie

From: [emulder@gci.net](mailto:emulder@gci.net) <[emulder@gci.net](mailto:emulder@gci.net)>  
Sent: Friday, February 9, 2024 1:43 PM  
To: Bohan, Carrie D (DEC) <[carrie.bohan@alaska.gov](mailto:carrie.bohan@alaska.gov)>; Tessa Baldwin <[TBaldwin@Kotzebue.org](mailto:TBaldwin@Kotzebue.org)>  
Cc: Ben Mohr <[benmohr@gmail.com](mailto:benmohr@gmail.com)>  
Subject: Phone Call

**CAUTION:** This email originated from outside the State of Alaska mail system. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good afternoon, Tessa and Carrie. As I mentioned on our call, Carrie, Tessa is the City Manager for Kotzebue (I believe you met last year). As I suspected, Tessa would greatly appreciate visiting with you directly, Carrie, regarding funding options. What is your earliest availability? Perhaps even this afternoon?? (I've also included my business partner, Ben Mohr, on this email.)

Also, I mentioned it might be possible to deploy a person to Kotzebue for assistance and Tessa is also interested in that opportunity if available.

Anyway, perhaps we can get the two of you together in the very near future. Carrie, many thanks for your willingness to talk about options.

Take care and hope to hear from both of you soon.

All the best,



Eldon  
Eldon Mulder  
The Mulder Company  
PO Box 140711  
Anchorage, AK 99514  
(907)223-3262: cell



Project	VSW Planning	Possible VSW CIP Actions	VSW Design & Construction	SRF Planning & Design	SRF Construction	Possible SRF Action	Recommended Action
Swan Lake Loop Replacement	Funding awarded but not available to start the scope	Reduce scope of CIP funded planning project CIP funding for full scope projects	VSW Design & Construction Project is complete and approved	Project is on the Project Priority List with up to \$2.5M in available loan forgiveness.	The maximum amount of loan forgiveness currently available to Katesbe for drinking water loans in a given year is \$2.5M. It would be more advantageous to pursue full grant funding for construction through CIP as soon as the planning document is complete and approved.	Submit SRF loan application for planning and design of Swan Lake and Lagoon Loop replacement projects. Apply for \$2.5M in forgiven loan with \$72,500 in reimbursements withheld for a 0.05% loan fee. Apply by April 1, 2024.	Submit SRF loan application for planning and design of Swan Lake and Lagoon Loop replacement projects. Apply for \$2.5M in forgiven loan with \$72,500 in reimbursements withheld for a 0.05% loan fee. Apply by April 1, 2024.
Lagoon Loop Replacement			Project is complete and approved				
Life Station 8 Rehabilitation and I&I Investigation			Project is currently in the planning phase and approved	This project is not currently included in the SRF Project Priority List.	The maximum amount of loan forgiveness currently available to Katesbe for wastewater water loans in a given year is \$1M. It would be more advantageous to pursue full grant funding for construction through CIP as soon as the planning document is complete and approved.	Submit a project questionnaire for planning and design funding with the potential for up to \$1M in loan forgiveness.	Rescope CIP funding to focus solely on wastewater planning efforts. Pursue CIP grant funds for design and construction when planning project is complete and approved.
Sewer Main Replacement			Project is currently in the planning phase and approved	This project is not currently included in the SRF Project Priority List.	The maximum amount of loan forgiveness currently available to Katesbe for wastewater water loans in a given year is \$1M. It would be more advantageous to pursue full grant funding for construction through CIP as soon as the planning document is complete and approved.	Submit a project questionnaire for planning, design and construction by February 29, 2024.	Rescope CIP funding to focus solely on wastewater planning efforts. Pursue CIP grant funds for design and construction when planning project is complete and approved.
Vortex Lake Dam Repair or Replacement	Not currently in the planning phase	While the dam is not currently in the planning phase, it is not currently in the CIP for funding.	Project is currently in the planning phase and approved	This project is not currently included in the SRF Project Priority List.	This project is not currently included in the SRF Project Priority List.	Submit SRF Project Questionnaire for planning, design and construction by February 29, 2024.	Submit SRF Project Questionnaire for planning, design and construction by February 29, 2024. If insufficient loan forgiveness is available, pursue CIP construction funds when planning document is complete and approved.

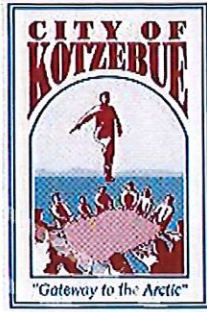
**From:** Gaber, Willow M (DEC) <willow.gaber@alaska.gov>  
**Sent:** Friday, April 5, 2024 3:16:30 PM  
**To:** Tessa Baldwin  
**Cc:** Ulman, Peggy L (DEC)  
**Subject:** SRF Loan Application Status-Kotzebue Swan Lake and Lagoon Loop Replacement Project

Tessa,  
Thank you for submitting the loan application for subject project on March 22, 2024. To complete the loan application please provide the following:  
**EPA Form 6600-06** – Certification Regarding Lobbying.  
**Disclosure of Lobbying Activities** (if applicable).  
**Financial Capacity Assessment** documentation:  
· Audited financial statement for 2023 (if available).  
· Projections of operating revenues, expenses and debt service for the next five years.  
If you have questions, please contact Peggy Ulman at 907-334-2681 [peggy.ulman@alaska.gov](mailto:peggy.ulman@alaska.gov).

**Council Resolution-** The initial council resolution to apply for the loan has been received. Please note that the second council resolution designating a representative to execute the loan is required.

Thank you.  
Willow  
907-465-5077

**Willow Gaber**  
*Engineering Associate*  
Alaska Department of Environmental  
Conservation  
410 Willoughby Avenue, Juneau, AK  
99801  
Phone: (907) 465-5077  
Email: [willow.gaber@alaska.gov](mailto:willow.gaber@alaska.gov)



P.O. Box 46  
Kotzebue, AK 99752

City Hall (907) 442-3401

Police Dept. (907) 442-3351

Fire Dept. (907) 442-3404

Public Works (907) 442-3401

---

## Memorandum

---

**TO: Mayor Saima Chase and Members of the City Council**

**FROM: The Office of the City Manager, Tessa Baldwin**

**DATE: April 12, 2024**

---

### *Key Accomplishments and Project Updates*

- Met with Governor Dunleavy and Representative Baker with Mayor Chase to discuss Swan Lake Loop Funding for the replacement of the loop. We communicated to them we are \$265K short for the preliminary phases.
- Attended the Alaska Infrastructure and Grant Symposium, April 2-5, 2024.
- Attended the U.S. DOT Civil Rights Grant Training in Washington D.C. April 10-12, 2024.
- Denali Commission grant submitted for match funding for Cape Blossom Road and Port Phase II at \$2M.
- Met with the Alaska Housing Finance Committee to discuss next steps for the housing initiative.
- Attended the NWAB Assembly Meeting March 25-26, 2024.

### *Report Narrative*

This past month has been very hectic in regard to all the projects moving forward. First and foremost, the State Revolving Fund application has been submitted and proceeding documents are being worked on by the administration. The quote for the preliminary phases for the replacement for swan lake and lagoon loop came in at \$2,765,000.00. We submitted the SRF loan for \$2,500,000.00 leaving the City of Kotzebue short \$265,000.00 in planning monies.

Mayor Chase and I discussed this with Representative Baker and Governor Dunleavy. Eldon and Ben are working on following up on this issue.

The Port Infrastructure Development Program (PIDP) is currently being worked through. We anticipate the execution of this grant to be in June of 2024. Right now, we have to work through the section 106 guidelines which is the National Historic Preservation Act of 1966 which requires federal agencies and federally funded programs to look through historic properties and provide reasonable opportunity of residents to comment on. Sam, Gem and I will work with State of Alaska DOT through this process as we are unsure what level of NHPA Section 106 we will have to acquire through. In addition, I attended the U.S. DOT summit for grant recipients in which many of the grant requirements was clarified including Title VI requirements which ensures we follow the civil rights act. More on this during the city council meeting.

Lastly, other projects are going as anticipated. We are still working with DOWL Engineering, Tetra Tech, and Swalling construction to finish the punch list for the water treatment plant.

***Contracts and Amendments Signed***

- Joint MOU with the Northwest Arctic Borough identifying the City of Kotzebue as the lead for the AHFC Housing initiative.

***Current Open Grants and Funding Opportunities***

- Healthy and Equitable Communities- State of Alaska Department of Health and Division of Public Health, **\$94,471.00**
  - This will be used to update the City of Kotzebue phone system. We are working with ACS to order this items.
- Village Improvement Fund- Northwest Arctic Borough Flood Mitigation and Emergency Management Project. **\$280,000.00** and Alaska Community Foundation- Typhoon Merbok Funding, **\$50,000.00**
  - Funding to be used for flood mitigation project- infrastructure, staff training and updating plans. An agreement was signed with DOWL engineering to start working on the East and North Shore Erosion Project. This is being led by Sam Camp.
- Village Economic Investment Funding, NANA Regional Corporation, Cape Blossom Road Project, **\$139,480.00**
  - Will be used for Cape Blossom local match for PIDP.

- Village Economic Investment Funding, NANA Regional Corporation, Cudd Hall Renovations, **\$56,289.00**.
  - Met with Brad Reeves who has submitted quotes for needed equipment. The equipment is here and Brad has been notified.
- Designated Legislative Spending, State of Alaska Legislature, **\$500,000.00**.
  - To be used for supporting Cape Blossom Local Committee in the development of a plan for the port. We have started collecting quotes for the economic study. DOWL has worked with an economist to see the cost estimate for this.
- Denali Commission, Washeteria and Local Shower Facility, **\$1,250,000.00**
  - An quote for the washers and driers came in at \$89K. We were informed that perhaps the NVOK can assist in the funding of these items. A letter from the administration was sent to the NVOK on April 11, 2024 requesting assistance for funding.
- Village Improvement Fund, NWAB, Car Crusher, **\$275,000.00**
  - Requested quotes for this car crusher.
- Village Economic Investment, NANA Regional Corporation, Landfill Upgrades, and Infrastructure Project, **\$782,500.00**
  - Gravel was ordered and prepped for the site this summer. Russ and his crew also worked with KEA to install electricity at the landfill.

***Pending Grants and Projects***

- United States Department of Agriculture, Rural Development, Emergency Community Water Assistance Grant, \$139,000.00
  - Met with ECWAG to see what follow up items are necessary. Also asked them to help with capacity issues to ensure we submit for the Swan Lake loop disaster declaration as well. We are eligible for \$150,000.00
- Denali Commission Program Grant- local match funding for Cape Blossom Road and Port submitted or \$2,000,000.00.
- Division of Homeland Security Cyber Security Grant submitted for \$50,000.00
- State of Alaska State Revolving Fund Loan was submitted for Swan Lake and Lagoon loop preliminary design and planning project for \$2,500,000.00

***Public Notices Posted and Upcoming City Events/ Meetings***

- Public Service Announcement 3/2/24: ARCTIC EDGE 24 cancellation

- Public Service Announcement 3/4/24: ARCTIC EDGE 24 rescheduled
- Public Notice 3/4/24: LBCB Meeting reminder (3/8)
- Public Service Announcement 3/4/24: Individual Assistance Home Damage Assessments 3/5-3/7 by DHS
- Public Service Announcement 3/5/24: Individual Assistance more information
- Public Service Announcement 3/6/24: Road Closures (Ptarmigan and 6<sup>th</sup>/Ptarmigan and Caribou)
- Radio Broadcast 3/6/24: uploaded recording of City Manager and NVOK representative (Carl Weisner) on KOTZ giving Swan Lake loop updates
- Public Notice 3/6/24: Parks & Rec Advisory Committee Meeting scheduled for 3/12
- Public Notice 3/8/24: LBCB Meeting rescheduled for 3/28
- End Boil Water Notice 3/14/24: End of boil water notice for Swan Lake loop main
- Public Notice 3/16/24: Regular Local Beverage Control Board meeting cancelled until further notice
- Public Notice 3/18/24: Armory Gym Temporarily Closed
- Public Service Announcement 3/19/24: City Closing for weather
- Public Notice 3/20/24: Regular City Council Meeting scheduled + agenda
- Public Notice 3/21/24: City Job Opening-Accounts Receivable Clerk
- Public Notice 3/21/24: Regular City Council Meeting reminder
- Public Notice 3/22/24: Special Planning Commission Meeting scheduled
- Public Notice 3/27/24: Regular City Council Meeting scheduled
- Public Notice 3/29/24: Arctic Circle Spring Festival Schedule update
- Public Service Announcement 3/29/24: Falling Icicles Safety Announcement
- Public Notice 3/29/24: Regular City Council Meeting + agenda



April 1, 2024

## Alaska Legislative Update

Legislators and staff returned to Juneau today after an abbreviated work week and a long Easter weekend at home. Last week's short work week may have been for the best - debate on the 100+ amendments to the House operating budget quickly devolved into grandstanding and lengthy speeches. Education funding remains a significant issue in the building, but other policy issues – including AI regulations and federal approval of the Statewide Transportation Improvement Plan - continue to move slowly along.

**Operating Budget:** As you may recall, the House introduced an operating budget about 10 days ago, which included:

- \$175M in school funding, outside the formula. This is equivalent to a \$680 increase in per-student funding (also called Base Student Allocation, or BSA)
- \$4M in funding for victims of domestic violence and sexual assault
- Permanent Fund Dividend checks of \$2,272 per qualified Alaskan, a number which includes an energy relief payment. This would be the third largest PFD/Energy check in the state's history.

Most of the money used to cover this proposed budget would come from an appropriation from the earnings of the permanent fund. \$1.1B would be pulled from the draw for PFD's – close to 1/3 of the total draw. The remaining 2/3 of the draw would go to cover state services. This yields a \$1,650 PFD – with additional money coming from additional projected revenue for FY24 in the form of an energy relief payment. The proposal also included funding from the Constitutional Budget Reserve as a backstop.

With over 100 amendments to the budget introduced, the House Finance Committee began working through the suggestions from members last week. The committee struggled to hear budget amendments due to turmoil among the majority members - there was an amendment for a full Permanent Fund Dividend (PFD)—over \$3000 per person, which was met with resistance and support that crossed party aisles. In response to the full PFD amendment, a second motion was made which would have effectively closed the departments of corrections, public safety, the judicial branch, and would include cuts to several other departments – a grandstanding effort to cut spending to afford the “statutory” PFD without tapping in to savings. While the underlying amendment failed, it was reconsidered the following day. This confusion led to several extended adjournments. The committee finally adjourned Thursday night for the Easter weekend with over 80 amendments left to consider this week.

The original plan for the operating budget was to get the bill out of committee early this week and sent to the floor for consideration by the entire body (and another round of amendments) next week – and a handoff to the Senate by Friday the 12<sup>th</sup>. That timeline appears to be sliding by the day, a delay that places more power in the hands of the Senate to shape the operating budget into what the Senate desires rather than a negotiated position with the House.

**Alaska's STIP: A Bumpy Road to Approval:** The Alaska Statewide Transportation Improvement Plan (STIP) for 2024-2027 had a rocky start with the federal government. In



THE MULDER COMPANY  
 P.O. BOX 140711; ANCHORAGE, AK 99514  
 EMULDER@GCI.NET



February 2024, the Federal Highway Administration (FHWA) rejected Alaska's initial STIP proposal, citing numerous issues. A 24-page report detailed problems like missing key details, errors, and ineligible projects in the \$5 billion plan. This rejection threatened to halt billions of dollars in federal transportation funding for Alaska for the coming summer.

The state Department of Transportation and Public Facilities (DOT&PF) scrambled to address the concerns, which included removing or modifying several high-cost projects. While the exact changes weren't made public, the focus seemed to be on improving eligibility and providing more project details. Last week the FHWA approved most of the revised STIP – six projects were excluded from final approval, including \$68.7 million earmarked for repairs to the Don Young Port of Alaska in Anchorage and \$19.8 million planned to use existing ferry ticket sales to match federal grants for ferry-related projects.

**Education Update:** Undoubtedly, the saga and frustrations over education funding will continue through the end of session. The House moved quickly on a bill that included all the provisions of the education bill that was vetoed, along with a provision Governor Dunleavy considered “must-have”—expanded charter school opportunities. The Administration signed off on the bill and it looked hopeful until the NEA—National Education Association—stepped in.

The NEA is unalterably opposed to the new House bill due to the Charter School provision. Gov. Dunleavy met personally with the leadership of NEA and was told—face to face--they would rather have NO education funding bill than then a bill that expanded charter schools. Stunning. And their champion to kill a new republican supported education funding bill—House Finance Co-Chair Bryce Edgmon (I-Dillingham).

So, what does the NEA really want? A new House majority next year. The NEA and House democrat leadership believe they have many House republicans in a vulnerable position, having voted to uphold the Governor’s veto of a very popular education funding bill. They hope to capitalize on that vote and un-elect many of the House republican members in this Fall’s election.

So how does this play out? It’s too hard to predict. The 23-member House majority, which includes three rural democrats or “independents”, is strained and fragile. Again, we suspect education funding will remain a hot topic right through adjournment. Further, with such a fragile majority in the State House, it’s doubtful much meaningful legislation will pass both bodies this session.

That’s about all for now. Six and a half weeks of session remain. If you have any questions or concerns, don’t hesitate to contact either Ben or me. Have a great week!

Eldon Mulder & Ben Mohr





THE MULDER COMPANY  
P.O. BOX 140711; ANCHORAGE, AK 99514  
EMULDER@GCI.NET

Section X, Item D.



April 8, 2024

## Alaska Legislative Update

Juneau welcomes its first cruise ship of the season this week, as the House jumps into the operating budget by bringing it to the whole body. Education funding continues to be the main topic in town, with close to 100 students marching through the Capitol building last week during a statewide student protest. While the education bill is taking a lot of room, the House is finishing work on a bill authorizing direct healthcare agreements and AI/Deepfake bills are trying to get traction in committees.

**Education Funding:** You may recall last week’s update, where we shared some of the hurdles that education funding is facing. As a recap, following the veto of an education funding bill, the Governor met with the NEA (the National Education Association) to be told that NEA is unalterably opposed to the new House funding bill due to a Charter School provision. Gov. Dunleavy met personally with the leadership of NEA and was told—face to face--they would rather have NO education funding bill than a bill that expanded charter schools. A stunning insight, but it is clear NEA is playing a longer game here – seeing the veto and veto override votes as a pathway to flip the House for the foreseeable future.

Considering the personalities and skills of some Representatives who support this plan, one might have expected the education funding argument to simmer until the end of session and explode during the elections. However, last week students organized by the Alaska Association of Student Governments staged a statewide walkout. While some advocated for SB-140 (the vetoed legislation), others carried a message for increased funding in the Base Student Allocation. The core elements of SB-140 (increased BSA, increased transportation funding, correspondence student funding parity) are preserved in HB-392, a bill which also includes the Governor’s “must have” charter school language.

HB-392 has two hearings this week, with opportunities for public comment in the House Education Committee. From there the bill faces the House Education committee – where insiders feel it faces headwinds from one of the committee co-chairs who sees the political advantage in hanging the albatross on house republicans. Continued public outcries and a spotlight on who is holding up progress on the bill will be needed to keep the funding bill moving and eventually sent over to the Senate. Some House republicans are worried that the Senate may try to add in defined benefits language if they get the bill, but the need to get the bill out seems to be taking hold – regardless of what the Senate does to it.

Rounding this issue out, we expect to hear from the Governor in a press conference this week on the education issue. We expect a call to move HB392 as a clean bill, and some showing of public need/support for public charter schools.



**Operating Budget:** The House finance committee wrapped up their work on the operating budget last week, considering over 100 amendments to the bill. The bill now moves to the Floor, where we expect scores of amendments and a significant amount of time hearing speeches representative hope will help in the upcoming election season. The finance committee did pass 37 of their 100 amendments, a portion of which we've noted at the end of this newsletter. We expect long days in the House this week, as they attempt to pass the budget to the Senate at the end of the week.

**Capital Budget:** The Senate continued their work on the capital budget this week, having taken public testimony on the initial version of the bill back in February. The committee rolled out their draft capital budget which includes just over \$63M in cuts to the Governor's proposal. The largest cuts come to AHFC Home Down Payment Assistance Grants (\$25M), University of Alaska Research 1 Status (\$10M), a new plane for troopers ((\$6.2M), and investment in an Alaska LNG project (\$4.5M).

Similar to the House, the Senate originally intended to pass the capital budget to the House in an exchange of bills on April 12<sup>th</sup>. However, with the bill still in Committee and not scheduled until Tuesday, it appears that timeline is slipping. What the house does want to avoid is a repeat of the last few years – where they transmit an operating budget which the Senate then hijacks and loads up with the capital and supplemental budgets, thus forcing an up or down vote on the Senate changes and not allowing any House priorities to proceed.

**Elections update:** The deadline to file to run for office in Alaska is June 1<sup>st</sup>. All of the House and half the Senate are both up this year. So far 34 of 40 house members have filed for reelection; all 10 senators filed. Rep. Ben Carpenter (R-North Kenai) is running against Sen. Jesse Bjorkman (R-Kenai) for Senate Seat D, Rep. Jenny Armstrong (D-Anchorage) is stepping down and Rep. Laddie Shaw (R-Anchorage) has moved to Rep. Tom McKay's (R-Anchorage) district and will not challenge. The remaining representatives, Baker (R-Kotzebue), Eastman (R-Wasilla) and Stori (D-Juneau) have not yet filed.

Rumors have been swirling that Senator Click Bishop may choose not to serve again, as he has been considering a gubernatorial run in 2026 – if that happens we may see Rep. Mike Cronk step up to the Senate seat.

We're anticipating a challenging race in Wasilla where Rep. Eastman faces popular conservative school board president Jubilee Underwood, and the Kenai senate seat where staunch conservative Representative Ben Carpenter (R) is challenging the moderate incumbent Senator Jesse Bjorkman (R). Several races are shaping up as repeats of 2022, with the narrow races of McKay (R) vs Wells (D) in Anchorage, Sumner (R) vs Menard (R) in Wasilla, Wright (R) vs Eischeid (D) in Anchorage, and Coulombe (R) vs Featherly (I) in Anchorage being tried again (incumbent listed first).



THE MULDER COMPANY  
P.O. BOX 140711; ANCHORAGE, AK 99514  
EMULDER@GCI.NET



That's about all for now. Five and a half weeks of session remain. If you have any questions or concerns, don't hesitate to contact either Ben or me.

Take care and have a great week!

Eldon Mulder & Ben Mohr

Some of the amendments to the operating budget:

- **Community Assistance Program Boost:** An increase of \$20 million UGF to the Community Assistance Program will elevate its balance to \$90 million by FY25's end, securing a \$30 million distribution to communities in FY26.
- **Tourism and Seafood Marketing Funding:** A combined \$20 million UGF was distributed equally between the Alaska Travel Industry Association and the Alaska Seafood Marketing Institute for state support of tourism and seafood marketing.
- **Alaska Marine Highway System Support:** An additional \$20 million UGF was included to serve as a safety net for the Alaska Marine Highway System, ensuring its operation even if federal funding falls short of the Governor's optimistic projections.
- **University of Alaska Funding Reallocation:** \$20 million designated for the University of Alaska was rerouted to the Higher Education Investment Fund (HEIF), lightening the General Fund's load by \$10 million and mitigating tuition revenue pressures on the University. The HEIF typically funds state scholarships, and the current withdrawal is nearly double the statutorily advised amount.
- **Disaster Relief Fund Enhancement:** The Legislature approved a \$15.5 million boost to the Disaster Relief Fund, surpassing the Department of Military and Veterans Affairs' original \$5 million proposal, to better match historical spending patterns.
- **Childcare Grants Augmentation:** The committee approved a \$7.5 million one-time UGF for childcare grants, adjusting from an initially proposed \$15 million enhancement.
- **Alyeska Reading Institute:** The proposed \$5 million UGF funding for the Governor's Alyeska Reading Institute was removed from the budget due to discrepancies between the program's intended and actual implementations as perceived by the committee.



- **Winter Homeless Shelter in Anchorage:** A one-time grant of \$4 million UGF was directed to Anchorage for a winter homeless shelter after substantial debate and reconsideration.
- **Adult Day Services Funding Increase:** \$2 million in one-time UGF was designated to augment adult day services via a Department of Health-managed grant.
- **Public Broadcasting Support:** An additional \$1.2 million UGF was allocated for public broadcasting grants, despite previous vetoes from the Governor.
- **University of Alaska Anchorage Campus Safety:** A one-time \$1 million UGF injection was approved to enhance campus safety, aligning with the Board of Regents' request.
- **Alaska Resource Education Funding:** The allocation of \$1 million was transferred from Unrestricted General Funds (UGF) to the Alaska Industrial Development and Export Authority's (AIDEA) cash reserves. This adjustment does not assign AIDEA the responsibility of overseeing the Alaska Resource Education (ARE) program, which remains under the Department of Education's management. Despite AIDEA's independence, the Legislature's decision to finance non-mission-specific expenditures from a state corporation's funds is relatively unusual. In addition to this funding, AIDEA is set to distribute a dividend of \$11 million to the state in FY25.
- **Statehood Defense Initiative Funding Reduction:** The Governor's request for the statehood defense initiative was halved, leaving \$1 million out of a proposed \$2 million.
- **Department of Public Safety Budget Cuts:** Several amendments led to a \$793,500 reduction in UGF for the Department of Public Safety, focusing on positions unlikely to be filled in FY25 or duplicating budget items.
- **Mental Health Trust Funding Adjustments:** An increase of \$675,000 UGF was allocated for several Mental Health Trust necessities overlooked in the Governor's budget, alongside minor technical modifications.
- **Alaska Gasline Development Corporation Funding Cut:** A \$598,600 reduction in UGF from the budget aimed at downsizing the Alaska Gasline Development Corporation, specifically by removing funding for its two highest-paid executive positions.
- **Department of Law Funding Adjustment:** The Legislature scaled back a \$278,000 UGF request for supporting citizen grand juries, maintaining one attorney position due to a reassessment of case volume needs.



THE MULDER COMPANY  
P.O. BOX 140711; ANCHORAGE, AK 99514  
EMULDER@GCI.NET

Section X, Item D.



- **Film Incentives Study:** The Department of Commerce received \$50,000 UGF to explore the feasibility of reintroducing film production incentives, a program previously operational from 2009 to 2016.



April 15, 2024

## Alaska Legislative Update

Today is the 91<sup>st</sup> day of the Alaska legislative session. A law established by a citizens initiative passed in 2006 – the legislature must adjourn from a regular session within 90 days of convening, except the session may be extended once for up to 10 days by a 2/3 vote of each house. By our recollection, the Legislature has met this goal just four times since 2006, including during the shortened sessions of COVID. Instead, the legislature has shown a decided preference to meet the Constitutional deadline requiring adjournment at 120 days.

As we move into the final month of the session, talk in the building has been around the huge amount of work in front of the legislature – including energy security, education reforms, tech sector regulations, fiscal planning and minor policy bills. Inevitably that talk turns to the specter of the Governor calling the Legislature into a single-subject special session – cutting into fundraising and campaigning days. The most likely scenario? If the Governor doesn't get the education reforms he's been asking for, the legislature will be called back.

**Recent Rulings:** Complicating the conversation on education reform is a ruling from the Alaska Superior Court, issued last Friday, ruling the State's correspondence/home school program as unconstitutional. The decision, [available here](#), walks through the judge's consideration of the statute, its legislative history, and the intent of Alaska's constitutional drafters. Absent a stay from the Supreme Court, funding allotments issued to correspondence students and the individual learning plans required for correspondence students will no longer be available.

22,289 Alaska students – nearly 10% of the entire student body in the state – are enrolled in state-operated correspondence programs.

**Education Funding and Reform:** The ruling also complicates conversations around an attempt to codify an increase in per-pupil spending and deliver on the charter school demands presented by the Governor. Modeled on SB-140, HB-392 retains the student funding increase and other spending modifications while including the Governor's language. The bill passed to the House Finance Committee last Monday, and has yet to be scheduled for a hearing.

The Governor kept up his advocacy for broadening charter school access last week, hosting a press conference where he unveiled the results of a statewide poll on the issue. According to the presentation, the poll revealed strong support for increasing education funding. As a general approach to improving education outcomes, Alaskans believe that "change and reforms to the education system" are more important than "increasing education funding" by a margin of 1.7-to-1. While 77% of Alaskans surveyed support increasing BSA funding, 57% said that changes and reforms to the education system are the most important factors in improving education outcome, compared to 33% who said that increasing education funding is the most important factor for improving education outcomes.



Citing these results, the Governor reiterated his insistence on charter school expansion, stating numerous times that everyone agrees on a \$680 increase to the BSA – but special interest groups are unwilling to allow any ties to school reform to proceed.

**Disaster Relief:** This winter the City of Kotzebue received a disaster declaration from Governor Dunleavy to help support the repair of a city water main which froze, causing water (and sometimes sewer) line disruption to over 100 homes on over 75 service lines. Recently, the Governor extended the disaster declaration to include individual assistance – making funds available to assist with repairs in individual homes subject to this event. Last week the Governor met telephonically with the City Manager, the City Mayor and Rep. Tom Baker (R-Kotzebue), giving his personal commitment to ensure funding will be approved from sources within the Dept. of Environmental Conservation for project design and phased funding for project execution of the Swan Lake loop replacement. Overt commitments from the Governor on matters like this are rare and indicate the Governor’s support for his former region and for the appointed Representative.

**Budgets Exchanged:** The House and Senate were both able to stick to an agreement to exchange budget bills on April 12<sup>th</sup>, returning to normal order between the bodies. While trust was still somewhat low – the bills were exchanged in person, in the halls – the fact that both bodies were able to deliver is encouraging.

**Capital budget overview:** Now in the House, the Capital budget is the home for investments, major maintenance and other “one-time” style funding. As transmitted by the Senate, the Capital budget includes:

- \$3.9 Billion in total Capital spending;
- \$36M for school major maintenance projects;
- \$26.4M for University building renovation projects;
- \$15M for a skilled nursing facility in Anchorage; and,
- \$14.5M for rural skilled professional housing.

**Operating budget overview:** Now in the Senate, the Operating Budget is the home for agency operations, permanent fund dividends, and other regular or formula driven spending. As transmitted by the House, the Operating budget includes:

- \$12.3 Billion in total Operating spending;
- Over \$1.5 Billion for permanent fund dividends (\$2270 per eligible Alaskan)
- \$175M for one-time education funding (equal to \$680 per student, outside the formula)
- \$5M for seafood marketing;
- \$5M for tourism marketing;

In the final month of the session we expect bills to start moving quickly, as legislators jockey to have their bills advanced before final budget negotiations – or to become a part of the year-end horse trading. Hot topics include may include energy security and the use of AI in elections – and the general obligation bond package could very well come up again. All those topics are set against the backdrop of the election season beginning in earnest this summer. Legislators can’t



THE MULDER COMPANY  
P.O. BOX 140711; ANCHORAGE, AK 99514  
EMULDER@GCI.NET

Section X, Item D.

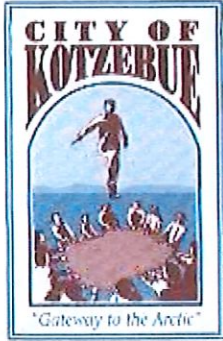


raise money while the legislature is in session, so there is great desire to get out by the constitutional limit and avoid any special sessions.

That's about all for now. If you have any questions or concerns, don't hesitate to contact either Ben or me. Have a great week!

Eldon Mulder & Ben Mohr





# Finance Director's Monthly Report

**To:** Teresa Baldwin, City Manager  
**CC:** Rosie Hensley, City Clerk  
**From:** Donna McConnell, Controller  
**Date:** April 12, 2024  
**Re:** March 2024 Financial Statements

---

Good afternoon City Council Members,

A second ITB (Invitation To Bid) was posted with ADN requesting proposals for the 2023 audit. The ITB deadline was March 29<sup>th</sup> at 4pm. Only one bid was received.

BDO was notified of the City's acceptance of their bid and we are currently working with them to schedule the audit. The Resolution to accept their bid is on the April 18th agenda.

City Hall & Public Works will finally upgrade the phone system for both buildings, making programing the system so much easier.

If you have any questions feel free to contact me.

Thank you,  
Donna McConnell  
907-442-3401 ex 1232

Section X, Item D.

Kotzebue City  
 Revenues with Comparison to Budget  
 For the 3 Months Ending March 31, 2024

GENERAL FUND

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>GENERAL REVENUE</u>					
100-00-43100 Sales Tax	349,000.54	694,339.74	3,837,500.00	3,143,160.26	18.1
100-00-43105 Sale Tax-Bingo/Pull Tabs	19,690.79	30,482.41	280,000.00	249,517.59	10.9
100-00-43110 Sales Tax - MJS	8,518.68	23,826.81	96,000.00	72,173.19	24.8
100-00-43111 Bed Tax	8,962.96	16,635.74	110,000.00	93,364.26	15.1
100-00-43115 Alcohol Use Tax	.00	.00	500.00	500.00	.0
100-00-43116 Liquor Store Use Tax	15,224.89	40,176.85	180,000.00	139,823.15	22.3
100-00-43117 Tobacco - Excise Tax	11,379.31	35,441.43	330,000.00	294,558.57	10.7
100-00-43120 Penalties/Interest	7,534.60	9,548.54	10,000.00	451.46	95.5
100-00-43125 Municipal Court Fines	1,050.00	1,850.00	3,000.00	1,150.00	61.7
100-00-43126 Court Fees for Summons	.00	205.00	750.00	545.00	27.3
100-00-43130 Interest	555.90	7,950.39	10,000.00	2,049.61	79.5
100-00-43200 State Revenue Sharing	.00	.00	140,180.00	140,180.00	.0
100-00-43207 State of AK PERS Relief	.00	.00	317,342.00	317,342.00	.0
100-00-43305 Equipment Rental	.00	.00	500.00	500.00	.0
100-00-43315 DOC Jail Contract	.00	294,477.08	1,182,050.00	887,572.92	24.9
100-00-43320 Emerg. Mgmt. Assistance	42,961.23	97,961.23	.00	( 97,961.23)	.0
100-00-43330 Rentals/Lease	2,000.00	13,793.22	25,000.00	11,206.78	55.2
100-00-43331 Land Lease	.00	.00	500.00	500.00	.0
100-00-43335 Xerox Copy	1.08	6.33	75.00	68.67	8.4
100-00-43345 Maps	35.00	100.00	180.00	80.00	55.6
100-00-43400 Alarms Monitoring	.00	.00	200.00	200.00	.0
100-00-43415 Animal Control Fees	55.00	180.00	2,000.00	1,820.00	9.0
100-00-43425 Building Permits	.00	10.00	3,000.00	2,990.00	.3
100-00-43426 Community Activities	.00	.00	4,000.00	4,000.00	.0
100-00-43427 Notary Services	30.10	45.80	200.00	154.20	22.9
100-00-43435 Miscellaneous Permits	200.00	5,430.00	15,000.00	9,570.00	36.2
100-00-43505 Cash Over/Short-G.F.	.00	.00	50.00	50.00	.0
100-00-43520 Miscellaneous Income	508.00	100,534.51	15,000.00	( 85,534.51)	670.2
100-00-43522 Gen Fund Admin Overhead	137,500.00	137,500.00	550,000.00	412,500.00	25.0
100-00-43523 Electric & Telephone Coop	.00	.00	90,621.00	90,621.00	.0
100-00-43524 OTZ Native Village-Roads	.00	.00	50,000.00	50,000.00	.0
100-00-43525 NSF Check Fee	.00	.00	1,000.00	1,000.00	.0
100-00-43530 Donations	850.00	850.00	2,500.00	1,650.00	34.0
100-00-43534 911 Billing Surcharge	9,119.74	27,617.46	105,000.00	77,382.54	26.3
100-00-43535 Ambulance 3rd Party	22,848.15	94,948.62	275,000.00	180,051.38	34.5
100-00-43536 Manillaq Ambulance	82,500.00	265,000.00	580,000.00	315,000.00	45.7
100-00-43610 Food	.00	.00	2,000.00	2,000.00	.0
100-00-43615 Building Rental	2,833.22	4,926.44	4,000.00	( 926.44)	123.2
100-00-43616 Special Events / Misc.	.00	.00	5,200.00	5,200.00	.0
100-00-43800 Operating Transfers In	.00	.00	1,778,344.00	1,778,344.00	.0
<b>Total GENERAL REVENUE</b>	<b>723,359.19</b>	<b>1,903,837.60</b>	<b>10,006,692.00</b>	<b>8,102,854.40</b>	<b>19.0</b>
<b>Total Fund Revenue</b>	<b>723,359.19</b>	<b>1,903,837.60</b>	<b>10,006,692.00</b>	<b>8,102,854.40</b>	<b>19.0</b>

114

Kotzebue City  
Expenditures with Comparison to Budget  
For the 3 Months Ending March 31, 2024

GENERAL FUND

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt	
<u>ADMINISTRATION DEPT.</u>						
100-10-54125	Salaries & Wages	73,780.73	179,263.30	797,674.00	618,410.70	22.5
100-10-54130	Overtime Salaries	.00	.00	1,500.00	1,500.00	.0
100-10-54140	Employee Benefits	27,484.56	66,413.33	303,117.00	236,703.67	21.9
100-10-54210	Electricity	987.94	2,236.74	8,500.00	6,263.26	26.3
100-10-54215	Heating Fuel	143.67	3,734.78	12,675.00	8,940.22	29.5
100-10-54220	Building Maintenance	.00	144.97	3,500.00	3,355.03	4.1
100-10-54306	Meals & Entertainment	.00	61.40	500.00	438.60	12.3
100-10-54312	Books & Publications	.00	.00	200.00	200.00	.0
100-10-54315	Office Supplies & Equip.	980.20	5,638.40	18,000.00	12,361.60	31.3
100-10-54325	Office Leased Equipment	1,582.35	5,618.50	30,000.00	24,381.50	18.7
100-10-54400	Service Charges	528.50	1,801.05	24,500.00	22,698.95	7.4
100-10-54407	Employee Morale & Health	.00	147.52	500.00	352.48	29.5
100-10-54410	Telephone/Fax	2,177.16	7,088.63	30,000.00	22,911.37	23.6
100-10-54415	Travel/Lodging	1,112.59	8,625.35	25,000.00	16,374.65	34.5
100-10-54425	Training	.00	.00	10,000.00	10,000.00	.0
100-10-54430	Dues & Membership	.00	149.00	.00	( 149.00)	.0
100-10-54434	Ambulance 3rd Party Fees	.00	1,956.34	25,000.00	23,043.66	7.8
100-10-54435	Postage	288.69	601.22	3,000.00	2,398.78	20.0
100-10-54436	Professional Services	4,817.36	27,163.64	100,000.00	72,836.36	27.2
100-10-54437	Audit Consulting	.00	14,050.17	270,000.00	255,949.83	5.2
100-10-54438	Legal	14,955.96	45,151.91	157,000.00	111,848.09	28.8
100-10-54439	Insurance	1,041.62	3,124.86	14,000.00	10,875.14	22.3
100-10-54440	Advertising	.00	.00	1,500.00	1,500.00	.0
100-10-54441	Lobbying	.00	14,538.82	60,000.00	45,461.18	24.2
100-10-54505	Unleaded Gas	407.34	1,121.89	2,700.00	1,578.11	41.6
100-10-54526	Light Vehicle R & M	.00	.00	2,000.00	2,000.00	.0
100-10-54620	Maintenance/Support Agrmt	5,757.60	10,343.60	75,000.00	64,656.40	13.8
100-10-54625	Computer & DP Equipment	( 4,276.66)	1,520.93	3,000.00	1,479.07	50.7
100-10-54901	Miscellaneous	.00	.00	900.00	900.00	.0
Total ADMINISTRATION DEPT.		131,769.61	400,496.35	1,979,766.00	1,579,269.65	20.2
<u>CITY CLERK</u>						
100-20-54110	Council Honorarium	3,150.00	6,300.00	31,000.00	24,700.00	20.3
100-20-54125	Salaries & Wages	9,222.02	20,604.60	80,100.00	59,495.40	25.7
100-20-54130	Overtime	.00	.00	1,000.00	1,000.00	.0
100-20-54140	Employee Benefits	4,551.91	9,632.87	30,400.00	20,767.13	31.7
100-20-54170	Election Expense	.00	.00	2,000.00	2,000.00	.0
100-20-54312	Books & Publications	.00	.00	500.00	500.00	.0
100-20-54315	Office Supplies	1,480.35	1,615.29	750.00	( 865.29)	215.4
100-20-54325	Office Leased Equipment	.00	.00	3,000.00	3,000.00	.0
100-20-54410	Telephone	178.71	536.13	2,500.00	1,963.87	21.5
100-20-54415	Travel/Lodging	.00	6,167.47	42,000.00	35,832.53	14.7
100-20-54425	Training	.00	350.00	2,000.00	1,650.00	17.5
100-20-54430	Dues & Memberships	.00	2,002.13	4,750.00	2,747.87	42.2
100-20-54435	Postage	.00	.00	75.00	75.00	.0
100-20-54439	Insurance	218.74	656.22	3,000.00	2,343.78	21.9
100-20-54440	Advertising (RFB & RFP)	.00	.00	1,500.00	1,500.00	.0
100-20-54500	Council Amenities	.00	.00	500.00	500.00	.0
100-20-54620	Maintenance/Support Agrmt	.00	.00	1,000.00	1,000.00	.0
Total CITY CLERK		18,801.73	47,864.71	206,075.00	158,210.29	23.2

Kotzebue City  
Expenditures with Comparison to Budget  
For the 3 Months Ending March 31, 2024

GENERAL FUND

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>CAPITAL PROJ/PLANNING</u>					
100-50-54110 Planning Comm Stipend	375.00	750.00	6,300.00	5,550.00	11.9
100-50-54125 Salaries & Wages	17,001.17	32,750.21	90,000.00	57,249.79	36.4
100-50-54130 Overtime	.00	.00	500.00	500.00	.0
100-50-54140 Employee Benefits	6,047.86	11,940.37	34,200.00	22,259.63	34.9
100-50-54315 Office Supplies	1,480.35	1,480.35	1,500.00	19.65	98.7
100-50-54325 Office Leased Equipment	.00	.00	2,000.00	2,000.00	.0
100-50-54410 Telephone	16.13	48.39	500.00	451.61	9.7
100-50-54415 Travel/Lodging	.00	978.46	2,000.00	1,021.54	48.9
100-50-54425 Training	.00	.00	2,500.00	2,500.00	.0
100-50-54436 Professional Services	3,700.00	48,572.50	425,000.00	376,427.50	11.4
100-50-54439 Insurance	208.32	624.96	2,800.00	2,175.04	22.3
100-50-54500 Commission Amenities	.00	.00	250.00	250.00	.0
100-50-54505 Unleaded Gas/Diesel	271.56	747.92	1,688.00	940.08	44.3
100-50-54526 Light Vehicle R & M	.00	.00	1,500.00	1,500.00	.0
100-50-54620 Maintenance/Support Agrmt	.00	.00	360.00	360.00	.0
<b>Total CAPITAL PROJ/PLANNING</b>	<b>29,100.39</b>	<b>97,893.16</b>	<b>571,098.00</b>	<b>473,204.84</b>	<b>17.1</b>

POLICE DEPT

100-70-54125 Salaries & Wages	102,191.23	223,722.90	1,127,509.00	903,786.10	19.8
100-70-54130 Overtime	11,224.32	20,755.05	50,000.00	29,244.95	41.5
100-70-54140 Employee Benefits	46,177.37	96,733.76	404,301.00	307,567.24	23.9
100-70-54210 Electricity	1,109.84	2,660.13	8,500.00	5,839.87	31.3
100-70-54215 Heating Fuel	599.20	3,732.27	9,100.00	5,367.73	41.0
100-70-54220 Building Maintenance	.00	.00	2,500.00	2,500.00	.0
100-70-54301 Clothing	.00	213.96	4,200.00	3,986.04	5.1
100-70-54315 Office Supplies	1,636.45	2,528.77	6,000.00	3,471.23	42.2
100-70-54316 Operations Supply	2,937.61	7,302.67	20,000.00	12,697.33	36.5
100-70-54317 Community Policing	.00	.00	500.00	500.00	.0
100-70-54325 Office Leased Equipment	320.00	960.00	2,250.00	1,290.00	42.7
100-70-54410 Telephone/Fax	802.27	2,449.03	9,500.00	7,050.97	25.8
100-70-54415 Travel/Lodging/Per Diem	739.92	1,986.32	20,000.00	18,013.68	9.9
100-70-54420 Employee Rent	.00	25.00	15,000.00	14,975.00	.2
100-70-54425 Training	.00	150.00	35,000.00	34,850.00	.4
100-70-54430 Dues & Membership	.00	65.00	500.00	435.00	13.0
100-70-54435 Postage	.00	34.00	800.00	766.00	4.3
100-70-54436 Professional Services	.00	4,595.00	20,000.00	15,405.00	23.0
100-70-54439 Insurance	17,082.66	51,287.96	229,000.00	177,712.04	22.4
100-70-54440 Advertising	.00	.00	500.00	500.00	.0
100-70-54505 Unleaded Gas/Diesel	4,037.35	11,382.23	25,000.00	13,617.77	45.5
100-70-54526 Light Vehicle R & M	50.15	1,617.30	10,000.00	8,382.70	16.2
100-70-54530 Equipment Maintenance	.00	.00	500.00	500.00	.0
100-70-54620 Maintenance/Support Agrmt	.00	.00	1,500.00	1,500.00	.0
100-70-54630 Animal Control	.00	.00	2,000.00	2,000.00	.0
<b>Total POLICE DEPT</b>	<b>188,908.37</b>	<b>432,201.35</b>	<b>2,004,160.00</b>	<b>1,571,958.65</b>	<b>21.6</b>

JAIL DEPT

100-75-54125 Salaries & Wages	55,425.45	133,663.45	831,945.00	698,281.55	16.1
100-75-54130 Overtime	18,835.23	27,141.15	70,000.00	42,858.85	38.8
100-75-54140 Employee Benefits	27,447.45	61,451.89	316,139.00	254,687.11	19.4

Kotzebue City  
Expenditures with Comparison to Budget  
For the 3 Months Ending March 31, 2024

GENERAL FUND

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
100-75-54210 Electricity	1,674.86	3,886.07	10,000.00	6,113.93	38.9
100-75-54215 Heating Fuel	3,416.44	25,644.98	78,000.00	52,355.02	32.9
100-75-54220 Building Maintenance	.00	51.05	30,000.00	29,948.95	.2
100-75-54301 Clothing	.00	.00	3,000.00	3,000.00	.0
100-75-54306 Food & Prisoner Supplies	4,886.83	10,665.37	30,000.00	19,334.63	35.6
100-75-54315 Office Supplies	1,480.35	2,584.78	3,500.00	915.22	73.9
100-75-54316 Operation Supplies	.00	578.53	20,000.00	19,421.47	2.9
100-75-54410 Telephone	1,150.62	3,391.22	9,000.00	5,608.78	37.7
100-75-54415 Travel/Lodging/Per Diem	.00	5,712.45	15,000.00	9,287.55	38.1
100-75-54420 Employee Rent	.00	850.00	15,000.00	14,150.00	5.7
100-75-54425 Training	.00	477.98	10,000.00	9,522.02	4.8
100-75-54430 Dues & Membership	.00	.00	650.00	650.00	.0
100-75-54434 Television	154.98	464.94	1,350.00	885.06	34.4
100-75-54435 Postage	.00	194.72	500.00	305.28	38.9
100-75-54436 Professional Services	230.00	5,693.49	10,000.00	4,306.51	56.9
100-75-54439 Insurance	9,895.44	29,686.32	133,000.00	103,313.68	22.3
100-75-54505 Unleaded Gas/Diesel	407.34	1,121.89	2,700.00	1,578.11	41.6
100-75-54526 Vehicle & Equip R & M	.00	.00	1,000.00	1,000.00	.0
100-75-54620 Maintenance/Support	.00	.00	16,723.00	16,723.00	.0
<b>Total JAIL DEPT</b>	<b>125,004.99</b>	<b>313,260.28</b>	<b>1,607,507.00</b>	<b>1,294,246.72</b>	<b>19.5</b>

FIRE/EMT DEPT

100-80-54125 Salaries & Wages	76,655.68	179,355.32	1,029,422.00	850,066.68	17.4
100-80-54130 Overtime	11,840.90	20,765.86	85,500.00	64,734.14	24.3
100-80-54140 Employee Benefits	37,148.26	84,567.29	391,180.00	306,612.71	21.6
100-80-54210 Electricity	1,402.52	3,253.19	14,000.00	10,746.81	23.2
100-80-54215 Heating Fuel	5,985.38	27,878.80	71,500.00	43,621.20	39.0
100-80-54220 Building Maintenance	.00	.00	5,000.00	5,000.00	.0
100-80-54301 Clothing	.00	1,200.28	25,000.00	23,799.72	4.8
100-80-54315 Office Supplies	1,480.35	2,391.38	1,500.00	891.38	159.4
100-80-54323 Fire prevention/hydant maint.	.00	.00	7,500.00	7,500.00	.0
100-80-54324 Ambulance Supplies&Equip.	.00	.00	1,500.00	1,500.00	.0
100-80-54325 Office Leased Equipment	320.00	960.00	2,000.00	1,040.00	48.0
100-80-54327 Small Tools	.00	.00	1,500.00	1,500.00	.0
100-80-54407 Fire/EMT Rehabilitation	.00	79.98	1,000.00	920.02	8.0
100-80-54410 Telephone/Fax	195.24	752.58	3,000.00	2,247.42	25.1
100-80-54415 Travel/Lodging	.00	.00	15,000.00	15,000.00	.0
100-80-54425 Training	.00	157.00	15,000.00	14,843.00	1.1
100-80-54430 Dues & Membership	.00	66.50	500.00	433.50	13.3
100-80-54435 Postage	.00	.00	500.00	500.00	.0
100-80-54436 Professional Services	.00	.00	6,000.00	6,000.00	.0
100-80-54439 Insurance	1,249.95	3,749.85	16,500.00	12,750.15	22.7
100-80-54505 Unleaded Gas/Diesel	2,018.67	5,353.24	12,000.00	6,646.76	44.6
100-80-54526 Vehicle R & M	262.50	410.99	22,000.00	21,589.01	1.9
100-80-54530 Equipment R & M	.00	.00	10,000.00	10,000.00	.0
<b>Total FIRE/EMT DEPT</b>	<b>138,559.45</b>	<b>330,942.26</b>	<b>1,737,102.00</b>	<b>1,406,159.74</b>	<b>19.1</b>

PUBLIC WORKS DEPT

100-90-54125 Salaries & Wages	89,358.61	216,377.09	1,122,991.00	906,613.91	19.3
100-90-54130 Overtime	3,501.89	6,100.30	30,000.00	23,899.70	20.3
100-90-54140 Employee Benefits	53,242.00	113,597.68	426,737.00	313,139.32	26.6
100-90-54201 Street Lighting	7,244.27	17,476.25	80,000.00	62,523.75	21.9

Kotzebue City  
Expenditures with Comparison to Budget  
For the 3 Months Ending March 31, 2024

GENERAL FUND

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
100-90-54202 Sign Replacement	.00	.00	2,500.00	2,500.00	.0
100-90-54210 Electricity	2,709.82	6,061.82	13,000.00	6,938.18	46.6
100-90-54215 Heating Fuel	17,560.88	62,329.31	131,200.00	68,870.69	47.5
100-90-54220 Building Maintenance	1,243.48	4,534.15	13,000.00	8,465.85	34.9
100-90-54300 Cleaning Supplies	.00	158.31	500.00	341.69	31.7
100-90-54301 Clothing	.00	59.87	4,000.00	3,940.13	1.5
100-90-54315 Office Supplies	1,586.43	2,866.71	3,500.00	833.29	76.2
100-90-54325 Office Leased Equipment	320.00	960.00	2,000.00	1,040.00	48.0
100-90-54327 Small Tools	.00	53.98	4,500.00	4,446.02	1.2
100-90-54410 Telephone/Fax	487.56	1,478.74	6,000.00	4,521.26	24.7
100-90-54415 Travel/Lodging	.00	.00	5,000.00	5,000.00	.0
100-90-54425 Training	.00	150.00	8,500.00	8,350.00	1.8
100-90-54430 Dues & Memberships	.00	.00	2,000.00	2,000.00	.0
100-90-54435 Postage	.00	.00	500.00	500.00	.0
100-90-54436 Professional Services	.00	43.70	30,000.00	29,956.30	.2
100-90-54439 Insurance	2,083.25	6,249.75	28,000.00	21,750.25	22.3
100-90-54505 Unleaded Gas/Diesel	2,442.78	27,777.88	130,000.00	102,222.12	21.4
100-90-54525 Emergency Disaster Relief	73,902.88	125,893.15	.00	( 125,893.15)	.0
100-90-54526 Light Vehicle R & M	.00	( 610.18)	22,500.00	23,110.18	( 2.7)
100-90-54527 Snow Removal	.00	.00	40,000.00	40,000.00	.0
100-90-54528 Gravel Purchases	.00	.00	50,000.00	50,000.00	.0
100-90-54529 Paved Road Maintenance	.00	.00	50,000.00	50,000.00	.0
100-90-54530 Heavy Equipment R & M	6,972.98	9,696.89	85,000.00	75,303.11	11.4
<b>Total PUBLIC WORKS DEPT</b>	<b>262,656.83</b>	<b>601,055.40</b>	<b>2,291,428.00</b>	<b>1,690,372.60</b>	<b>26.2</b>
<b>SMALL BOAT HARBOR</b>					
100-94-54125 Salaries & Wages	.00	.00	100,000.00	100,000.00	.0
100-94-54130 Overtime	.00	.00	500.00	500.00	.0
100-94-54140 Benefits	.00	.00	40,000.00	40,000.00	.0
100-94-54210 Electricity	1,075.28	2,618.09	13,500.00	10,881.91	19.4
100-94-54225 R&R Docks Annually	.00	.00	6,500.00	6,500.00	.0
100-94-54315 Office Supplies & Equipment	.00	110.38	1,000.00	889.62	11.0
100-94-54439 Insurance	2,083.25	6,249.75	28,000.00	21,750.25	22.3
<b>Total SMALL BOAT HARBOR</b>	<b>3,158.53</b>	<b>8,978.22</b>	<b>189,500.00</b>	<b>180,521.78</b>	<b>4.7</b>
<b>PARKS &amp; REC.</b>					
100-95-54125 Salaries & Wages	22,930.11	53,378.27	296,515.00	243,136.73	18.0
100-95-54130 Overtime	.00	.00	1,000.00	1,000.00	.0
100-95-54140 Employee Benefits	10,285.61	21,586.10	112,676.00	91,089.90	19.2
100-95-54210 Electricity	1,729.37	3,921.64	20,000.00	16,078.36	19.6
100-95-54215 Heating Fuel	1,352.00	7,157.28	15,000.00	7,842.72	47.7
100-95-54220 Building & Equipment Maint.	.00	382.54	20,000.00	19,617.46	1.9
100-95-54300 Cleaning Supplies	.00	.00	2,500.00	2,500.00	.0
100-95-54306 Food	.00	296.98	2,000.00	1,703.02	14.9
100-95-54308 Playground & Park Maintenance	.00	.00	5,000.00	5,000.00	.0
100-95-54315 Office Supplies & Equipment	1,480.35	1,494.34	3,000.00	1,505.66	49.8
100-95-54410 Telephone/Fax	301.94	902.97	3,000.00	2,097.03	30.1
100-95-54415 Travel/Per Diem	.00	.00	1,000.00	1,000.00	.0
100-95-54425 Training	.00	.00	1,000.00	1,000.00	.0
100-95-54436 Professional Services	55.00	110.00	2,500.00	2,390.00	4.4
100-95-54439 Insurance	648.36	1,945.10	9,000.00	7,054.90	21.6
100-95-54505 Gas/Deisel	407.34	1,121.89	2,700.00	1,578.11	41.6

Section X, Item D.

Kotzebue City  
Expenditures with Comparison to Budget  
For the 3 Months Ending March 31, 2024

GENERAL FUND

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
100-95-54526 Light Vehicle Maintenance	.00	.00	3,000.00	3,000.00	.0
100-95-54530 Program Equip. & Equip. Repair	.00	146.87	1,000.00	853.13	14.7
100-95-54907 Community Events	.00	.00	4,000.00	4,000.00	.0
<b>Total PARKS &amp; REC.</b>	<b>39,190.08</b>	<b>92,443.98</b>	<b>504,891.00</b>	<b>412,447.02</b>	<b>18.3</b>
 <u>Other Agency Contributions</u>					
100-96-54905 Kotzebue Broadcasting, Inc	.00	.00	2,500.00	2,500.00	.0
100-96-54907 July 4th Celebration Comm.	.00	.00	4,500.00	4,500.00	.0
100-96-54908 Miscellaneous Comm. Support	.00	169.12	2,500.00	2,330.88	6.8
100-96-54909 Kotzebue/Middle High School	.00	.00	40,000.00	40,000.00	.0
100-96-54911 City of Kotz Scholarship Fund	.00	5,500.00	20,000.00	14,500.00	27.5
<b>Total Other Agency Contributions</b>	<b>.00</b>	<b>5,669.12</b>	<b>69,500.00</b>	<b>63,830.88</b>	<b>8.2</b>
 <u>NON-DEPT. EXPENSE</u>					
100-98-54407 Employee Morale & Health	.00	322.00	10,000.00	9,678.00	3.2
<b>Total NON-DEPT. EXPENSE</b>	<b>.00</b>	<b>322.00</b>	<b>10,000.00</b>	<b>9,678.00</b>	<b>3.2</b>
 <b>Total Fund Expenditures</b>	 <b>937,149.98</b>	 <b>2,331,126.83</b>	 <b>11,171,027.00</b>	 <b>8,839,900.17</b>	 <b>20.9</b>
 <b>Net Revenue Over Expenditures</b>	 <b>( 213,790.79)</b>	 <b>( 427,289.23)</b>	 <b>( 1,164,335.00)</b>	 <b>( 737,045.77)</b>	 <b>( 36.7)</b>

119

Kotzebue City  
 Revenues with Comparison to Budget  
 For the 3 Months Ending March 31, 2024

Capital Projects

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>Water Treatment Plant Const.</u>					
467-85-43225 Water Treatment Plant-Const	.00	10,424.50	.00	( 10,424.50)	.0
Total Water Treatment Plant Const.	.00	10,424.50	.00	( 10,424.50)	.0
Total Fund Revenue	.00	10,424.50	.00	( 10,424.50)	.0
Net Revenue Over Expenditures	.00	10,424.50	.00	( 10,424.50)	.0



Kotzebue City  
 Expenditures with Comparison to Budget  
 For the 3 Months Ending March 31, 2024

Major R&R CPF

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>Expense - Admin CP</u>					
469-10-54601 Capital Purchase - Constr.	.00	74,549.00	.00	( 74,549.00)	.0
Total Expense - Admin CP	.00	74,549.00	.00	( 74,549.00)	.0
<u>Expense - Police CP</u>					
469-70-54600 Capital Purchase - Veh & Equip	11,460.28	11,460.28	.00	( 11,460.28)	.0
Total Expense - Police CP	11,460.28	11,460.28	.00	( 11,460.28)	.0
<u>Expense - Package Store CP</u>					
469-93-54601 Capital Purchase - Constr.	.00	200,000.00	.00	( 200,000.00)	.0
Total Expense - Package Store CP	.00	200,000.00	.00	( 200,000.00)	.0
Total Fund Expenditures	11,460.28	286,009.28	.00	( 286,009.28)	.0
Net Revenue Over Expenditures	( 11,460.28)	( 286,009.28)	.00	286,009.28	.0

Kotzebue City  
 Expenditures with Comparison to Budget  
 For the 3 Months Ending March 31, 2024

Washateria Denali Comm Fund

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>Washateria Denali Comm Fund</u>					
472-10-54163 Design Engineering	.00	62,984.04	.00	( 62,984.04)	.0
Total Washateria Denali Comm Fund	.00	62,984.04	.00	( 62,984.04)	.0
Total Fund Expenditures	.00	62,984.04	.00	( 62,984.04)	.0
Net Revenue Over Expenditures	.00	( 62,984.04)	.00	62,984.04	.0

Kotzebue City  
 Revenues with Comparison to Budget  
 For the 3 Months Ending March 31, 2024

AEA Grant Special Revenue Fund

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>Source 00</u>					
487-00-43215 Grant Revenue - State	.00	2,875.33	.00	( 2,875.33)	.0
Total Source 00	.00	2,875.33	.00	( 2,875.33)	.0
Total Fund Revenue	.00	2,875.33	.00	( 2,875.33)	.0

Kotzebue City  
 Expenditures with Comparison to Budget  
 For the 3 Months Ending March 31, 2024

AEA Grant Special Revenue Fund

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
487-00-54436 Professional Services	.00	2,875.33	.00	( 2,875.33)	.0
Total Department 00	.00	2,875.33	.00	( 2,875.33)	.0
Total Fund Expenditures	.00	2,875.33	.00	( 2,875.33)	.0
Net Revenue Over Expenditures	.00	.00	.00	.00	.0

Kotzebue City  
 Revenues with Comparison to Budget  
 For the 3 Months Ending March 31, 2024

VIF

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>Source 00</u>					
490-00-43220 Grant Revenue - Local	.00	275,000.00	.00	( 275,000.00)	.0
Total Source 00	.00	275,000.00	.00	( 275,000.00)	.0
Total Fund Revenue	.00	275,000.00	.00	( 275,000.00)	.0

Kotzebue City  
 Expenditures with Comparison to Budget  
 For the 3 Months Ending March 31, 2024

VIF

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
490-00-54615 Equipment	.00	39,066.01	.00	( 39,066.01)	.0
Total Department 00	.00	39,066.01	.00	( 39,066.01)	.0
Total Fund Expenditures	.00	39,066.01	.00	( 39,066.01)	.0
Net Revenue Over Expenditures	.00	235,933.99	.00	( 235,933.99)	.0

Kotzebue City  
Revenues with Comparison to Budget  
For the 3 Months Ending March 31, 2024

NANA VEI GRANT

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
491-00-43220 Grant Revenue - Local	.00	3,298.29	.00	( 3,298.29)	.0
Total Source 00	.00	3,298.29	.00	( 3,298.29)	.0
Total Fund Revenue	.00	3,298.29	.00	( 3,298.29)	.0

Kotzebue City  
 Expenditures with Comparison to Budget  
 For the 3 Months Ending March 31, 2024

NANA VEI GRANT

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
491-00-54303 CONSTRUCTION	.00	4,974.45	.00	( 4,974.45)	.0
Total Department 00	.00	4,974.45	.00	( 4,974.45)	.0
Total Fund Expenditures	.00	4,974.45	.00	( 4,974.45)	.0
Net Revenue Over Expenditures	.00	( 1,676.16)	.00	1,676.16	.0



Section X, Item D.

Kotzebue City  
Revenues with Comparison to Budget  
For the 3 Months Ending March 31, 2024

ENTERPRISE ACCOUNTS

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>MUS REVENUE</u>					
601-40-43915	MUS Penalties & Interest	2,520.93	7,582.29	20,000.00	12,417.71 37.9
601-40-43927	Service Equipment Sales	741.33	741.33	500.00 ( 241.33)	148.3
601-40-43928	Hydro Flush Service	4,815.00	10,000.00	10,000.00	.00 100.0
601-40-43930	Water Sales-Residential	32,767.24	103,053.82	700,000.00	596,946.18 14.7
601-40-43931	Water Sales-Commercial	115,116.12	302,176.48	1,150,000.00	847,823.52 26.3
601-40-43932	Water Delivery	625.95	1,651.75	10,000.00	8,348.25 16.5
601-40-43940	Sewer Sales-Commercial	68,061.66	164,607.27	500,000.00	335,392.73 32.9
601-40-43941	Sewer Sales-Residential	13,439.52	31,568.99	290,000.00	258,431.01 10.9
601-40-43950	Water Connection Fees	.00	.00	2,000.00	2,000.00 .0
601-40-43951	Sewer Connection Fees	.00	.00	500.00	500.00 .0
601-40-43952	Water Re/Dis/ connect	.00	200.00	4,000.00	3,800.00 5.0
601-40-43953	Sewer Re/Dis Connect	.00	.00	500.00	500.00 .0
601-40-43985	Miscellaneous	4,864.00	4,864.00	2,500.00 ( 2,364.00)	194.6
601-40-44107	State of AK PERS Relief	.00	.00	27,035.00	27,035.00 .0
	<b>Total MUS REVENUE</b>	<b>242,951.75</b>	<b>626,445.93</b>	<b>2,717,035.00</b>	<b>2,090,589.07 23.1</b>
	<b>Total Fund Revenue</b>	<b>242,951.75</b>	<b>626,445.93</b>	<b>2,717,035.00</b>	<b>2,090,589.07 23.1</b>

129

Kotzebue City  
 Expenditures with Comparison to Budget  
 For the 3 Months Ending March 31, 2024

ENTERPRISE ACCOUNTS

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>Water &amp; Sewer Expenses</u>					
601-10-54400	Service Charges	2,180.53	6,815.59	17,500.00	10,684.41 39.0
601-10-54434	3rd Party Collection Fees	.00	.00	500.00	500.00 .0
601-10-54435	Postage	11.31	605.29	3,000.00	2,394.71 20.2
601-10-54460	Gen. Fund Admin. Overhead	71,500.00	71,500.00	285,000.00	213,500.00 25.1
601-10-54700	Transfer Out	.00	.00	1,907,640.00	1,907,640.00 .0
<b>Total Water &amp; Sewer Expenses</b>		<b>73,691.84</b>	<b>78,920.88</b>	<b>2,213,640.00</b>	<b>2,134,719.12 3.6</b>
<u>Water Expenses</u>					
601-20-54125	Salaries & Wages	21,724.08	51,483.11	300,000.00	248,516.89 17.2
601-20-54130	Overtime	7,645.68	16,302.90	27,000.00	10,697.10 60.4
601-20-54140	Employee Benefits	10,220.03	26,201.49	114,000.00	87,798.51 23.0
601-20-54210	Electricity	20,936.49	47,967.84	160,000.00	112,032.16 30.0
601-20-54215	Heating Fuel	8,951.59	23,570.09	100,000.00	76,429.91 23.6
601-20-54216	KEA Waste Heat	.00	.00	100,000.00	100,000.00 .0
601-20-54220	Building Maintenance	.00	.00	5,000.00	5,000.00 .0
601-20-54301	Clothing/Safety Equipment	.00	239.52	2,000.00	1,760.48 12.0
601-20-54315	Office Supplies	1,480.35	1,551.30	1,000.00	( 551.30) 155.1
601-20-54327	Small Tools	.00	469.93	1,000.00	530.07 47.0
601-20-54331	Chemicals	.00	.00	170,000.00	170,000.00 .0
601-20-54332	Pipe & Materials	152.95	15,685.49	25,000.00	9,314.51 62.7
601-20-54410	Telephone	1,085.54	3,233.16	5,700.00	2,466.84 56.7
601-20-54415	Travel/Loding	261.00	261.00	4,000.00	3,739.00 6.5
601-20-54425	Training	.00	.00	8,000.00	8,000.00 .0
601-20-54430	Dues & Membership	.00	.00	4,000.00	4,000.00 .0
601-20-54436	Professional Services	35.00	446.90	64,000.00	63,553.10 .7
601-20-54439	Insurance	1,041.62	3,124.86	14,000.00	10,875.14 22.3
601-20-54505	Unleaded Gas/Diesel/Oil	407.34	1,170.39	3,750.00	2,579.61 31.2
601-20-54525	Light Vehicle R & M	.00	.00	1,500.00	1,500.00 .0
601-20-54526	Vehicle & Equipment R & M	.00	40.17	3,000.00	2,959.83 1.3
601-20-54541	Lab Equipment/Testing	361.52	7,685.39	20,000.00	12,314.61 38.4
<b>Total Water Expenses</b>		<b>74,303.19</b>	<b>199,433.54</b>	<b>1,132,950.00</b>	<b>933,516.46 17.6</b>
<u>Sewer Expenses</u>					
601-30-54125	Salaries & Wages	28,727.89	60,783.89	357,914.00	297,130.11 17.0
601-30-54130	Overtime	4,250.04	13,941.43	61,000.00	47,058.57 22.9
601-30-54140	Employee Benefits	15,835.85	32,147.01	154,998.00	122,850.99 20.7
601-30-54210	Electricity	10,735.51	26,040.85	75,000.00	48,959.15 34.7
601-30-54211	Electricity-Sewage Lagoon	158.05	474.15	10,000.00	9,525.85 4.7
601-30-54220	Building Maintenance	.00	.00	30,000.00	30,000.00 .0
601-30-54301	Clothing/Safety Equipment	.00	2,461.72	5,000.00	2,538.28 49.2
601-30-54315	Ofc Sup/Equip/Maintenance	1,480.35	1,637.95	500.00	( 1,137.95) 327.6
601-30-54316	Operational Supplies	.00	116.20	3,000.00	2,883.80 3.9
601-30-54327	Small Tools	.00	938.94	4,000.00	3,061.06 23.5
601-30-54331	Chemicals	.00	74.22	80,000.00	79,925.78 .1
601-30-54332	Pipe & Materials	.00	586.35	60,000.00	59,413.65 1.0
601-30-54415	Travel/Loding	.00	.00	3,500.00	3,500.00 .0
601-30-54425	Training	.00	.00	8,500.00	8,500.00 .0
601-30-54436	Professional Services	.00	113.70	35,000.00	34,886.30 .3
601-30-54439	Insurance	416.65	1,249.95	6,000.00	4,750.05 20.8

Kotzebue City  
 Expenditures with Comparison to Budget  
 For the 3 Months Ending March 31, 2024

ENTERPRISE ACCOUNTS

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
601-30-54505 Unleaded Gas/Diesel/Oil	3,685.45	11,988.43	35,100.00	23,111.57	34.2
601-30-54525 Light Vehicle R & M	.00	155.98	2,000.00	1,844.02	7.8
601-30-54526 Vehicle & Equipment R & M	.00	740.03	22,500.00	21,759.97	3.3
<b>Total Sewer Expenses</b>	<b>65,289.79</b>	<b>153,450.80</b>	<b>954,012.00</b>	<b>800,561.20</b>	<b>16.1</b>
<b>Total Fund Expenditures</b>	<b>213,284.82</b>	<b>431,805.22</b>	<b>4,300,602.00</b>	<b>3,868,796.78</b>	<b>10.0</b>
<b>Net Revenue Over Expenditures</b>	<b>29,666.93</b>	<b>194,640.71</b>	<b>( 1,583,567.00)</b>	<b>( 1,778,207.71)</b>	<b>12.3</b>

Section X, Item D.

Kotzebue City  
 Revenues with Comparison to Budget  
 For the 3 Months Ending March 31, 2024

REFUSE DEPARTMENT

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>REFUSE ENTERPRISE FUND</u>					
602-40-43915 Penalties & Interest	.00	.00	5,000.00	5,000.00	.0
602-40-43923 Baler Drop Off Charges	.00	3,075.00	23,000.00	19,925.00	13.4
602-40-43924 Residential Refuse Collec	31,489.91	97,072.90	335,000.00	237,927.10	29.0
602-40-43925 Commercial Refuse Collect	58,155.49	150,018.37	640,000.00	489,981.63	23.4
602-40-43926 Refuse Equipment Sales	.00	.00	2,000.00	2,000.00	.0
602-40-43927 Residential Refuse Cart	.00	439.50	1,750.00	1,310.50	25.1
602-40-43928 Commercial Dumpster Rental	3,104.01	8,938.02	40,000.00	31,061.98	22.4
602-40-44107 State of AK PERS Relief	.00	.00	28,496.00	28,496.00	.0
602-40-49987 Miscellaneous Income	.00	.00	5,000.00	5,000.00	.0
<b>Total REFUSE ENTERPRISE FUND</b>	<b>92,749.41</b>	<b>259,543.79</b>	<b>1,080,246.00</b>	<b>820,702.21</b>	<b>24.0</b>
<b>Total Fund Revenue</b>	<b>92,749.41</b>	<b>259,543.79</b>	<b>1,080,246.00</b>	<b>820,702.21</b>	<b>24.0</b>

132

Section X, Item D.

Kotzebue City  
Expenditures with Comparison to Budget  
For the 3 Months Ending March 31, 2024

REFUSE DEPARTMENT

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<b>REFUSE ENTERPRISE FUND</b>					
602-40-54125	Salaries & Wages	46,430.33	107,280.01	579,620.00	472,339.99 18.5
602-40-54130	Overtime	247.10	1,495.91	10,000.00	8,504.09 15.0
602-40-54140	Employee Benefits	23,295.14	50,404.76	220,256.00	169,851.24 22.9
602-40-54210	Electricity	2,659.96	6,391.41	25,000.00	18,608.59 25.6
602-40-54215	Heating Fuel	4,261.27	30,034.84	60,000.00	29,965.16 50.1
602-40-54220	Building Maintenance	41.84	269.74	5,500.00	5,230.26 4.9
602-40-54300	Operational Supplies	225.00	16,541.59	90,000.00	73,458.41 18.4
602-40-54301	Clothing/Safety Equipment	.00	1,669.31	3,000.00	1,330.69 55.6
602-40-54307	Spring Cleanup	300.00	300.00	7,000.00	6,700.00 4.3
602-40-54315	Office Supplies	1,480.35	1,544.20	600.00	( 944.20) 257.4
602-40-54327	Small Tools	.00	.00	1,000.00	1,000.00 .0
602-40-54410	Telephone	255.83	767.43	2,500.00	1,732.57 30.7
602-40-54415	Travel/Lodging	.00	.00	3,000.00	3,000.00 .0
602-40-54425	Training	.00	.00	7,000.00	7,000.00 .0
602-40-54436	Professional Services	.00	3,179.70	30,000.00	26,820.30 10.6
602-40-54439	Insurance	6,666.40	19,999.20	90,000.00	70,000.80 22.2
602-40-54448	Bad Debt Expense	.00	.00	5,000.00	5,000.00 .0
602-40-54449	Closure & Post Closure	.00	.00	1,800.00	1,800.00 .0
602-40-54450	Refuse Operating Permit	.00	4,000.00	4,000.00	.00 100.0
602-40-54505	Unleaded Gas/Diesel/Oil	3,695.17	12,934.15	47,250.00	34,315.85 27.4
602-40-54525	Light Vehicle R & M	.00	.00	1,500.00	1,500.00 .0
602-40-54526	Vehicle & Equipment R & M	.00	814.74	25,000.00	24,185.26 3.3
602-40-54527	Gen. Fund Admin. Overhead	27,500.00	27,500.00	110,000.00	82,500.00 25.0
<b>Total REFUSE ENTERPRISE FUND</b>		<b>117,058.39</b>	<b>285,126.99</b>	<b>1,329,026.00</b>	<b>1,043,899.01 21.5</b>
<b>Total Fund Expenditures</b>		<b>117,058.39</b>	<b>285,126.99</b>	<b>1,329,026.00</b>	<b>1,043,899.01 21.5</b>
<b>Net Revenue Over Expenditures</b>		<b>( 24,308.98)</b>	<b>( 25,583.20)</b>	<b>( 248,780.00)</b>	<b>( 223,196.80) ( 10.3)</b>

133

Kotzebue City  
 Revenues with Comparison to Budget  
 For the 3 Months Ending March 31, 2024

ARCTIC SPIRITS

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>ARCTIC SPIRITS REVENUE</u>					
603-00-43405 Retail Sales	253,747.79	669,613.31	2,972,500.00	2,302,886.69	22.5
603-00-43407 Retail Sales - Tobacco	5,977.08	15,193.75	61,200.00	46,006.25	24.8
603-00-43408 Retail Sales - Miscellaneous	1,013.92	2,726.95	10,200.00	7,473.05	26.7
603-00-43410 Distribution Point Fees	80.00	360.00	1,500.00	1,140.00	24.0
603-00-43425 Permitting Fees	6,125.00	16,065.00	55,000.00	38,935.00	29.2
603-00-44107 State of AK PERS Relief	.00	.00	15,697.00	15,697.00	.0
<b>Total ARCTIC SPIRITS REVENUE</b>	<b>266,943.79</b>	<b>703,959.01</b>	<b>3,116,097.00</b>	<b>2,412,137.99</b>	<b>22.6</b>
<b>Total Fund Revenue</b>	<b>266,943.79</b>	<b>703,959.01</b>	<b>3,116,097.00</b>	<b>2,412,137.99</b>	<b>22.6</b>

Kotzebue City  
 Expenditures with Comparison to Budget  
 For the 3 Months Ending March 31, 2024

ARCTIC SPIRITS

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>ARCTIC SPIRITS EXPENSES</u>					
603-10-54110 LBCB Stipend	.00	.00	5,500.00	5,500.00	.0
603-10-54125 Salaries & Wages	24,330.60	56,389.05	276,585.00	220,195.95	20.4
603-10-54130 Overtime	35.03	153.25	3,000.00	2,846.75	5.1
603-10-54140 Employee Benefits	6,050.36	14,378.38	108,502.00	94,123.62	13.3
603-10-54210 Electricity	521.04	1,359.74	6,000.00	4,640.26	22.7
603-10-54215 Heating Fuel	2,277.62	14,089.11	30,000.00	15,910.89	47.0
603-10-54220 Building Maintenance	.00	.00	2,000.00	2,000.00	.0
603-10-54300 Cleaning Supplies	.00	45.72	500.00	454.28	9.1
603-10-54315 Office Supplies & Equip	.00	895.77	5,000.00	4,104.23	17.9
603-10-54320 Product Acquisition	.00	.00	1,279,000.00	1,279,000.00	.0
603-10-54321 Cash Overs/Shorts - Pkg Store	161.15	129.77	500.00	370.23	26.0
603-10-54400 Service Charges	4,060.56	12,494.18	37,500.00	25,005.82	33.3
603-10-54410 Telephone/Fax	128.23	384.85	2,000.00	1,615.15	19.2
603-10-54415 Travel/Lodging/Per Diem	.00	.00	2,000.00	2,000.00	.0
603-10-54425 Training	.00	.00	1,000.00	1,000.00	.0
603-10-54433 Postage	.00	.00	50.00	50.00	.0
603-10-54434 Freight Charges	19,439.68	48,072.82	475,000.00	426,927.18	10.1
603-10-54436 Professional Services	.00	.00	400.00	400.00	.0
603-10-54438 Legal Fees	212.40	995.40	10,000.00	9,004.60	10.0
603-10-54439 Insurance	4,687.32	14,061.94	63,000.00	48,938.06	22.3
603-10-54450 Permits	( 600.00)	( 300.00)	500.00	800.00	( 60.0)
603-10-54505 Gas/Diesel	407.34	1,121.89	2,700.00	1,578.11	41.6
603-10-54526 Light Vehicle R & M	.00	.00	2,000.00	2,000.00	.0
603-10-54527 Gen. Fund Admin. Overhead	38,500.00	38,500.00	155,000.00	116,500.00	24.8
603-10-54530 Equipment Maint.	.00	.00	1,500.00	1,500.00	.0
603-10-54620 Maintenance/Support Agrmt	.00	.00	500.00	500.00	.0
603-10-54625 Computer Equipment	1,480.35	1,855.85	1,500.00	( 355.85)	123.7
603-10-54702 Transfer to G.F.-Comm Support	.00	.00	1,137,672.00	1,137,672.00	.0
<b>Total ARCTIC SPIRITS EXPENSES</b>	<b>101,691.68</b>	<b>204,627.72</b>	<b>3,608,909.00</b>	<b>3,404,281.28</b>	<b>5.7</b>
<b>Total Fund Expenditures</b>	<b>101,691.68</b>	<b>204,627.72</b>	<b>3,608,909.00</b>	<b>3,404,281.28</b>	<b>5.7</b>
<b>Net Revenue Over Expenditures</b>	<b>165,252.11</b>	<b>499,331.29</b>	<b>( 492,812.00)</b>	<b>( 992,143.29)</b>	<b>101.3</b>



**City of Kotzebue, Alaska**  
**Police Department**

258B Third Avenue Box 550 Kotzebue, AK 99752-0550  
 Office: 907-442-3539 Fax: 907-442-3357  
 Roger Rouse, Chief of Police



To: City Manager Tessa Baldwin  
 Re: Kotzebue Police and Jail Activity Report

Date: 04/11/2024

Since the Kotzebue Police Department's last activity report, the police department has responded to 404 calls for service (March 2024), a 15% decrease from the month of February. Calls of note for the month of March were 11 Assaults, 7 Driving Under the Influence Reports, 10 Intoxicated Person Reports, 3 Indecent Exposure calls, 5 Sexual Assaults (Adult). 1 Sexual Assault (Child). For a complete list of calls for service see the attached report. Calls for service occurred most frequently in March on Fridays between the hours of 05:00 am to 06:00 am.

The Kotzebue Regional Jail processed 52 prisoners during the month of March, a 3% decrease from February.

Community Policing:

- KPD officers had 42 public relations, safety, and assistance contacts with the citizens and business owners of Kotzebue during the month of March.
- KPD officers conducted 128 security checks of businesses, or other locations within the city.
- Chief Rouse attended NWAB Public Safety Commission working group meeting.
- Chief Rouse attended the NWAB Public Safety Commission public meeting.
- Chief Rouse attended the Unified Command meetings during March.
- Chief Rouse attended the US DOJ MMIP (Missing and Murdered Indigenous Persons) working group meeting.

Staff Development and Training:

- Staff and Officers are in a training cycle from January 2024 – March 2024 taking the following courses, Report Writing 1 and 2, Use of Force, Use of Less Lethal Force, Use of Force Situations, Body Language Skills and Deception Detection, Writing Effective Use of Force Incident Reports, Less Lethal Options, De-escalation and Reasonable Use of Force, Investigating Impaired Driving, Crisis Intervention Training (CIT) Crisis Response.
- Police Officers and Corrections officers have also been taking State required PREA (Prison Rape Elimination Act) training.

Community Service Officers:

- The Community Service Officers responded to 30 calls for service regarding animal complaints, a 42% increase from February.
- The CSOs impounded 3 dogs.
- No animal was adopted or rescued. (1 since beginning of the year)
- 1 animal was euthanized in March. (3 since the beginning of the year)
- Served or attempted to serve 7 court document(s).
- 1 Rabies shot was provided.

**Roger Rouse / Chief of Police**





**KOTZEBUE POLICE DEPARTMENT**  
**258B THIRD AVENUE**  
 PO BOX 550  
 KOTZEBUE, AK 99752

Date : 04 Section X, Item D.  
 Page : 1  
 Agency : KPD

**Calls For Service Totals By Call Type**

03/01/2024 to 03/31/2024

Call Type	Totals	
AGAS	AGENCY ASSIST (NON LAW ENFORCEMENT)...	5
ALAR-U	ALARM UNFOUNDED	3
AOFF	ASSIST OFFICIAL	6
ASLT	ASSAULT	11
BURG	BURGLARY	3
CIVIL	CIVIL	12
COURT	COURT APPEARANCES	1
DAMA	DAMAGE TO CITY PROPERTY	1
DBTX	DECEASED/REMAINS TRANSPORT	1
DISC	DISORDERLY CONDUCT	2
DIST	DISTURBANCE	19
DOGY	ANIMAL CONTROL	30
DOMS	DOMESTIC	8
DRUG	DRUGS	6
DUI	DRIVING UNDER THE INFLUENCE	7
DVORDER	DV ORDER SERVICE	5
FIGH	FIGHT	8
FOCH	FOUND CHILD	1
FRAD	FRAUD	1
FUND	FUND TRANSPORT	1
HARA	HARASSMENT	3
HUMR	HUMAN REMAINS FOUND	2
INDEC	INDECENT EXPOSURE	3
INTP	INTOXICATED PERSON	10
JSEAR	JAIL SEARCH AND SECURITY	1
MCA	MINOR CONSUMING ALCOHOL	1
MVC-D	MOTOR VEHICLE CRASH-DAMAGE ONLY	1
PASS	PUBLIC ASSIST	8
PROV	PROBATION VIOLATION	2
PSAF	PUBLIC SAFETY	3
PUBR	PUBLIC RELATIONS	31
RUNA	RUNAWAY	2
SALT	SEXUAL ASSAULT	5
SAMI	SEXUAL ABUSE OF A MINOR	1
SCHOOL	SCHOOL PATROL	7
SECU	SECURITY	128
SUCD	SUICIDE/SUICIDAL/ATTEMPTED/POSSIBLE	2
SUM/SUB	SERVING SUMMONS/SUBPOENA/ORDER TO...	8



**KOTZEBUE POLICE DEPARTMENT**  
**258B THIRD AVENUE**

PO BOX 550  
KOTZEBUE, AK 99752

Date : 04 Section X, Item D.  
Page : 2  
Agency : KPD

**Calls For Service Totals By Call Type**

03/01/2024 to 03/31/2024

Call Type		Totals
THEF	THEFT	3
THRE	THREATS	1
TRAF	TRAFFIC	10
TRES	CRIMINAL TRESPASS	8
VETH	VEHICLE THEFT	1
VOCR	VIOLATION OF CONDITIONS OF RELEASE	2
WARRANT	WARRANT (ARREST, BENCH, DAY, AND...	9
WEAP	WEAPONS	4
WELF	WELFARE CHECK	17
<b>Grand Total for all calls</b>		<b>404</b>



# KOTZEBUE FIRE DEPARTMENT SUMMARY

"Treat it. Fight it. Make it Better."



## March 2024

The Fire Department responded to  
129  
calls for service this month; and  
356  
for the yearly total.

- Staffing

The Kotzebue Fire department continues to seek qualified and/or new employees. The Fire department can certify and train new and current employees. We have posted our open positions on the State of Alaska Job Department of Labor, locally, the City's Facebook and website. We will continue to find creative ways to staff each shift without overloading our EMTs.

- Training

The staff at the Fire Department continues to do shift training, dialing in their skills and preparing for any emergencies.

**KOTZEBUE FIRE DEPARTMENT SUMMARY**  
 "Treat it. Fight it. Make it Better."

**March 2024**

<b>EMS Calls</b>				
	<b>Mar 2024</b>	<b>2024 Total</b>	<b>2023 Total</b>	<b>2022 Total</b>
Total EMS Calls	115	320	1302	1343
Medevac Patient Transport	51	125	551	608
911 Response/Transport	40	125	548	575
Police Matter/Assist	2	3	0	5
Agency Mutual Aid	0	0	3	0
Non-Emergency Transport	8	14	43	49
Call Cancelled/No Patient Contact	4	4	35	52
Refusals	2	6	34	22
Human Remains Transport	7	16	58	29
False Call	0	0	0	1
EMS Rescue/Other Standby	1	1	4	2
<b>Fire Calls</b>				
	<b>Mar 2024</b>	<b>2024 Total</b>	<b>2023 Total</b>	<b>2022 Total</b>
Total Fire Calls	14	36	164	141
False Fire Alarm	6	12	56	56
Lockout/Public Assist	5	13	81	48
HazMat Incident	0	0	1	3
Rescue Operation	0	0	0	1
Building Fire	0	0	5	3
Vehicle Fire	0	1	1	5
Brush/Wildland Fire	0	0	1	2
Trash/Dumpster Fire	0	0	1	1
Investigation for Signs of Fire	0	0	11	7
Investigate for Hazardous Materials/HazMat	3	5	7	13
Unapproved Open Burn/Fire Extinguishment	0	0	0	2
Mutual Aid/Standby	0	0	0	0

<b>MEDEVAC by Community 2024</b>													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Ambler	1	3	1										5
Buckland	5	4	2										11
Deering	0	0	0										0
Kiana	0	0	4										4
Kivalina	0	2	5										7
Kobuk	0	0	1										1
Kotzebue	15	1	7										23
Noatak	4	5	7										16
Noorvik	3	3	6										12
Point Hope	3	10	7										20
Selawik	3	4	4										11
Shungnak	1	3	4										8
Outside	1	3	3										7
Unavailable													0
<b>Total</b>	<b>36</b>	<b>38</b>	<b>51</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>125</b>

**City of Kotzebue - Parks and Recreation**

March 2024 Report

**Staff:** Parks and Recreation consists of a Director, Assistant Director, Program Coordinator, and an attendant. The Assistant Director is currently out on maternity leave. At any given time, we are at 25-75% staffing level.

**Arctic Circle Spring Festival (ACSF):** The ACSF planning was successfully planned and executed. New events were scattered throughout the festival.

**Boat Harbor:** Parks and Rec is currently coordinating harbor improvements. A contractor has been selected for improvements to ramp extensions. Materials are being costed out now to be entered into the proposed contract.

**Youth Center:**

**Usage:** The Youth Center has been booked many weekends and occasionally with multiple renters on the same day.

**Repairs:** The boiler and glycol levels have required repair and are back to working normally.

**Armory:** The Armory gym is under normal operations.

**Toddler Time:** Toddler Time continues Tuesdays and Thursdays from 10:00-11:30 am. Both Nikaitchuat School and individual parents / toddlers participate with about an average of about 12 children each session for December. Parks and Rec also opened Toddler Time an additional day (on Friday) on two occasions.

**Open Gym {School):** Open Gym time re-opened and continues with high participation.

- Sunday, 6:00 PM –9:00 PM (Open)
- Monday, 8:00 PM – 10:00 PM (Open)
- Tuesday, 8:00 PM – 10:00 PM (B League ONLY)
- Wednesday, 8:00 PM – 10:00 PM (Open)

**Winter Activities:**

**Parks and Rec is coordinating ice skating, cross-country skiing, and dog-sled experience activities.**

- a. The ice-skating rink on Swan Lake (next to the fairgrounds) has been completed, but continued inclement weather has prevented on-going activities.

March 2024

## Arctic Spirits Manager's Report

**To:** Tessa Baldwin – City Manager

**CC:** Chelsea Sieh, Rosie Hensley

**From:** Jamie Lambert, Arctic Spirits Manager

**Date:** April 1, 2024

**Re:** Arctic Spirits Manager's report and monthly recap comparison.

---

The following is a calendar recap for March 2023 as compared to March 2024.

Total revenue collected in March of 2023 was \$275,516.44, compared to \$282,588.25 in March of 2024. This is an increase of \$7,071.81 or almost 2% more revenue than last year. There were 25 sales days in March of 2023 and 26 sales days in March of 2024.

In March of 2023 we had 5,282 customers compared to 5,659 in March of 2024. This is an increase of 377 customers. The average sale in March of 2023 was \$52.16 compared to \$49.94 in March of 2024 or an average of \$2.22 less spent per customer this year compared to last year.

Cigarette sales in March of 2023 were \$5,478.43 as compared to \$5,977.08 in March of 2024. This is an increase of \$498.65 in tobacco sales compared to this time L.Y.

The Delivery Site 2 logged transactions.

The number of 10-day permits issued was 137.

The number of 30-day permits issued was 17.

The number of 90-day permits issued was 2.

The number of 180-day permits issued was 12.

The number of one-year permits issued was 57.

At least 4 permits were newly suspended or revoked due to background checks, public intoxication reports, and COR/judgement paperwork sent from the jail. We received over 37 COR/judgements to update in our system.

Inventory for March 2024 has been completed and filed.

Please feel free to contact me if you have any questions,  
Jamie Lambert - Arctic Spirits Store Manager  
(907)442-4000 or (907)412-0747



P.O. Box 46  
Kotzebue, Alaska 99752  
City Hall (907) 442-3401  
Police Dept. (907) 442-3351  
Fire Dept. (907) 442-3404  
Public Works (907) 442-3401

### Human Resources/Public Relations City Council Report

#### Welcome New Hires as of Saturday, April 13, 2024:

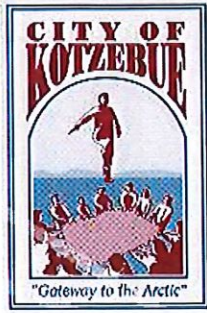
*Louis Burnor* started at Public Works/Water Treatment Plant as a Water Plant Operator.  
*Brian Cuiriz* started at Public Works/City Hall/Parks & Rec as the janitor.  
*Allen Tolbert* started at the Regional Jail as a Municipal Corrections Officer.

#### Actively Advertising as of April 13, 2024

JOB TITLE	DEPARTMENT	FULL-TIME/PART-TIME
Police Officer	Police Department	Regular/Full-time
EMS/FIRE: First Responder	Fire Department	Regular/Full-time
Flex EMS/Fire: First Responder	Fire Department	Permanent/On-Call
Accounts Receivable Clerk	Finance Department	Regular/Full-time
Retail Sales Associate	Arctic Spirits	Regular/Full-Time
Line Maintenance Operator	Public Works	Regular/Full-time
Temp Laborers (4 Positions)	Public Works	Temporary/Full-time
Refuse Landfill Supervisor	Public Works	Regular/Full-Time
Refuse Helper	Public Works	Regular/Full-Time
Harbor Master	Parks & Rec	Seasonal/Full-Time
Harbor Attendant	Parks & Rec	Temporary/Full-Time

#### Key Accomplishments/Ongoing items:

- City Website:** Progressed development for the new City website, focusing on user-friendliness.
- Arctic Circle Spring Festival:** Conducted promotional activities to boost community engagement.
- HR Enhancements:** Implemented background checks, updated paperwork, and streamlined document signing.
- Social Media:** Improved content quality on the City's Facebook page for better engagement.
- Personnel Files:** Organized files to ensure legal compliance and data security.



P.O. Box 46  
Kotzebue, AK 99752

Phone: (907) 442-3401  
Fax: (907) 442-2155

04/18/24

### Planning Director: April RCCM Report

- I. Swan Lake Loop Disaster
  - a. Homes' Water/Sewer update
    - i. 139 Homes on Swan Lake Loop with water/sewer services
    - ii. 7 Homes with frozen water service lines
    - iii. 3 Homes with frozen sewer service lines
    - iv. The frozen service lines at these homes are due to internal plumbing issues that cannot be resolved through city staff.
  - b. Three assistance programs available to effected homes on Swan Lake Loop:
    - i. Public Assistance (PA)
    - ii. Individual Assistance (IA)
    - iii. Small Business Administration (SBA) Economic Injury Disaster Loan (EIDL). NOT activated yet.
  - c. **Goal:** Assist in the recovery and future prevention of water loop related disasters and malfunctions to provide City of Kotzebue residents with safe reliable water and sewer services.
- II. Disposal of City-owned Property through sale to Native Village of Kotzebue (NVOK)
  - a. Planning Commission recommendation in the form of resolution was brought before the City Council at their regular meeting on 04/04/2024.
  - b. The disposal of this property now needs to be passed by ordinance which involves a public hearing and two readings of the ordinance followed by a vote by the City Council.
- III. Permits
  - a. Building permits
    - i. None
  - b. Moving permits
    - i. None
  - c. Excavation permits
    - i. 1 pending
  - d. Variance Requests
    - i. 1 pending
- IV. Hazards Mitigation Plan (HMP) Update



- a. Working on update with DOWL and project team.
- b. Four public meetings held.
- c. 03/31/24 end of “official” Public Comment Period.
- d. 04/2024-06/2024 start first draft of HMP.
- e. **Goal:** Update the current City of Kotzebue HMP to aid in the mitigation of new and current hazards faced by the City of Kotzebue.

V. CAIN Building update

- a. Directive given from the Planning Commission to the Planning Department to assess CAIN building for use as Recreation Center or Police station during the Regular Planning Commission Meeting 02/08/24.
- b. Met with DOWL, Architects Alaska, Parks and Recreation Director, City Manager, and Police Chief to discuss planning and design feasibility.
- c. Due to cost restrictions, it was requested that DOWL get estimates for only the Recreation Center design.
- d. Design and estimates for the Recreation Center option presented to the Planning Commission during April Regular Meeting.
- e. Recommendation made by the Planning Commission for use of the building as a community recreation center.
- f. **Goal:** Utilize the CAIN building in such a way that is beneficial to well-being and health of City of Kotzebue residents.