

CITY OF KOTZEBUE NOTICE

Regular City Council Meeting Agenda

January 07, 2025 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/Introduction of Staff and Guests**
- III. Invocation/Moment of Silence**
- IV. Pledge of Allegiance**
- V. Adoption of The Agenda**
- VI. Adoption of Minutes**
 - [a\)](#) September 23rd, 2024
 - [b\)](#) December 5th, 2024
- VII. Citizen Comments**
- VIII. Correspondence**
 - [a\)](#) February 2025 Juneau Lobbying Trip Discussion
 - [b\)](#) Kobuk 440 Donation Request
- IX. Unfinished Business**
- X. New Business**
 - [a\)](#) 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

7. Police Department
8. Fire Department
9. Parks & Recreation
10. Package Store
11. Public Relations/Human Resources
12. Planning Department

b) Planning Commission Resolution 24-12, CAIN Building Utilization Recommendation Discussion by City Council

c) RESOLUTION 25-01, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AUTHORIZING THE CITY MANAGER, ACTING CITY MANAGER AND/OR HER/HIS DESIGNEE TO FINALIZE AND EXECUTE AN APPROPRIATE CONTRACT AND ANY OTHER RELATED DOCUMENTS WITH PND ENGINEERS, INC., ANCHORAGE, ALASKA, FOR CONSULTING SERVICES FOR THE CAPE BLOSSOM REGIONAL PORT.

d) RESOLUTION 25-02, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AUTHORIZING THE CITY MANAGER, ACTING CITY MANAGER AND/OR HER/HIS DESIGNEE TO FINALIZE AND EXECUTE AN APPROPRIATE CONTRACT AND ANY OTHER RELATED DOCUMENTS WITH DOWL AND DRAKE CONSTRUCTION, INC. ("DCI") BASED UPON THEIR JOINT SUBMITTAL, DATED DECEMBER 2, 2024, TO RFP 2024-06 WTP FILTRATION MODIFICATION.

e) RESOLUTION 25-03, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AUTHORIZING THE CITY MANAGER, ACTING CITY MANAGER AND/OR HER/HIS DESIGNEE TO FINALIZE AND EXECUTE AN APPROPRIATE CONTRACT AND ANY OTHER RELATED DOCUMENTS WITH MANIILAQ ASSOCIATION FOR BASIC AND/OR PART-TIME ADVANCED LIFE SUPPORT AMBULANCE SERVICES WITHIN THE CITY LIMITS OF THE CITY OF KOTZEBUE AND IMMEDIATE ENVIRONS.

f) RESOLUTION 25-04, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AUTHORIZING THE CITY MANAGER, ACTING CITY MANAGER AND/OR HER/HIS DESIGNEE WORKING WITH THE CITY OF KOTZEBUE FINANCE DIRECTOR TO ESTABLISH APPROPRIATE FINANCIAL/CREDIT CARD

ACCOUNTS WITH CREDIT UNION 1 ALASKA THROUGH ITS KOTZEBUE BRANCH
AT 606 BISON STREET, KOTZEBUE, ALASKA.

g) RESOLUTION 25-05, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
KOTZEBUE APPROVING A CONTRACT WITH VITUS TERMINALS, LLC FOR FUEL
DELIVERY SERVICES FOR THE REMAINDER OF CY2025.

XI. Council Members Comments

Seat F: Cory Jackson

Seat G: Johnson Greene

Seat B: Derek Haviland-lie

Seat D: Kathleen Sherman

Seat C: Joshua Hadley

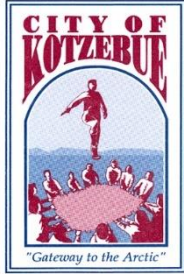
Seat E: Ruth Moto

Seat A: Ernest Norton

Youth Representative: Bristol Huffman

XII. Executive Session

XIII. Adjournment



CITY OF KOTZEBUE NOTICE

Regular City Council Meeting Agenda

September 23, 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

Mayor Chase called the meeting to order at 5:15 PM.

II. Roll Call

Present in person: Mayor Saima Chase, Vice-Mayor Derek Haviland-Lie, Council Members Johnson Greene, Ernest Norton, Joshua Hadley, Cory Jackson, Kathleen Sherman.

Quorum Established.

III. Invocation/Moment of Silence

Council Member Sherman provided an invocation.

IV. Pledge of Allegiance

Pledge of Allegiance.

V. Adoption of The Agenda

The agenda was approved by unanimous vote from the council.

VI. Adoption of Minutes

a) June 7th, 2024

b) June 20th, 2024

c) September 5th, 2024

All minutes were approved by unanimous vote from the council.

VI. Introduction of Guests & Staff

Staff present in chambers: Tessa Baldwin, Sam Camp, Rachel Belamour, Chris Cook, Ron Johnson, Russ Ferguson, Jamie Lambert, Joe Evans.

Staff present on the phone: Paeton Schaeffer, Drue Pearce.

Guest's present: Paulette Schuerch.

VIII. Citizen Comments

Paulette Schuerch with the Native Village of Kotzebue spoke about their new facility, the process, and expressed excitement for this.

IX. Correspondence

a) Kobuk 440 Scholarship Thank You Letter

The council went over the thank you letter from the Kobuk 440.

b) AML SS4A Transportation Safety Action Plan

City Manager Tessa Baldwin summarized this action plan and explained the process briefly.

c) FY22 State and Local Cybersecurity Grant Program (SLCGP)-Round 2 Allocations

City Manager Tessa Baldwin summarized this, explaining that funds were granted and received for the City of Kotzebue’s cybersecurity.

X. Unfinished Business

a) Manager's Reports

- 1. City Manager
- 2. Holland and Hart
- 3. The Mulder Company
- 4. Joe Evans City Attorney
- 5. Finance Director ***need to vote to accept and approve Finance Report***

Council Member Hadley made a motion to accept and approve the finance report, seconded by Council Member Norton.

Roll Call Vote

Johnson Greene	Yes	Ernest Norton	Yes
Joshua Hadley	Yes	Derek Haviland-Lie	Yes
Cory Jackson	Yes	Saima Chase	Yes
Kathleen Sherman	Yes		

Finance Report passed.

6. Public Works *need to vote to accept and approve Public Works report*

Council Member Norton made a motion to accept and approve the public works report, seconded by Council Member Hadley.

Roll Call Vote

Johnson Greene	Yes	Ernest Norton	Yes
Joshua Hadley	Yes	Derek Haviland-Lie	Yes
Cory Jackson	Yes	Saima Chase	Yes
Kathleen Sherman	Yes		

Public Works Report Passed.

- 7. Police Department
- 8. Fire Department
- 9. Parks & Recreation
- 10. Package Store
- 11. Public Relations/Human Resources
- 12. Planning Department

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

Break at 6:30 PM

Reconvene at 6:35 PM

XI. New Business

a) ORDINANCE 24-04, "A CODE ORDINANCE DELETING THE PRESENT SECTION 2.12.010, APPOINTMENT-TERM (FOR CITY CLERK), OF THE KOTZEBUE MUNICIPAL CODE ("KMC") IN ITS ENTIRITY AND REPLACING IT WITH A NEW SECTION 2.12.010, APPOINTMENT-TERM FOR CITY CLERK, OF THE KMC AS SET FOR HEREIN" **[PUBLIC HEARING]**

Council Member Hadley made a motion to approve Ordinance 24-04, seconded by Council Member Norton.

Roll Call Vote

Joshua Hadley	Yes	Kathleen Sherman	Yes
Johnson Greene	Yes	Cory Jackson	Yes
Derek Haviland-Lie	Yes	Ernest Norton	Yes
Saima Chase	Yes		

Ordinance 24-04 Passed.

b) ORDINANCE 24-05, "A NON-CODE ORDINANCE PURSUANT TO KOTZEBUE MUNICIPAL CODE ("KMC") 15.04.100 REQUIRING THE OWNER OF HOUSE NO.

671 LOCATED AT LOT 16, BLOCK 6, USS 2645, KOTZEBUE TOWNSITE AT HIS OWN EXPENSE TO DEMOLISH OR REMOVE THE STRUCTURE HE OWNS"

[PUBLIC HEARING]

Council Member Hadley made a motion to approve Ordinance 24-05, seconded by Council Member Haviland-Lie.

Roll Call Vote

Kathleen Sherman	Yes	Derek Haviland-Lie	Yes
Ernest Norton	No	Saima Chase	Yes
Joshua Hadley	Yes	Cory Jackson	Yes
Johnson Greene	Yes		

Ordinance 24-05 Passed by majority vote.

- c) **ORDINANCE 24-06**, " A CODE ORDINANCE ADDING A NEW SECTION TO THE KOTZEBUE MUNICIPAL CODE ("KMC") CONFIRMING AND AUTHORIZING THE USE OF ALASKA MUNICIPAL LEAGUE'S ("AML") SERVICES TO COLLECT, REMIT, ENFORCE AND ADMINISTER KMC CHAPTER 3.20, SALES TAX, FOR THE CITY OF KOTZEBUE ("CITY)" **[PUBLIC HEARING]**

Council Member Hadley made a motion to approve Ordinance 24-06, seconded by Council Member Sherman.

Roll Call Vote

Saima Chase	Yes	Derek Haviland-Lie	Yes
Johnson Greene	Yes	Cory Jackson	Yes
Kathleen Sherman	Yes	Ernest Norton	Yes
Joshua Hadley	Yes		

Ordinance 24-06 Passed.

- d) **ORDINANCE 24-07**, "A CODE ORDINANCE AMENDING KOTZEBUE MUNICIPAL CODE ("KMC"), CHAPTER 3.20, SALES TAX, SECTIONS 3.20.210, 3.20.270, 3.20.280 AND 3.20.450 TO PROVIDE FOR QUARTERLY REPORTING AND REMITTANCE OF CITY SALES TAXES COLLECTED DURING THE QUARTER, EFFECTIVE JANUARY 1, 2025 WITH THE FIRST QUARTERLY REPORTING PERIOD BEING JANUARY 1, 2025 THROUGH MARCH 31, 2025." **[FOR INTRODUCTION]**

Council Member Norton made a motion to approve the introduction of Ordinance 24-07, seconded by Council Member Sherman.

Roll Call Vote

Saima Chase	Yes	Derek Haviland-Lie	Yes
Johnson Greene	Yes	Cory Jackson	Yes
Kathleen Sherman	Yes	Ernest Norton	Yes
Joshua Hadley	Yes		

Introduction of Ordinance 24-07 Passed.

- e) **RESOLUTION 24-55**, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AUTHORIZING THE APPOINTMENT OF TEMPORARY, PART-TIME PERSONNEL FOR THE OCTOBER 1, 2024 MUNICIPAL ELECTION."

Council Member Haviland-Lie made a motion to approve Resolution 24-55, seconded by Council Member Jackson.

Roll Call Vote

Cory Jackson	Yes	Joshua Hadley	Yes
Kathleen Sherman	Yes	Ernest Norton	Yes
Saima Chase	Yes	Johnson Greene	Yes
Derek Haviland-Lie	Yes		

Motion Passed.

- f) **RESOLUTION 24-56**, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE ("CITY") AUTHORIZING THE CITY MANAGER TO EXTEND THE CITY'S CONTRACT WITH DOWL FOR ENGINEERING AND CAPITAL PROJECTS MANAGEMENT SERVICES THROUGH CALENDAR YEAR 2024 AND DIRECTING THE CITY MANAGER TO ISSUE AN RFP IN LATE OCTOBER 2024 FOR ENGINEERING AND CAPITAL MANAGEMENT SERVICES FOR CALENDAR YEAR 2025."

Council Member Haviland-Lie made a motion to approve Resolution 24-56, seconded by Council Member Hadley.

Roll Call Vote

Johnson Greene	Yes	Kathleen Sherman	Yes
Saima Chase	Yes	Joshua Hadley	Yes
Cory Jackson	Yes	Derek Haviland-Lie	Yes
Ernest Norton	Yes		

Motion Passed.

- g) **RESOLUTION 24-57**, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE ACCEPTING AND AUTHORIZING THE CITY MANAGER OR HER DESIGNEE TO COMPLETE AND EXECUTE A GRANT AGREEMENT WITH THE DENALI COMMISSION FOR THE CAPE BLOSSOM ROAD AND CAPE BLOSSOM PORT PROJECTS PHASE II."

Council Member Norton made a motion to approve Resolution 24-57, seconded by Council Member Jackson.

Roll Call Vote

Johnson Greene	Yes	Ernest Norton	Yes
Joshua Hadley	Yes	Derek Haviland-Lie	Yes
Cory Jackson	Yes	Saima Chase	Yes
Kathleen Sherman	Yes		

Motion Passed.

- h) **RESOLUTION 24-58**, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE ("CITY") ACCEPTING THE NORTHWEST ARCTIC BOROUGH ("NWAB") VILLAGE IMPROVEMENT FUND ("VIF") GRANT IN THE AMOUNT OF THREE HUNDRED AND SEVENTY-FIVE THOUSAND DOLLARS AND NO CENTS (\$375,000.00) FOR THE PURCHASE OF A BULLDOZER."

Council Member Haviland-Lie made a motion to approve Resolution 24-58, seconded by Council Member Jackson.

Roll Call Vote

Joshua Hadley	Yes	Kathleen Sherman	Yes
Johnson Greene	Yes	Cory Jackson	Yes
Derek Haviland-Lie	Yes	Ernest Norton	Yes
Saima Chase	Yes		

Motion Passed.

- i) **RESOLUTION 24-59**, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE ("CITY") REQUESTING THE ADDITION OF CITY CLERK PAETON SCHAEFFER AS AN AUTHORIZED SIGNER ON ALL OF THE CITY'S ACCOUNTS WITH WELLS FARGO BANK."

Council Member Sherman made a motion to approve Resolution 24-59, seconded by Council Member Jackson.

Roll Call Vote

Saima Chase	Yes	Derek Haviland-Lie	Yes
Johnson Greene	Yes	Cory Jackson	Yes
Kathleen Sherman	Yes	Ernest Norton	Yes
Joshua Hadley	Yes		

Motion Passed.

- j) **RESOLUTION 24-60**, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AUTHORIZING THE REPAIR OF THE MAIN WATER LINE NEAR ALASKA AIRLINES AT AN ESTIMATED COST OF \$58,434.00."

After discussion from the Council, it came to an agreement that the wording on this Resolution should be changed from "Main Water Line" to "Main Sewer Line."

Council Member Haviland-Lie made a motion to approve Resolution 24-60 with changes to "Main Sewer Line", seconded by Council Member Norton.

Roll Call Vote

Cory Jackson	Yes	Joshua Hadley	Yes
Kathleen Sherman	Yes	Ernest Norton	Yes
Saima Chase	Yes	Johnson Greene	Yes
Derek Haviland-Lie	Yes		

Motion Passed.

- k) **RESOLUTION 24-61**, "A RESOLUTION OF THE CITY OF KOTZEBUE SUPPORTING THE DEVELOPMENT OF THE NATIVE VILLAGE OF KOTZEBUE'S NIKAITCHUAT ILISAGVAIT AND ADMINISTRATIONS NEW FACILITY PROJECT."

Council Member Sherman made a motion to approve Resolution 24-61, seconded by Council Member Jackson.

Roll Call Vote

Johnson Greene	Yes	Kathleen Sherman	Yes
Saima Chase	Yes	Joshua Hadley	Yes
Cory Jackson	Yes	Derek Haviland-Lie	Yes
Ernest Norton	Yes		

Motion Passed.

- I) **RESOLUTION 24-62**, “A RESOLUTION IN SUPPORT OF THE NATIVE VILLAGE OF KOTZEBUE’S NANA VILLAGE ECONOMIC IMPROVEMENT (VEI) APPLICATION FOR \$900,000 INTENDED FOR GRAVEL PAD, PURCHASE OF PROPERTY AND THE DESIGN OF THE FIXTURES, FIXINGS AND EQUIPMENT.”

Council Member Haviland-Lie made a motion to approve Resolution 24-62, seconded by Council Member Norton.

Roll Call Vote

Kathleen Sherman	Yes	Derek Haviland-Lie	Yes
Ernest Norton	Yes	Saima Chase	Yes
Joshua Hadley	Yes	Cory Jackson	Yes
Johnson Greene	Yes		

Motion Passed.

Break at 7:14 PM

Reconvene at 7:19 PM

XII. Council Members Comments

- a) Seat F: Cory Jackson

Seat G: Johnson Greene

Seat B: Derek Haviland-Lie

Seat D: Saima Chase

Seat C: Joshua Hadley

Seat E: Kathleen Sherman

Seat A: Ernest Norton

Youth Representative: Bristol Huffman

All comments can be found on recording at the City Hall.

XIII. Executive Session

Council Member Haviland-Lie made a motion, seconded by Council Member Norton to enter Executive Session to discuss matters which by law, or municipal ordinance are required to be confidential.

Entered Executive Session at 7:47 PM.

Reentered Open Session at 9:43 PM.

Direction was given, no votes were taken during this time.

XIV. Adjournment

Meeting adjourned at 9:44 PM.

Accepted By:

Derek Haviland-Lie Mayor

Date

Respectfully Submitted By

Paeton Schaeffer City Clerk

[SEAL]



CITY OF KOTZEBUE NOTICE

Regular City Council Meeting Agenda

December 05, 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

Mayor Haviland-Lie called the meeting to order at 5:18 PM.

II. Roll Call/Introduction of Staff and Guests

Council members present: Ernest Norton, Mayor Derek Haviland-Lie, Joshua Hadley, Vice-Mayor Kathleen Sherman, Ruth Moto, Cory Jackson, Johnson Greene. Youth Representative Bristol Huffman was absent.

A quorum was present to conduct business.

Staff present: Tessa Baldwin, Paeton Schaeffer, Sam Camp, Officer Odom, Ron Johnson, Mike Laughlin, Russ Ferguson, Jamie Lambert.

Guests: Roy Mohr, Matt Bergan.

III. Invocation/Moment of Silence

Vice-Mayor Kathleen Sherman provided an invocation.

IV. Pledge of Allegiance

Pledge of Allegiance.

V. Adoption of The Agenda

The agenda was amended to add “Prospective Fire Chief Introduction” before “Citizen’s Comments.”

Vice-Mayor Sherman made a motion, seconded by Council Member Hadley, to approve the agenda as amended.

Amended agenda approved.

VI. Adoption of Minutes

a) November 21, 2024

Council Member Hadley made a motion, seconded by Council Member Norton, to approve the minutes from November 21st, 2024.

Meeting minutes approved.

VII. Citizen Comments

No citizen's comments were made.

VIII. Correspondence

a) Draft Agenda for Budget Retreat in January

City Manager, Tessa Baldwin, summarized the agenda.

b) Capital Projects List – Draft

City Manager, Tessa Baldwin, gave a brief verbal update for capital projects.

c) Parks and Recreation Advisory Committee Letter

Parks and Rec Advisory Committee Chair, Matt Bergan, spoke to the council about replacing the old Boys and Girls Club and building a new family entertainment center or recreation center, stating that this would be a more reasonable capital project.

d) Discussion and Decision Regarding Whether to Have a Second RCCM in December and Dates for RCCM's in January

With discussion from the council, the first RCCM will be held on January 7th, 2025, during the budget retreat, there will be no second December 2024 RCCM.

e) Letter of Interest for City of Kotzebue's Planning Commission and LRA Board

Council Member Norton made a motion, seconded by Council Member Moto, to appoint Cynthia Slater to the Planning Commission and Local Beverage Control Board.

f) KEA Donation Request

With approval from the Council, KEA was awarded \$500.00 for the New Year firework donation.

IX. Unfinished Business

a) ORDINANCE 24-07, ENTITLED: "A CODE ORDINANCE AMENDING KOTZEBUE MUNICIPAL CODE ("KMC"), CHAPTER 3.20, SALES TAX, SECTIONS 3.20.210, 3.20.270, 3.20.280, 3.20.350 AND 3.20.450 TO PROVIDE FOR QUARTERLY REPORTING AND REMITTANCE OF CITY SALES TAXES COLLECTED DURING THE QUARTER, EFFECTIVE JANUARY 1, 2025 WITH THE _FIRST QUARTERLY REPORTING PERIOD BEING JANUARY 1, 2025 THROUGH MARCH 31, 2025." SECOND READING

Ordinance 24-07 was tabled during the meeting.

b) **ORDINANCE 24-08**, ENTITLED: "A NON-CODE ORDINANCE ADOPTING THE BUDGET FOR THE CITY OF KOTZEBUE, ALASKA FOR THE CALENDAR YEAR ("CY") JANUARY 1, 2025 TO ENDING DECEMBER 31, 2025." **SECOND READING** Council Member Hadley made a motion to approve the second reading of Ordinance 24-08, seconded by Council Member Jackson.

Roll Call Vote

Ernest Norton	Yes	Derek Haviland-Lie	Yes
Joshua Hadley	Yes	Ruth Moto	Yes
Kathleen Sherman	Yes	Cory Jackson	Yes
Johnson Greene	Yes		

Ordinance 24-08 was approved by unanimous vote.

c) **ORDINANCE 24-09**, ENTITLED: "A NON-CODE ORDINANCE ADOPTING A FEE SCHEDULE FOR THE CITY OF KOTZEBUE, ALASKA FOR THE CALENDAR YEAR ("CY") JANUARY 1, 2025 TO ENDING DECEMBER 31, 2025." **SECOND READING** Vice-Mayor Sherman made a motion to approve the second reading of Ordinance 24-09, seconded by Council Member Hadley.

Roll Call Vote

Ernest Norton	Yes	Derek Haviland-Lie	Yes
Joshua Hadley	Yes	Ruth Moto	Yes
Kathleen Sherman	Yes	Cory Jackson	Yes
Johnson Greene	Yes		

Ordinance 24-09 was approved by unanimous vote.

d) **RESOLUTION 24-75**, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AUTHORIZING THE CITY MANAGER OR HER DESIGNEE TO EXECUTE AN AGREEMENT FOR THE AHFC FRONTIER HOUSING DEVELOPMENT PROJECT IN KOTZEBUE.

Council Member Norton made a motion to approve Resolution 24-75, seconded by Council Member Hadley.

Roll Call Vote

Ernest Norton	Yes	Derek Haviland-Lie	Yes
Joshua Hadley	Yes	Ruth Moto	Yes
Kathleen Sherman	Yes	Cory Jackson	Yes
Johnson Greene	Yes		

Resolution 24-75 was approved by unanimous vote.

X. New Business

a) RESOLUTION 24-77, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AUTHORIZING THE CITY MANAGER OR HER DESIGNEE TO SUBMIT A BACKUP GENERATOR GRANT APPLICATION TO THE STATE OF ALASKA, DEPARTMENT OF ENVIRONMENTAL CONSERVATION, DIVISION OF WATER, STATE REVOLVING FUND PROGRAM (“SRFP”).

Council Member Hadley made a motion to approve Resolution 24-77, seconded by Council Member Jackson.

Roll Call Vote

Ernest Norton	Yes	Derek Haviland-Lie	Yes
Joshua Hadley	Yes	Ruth Moto	Yes
Kathleen Sherman	Yes	Cory Jackson	Yes
Johnson Greene	Yes		

Resolution 24-77 was approved by unanimous vote.

b) RESOLUTION 24-78, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AUTHORIZING THE CITY MANAGER OR HER DESIGNEE TO EXECUTE AN AGREEMENT WITH ALTMAN ROGERS & COMPANY, CPAs, FOR CY2025 ACCOUNTING AND ADVISORY SERVICES.

Council Member Hadley made a motion to approve Resolution 24-78, seconded by Council Member Norton.

Roll Call Vote

Ernest Norton	Yes	Derek Haviland-Lie	Yes
Joshua Hadley	Yes	Ruth Moto	Yes
Kathleen Sherman	Yes	Cory Jackson	Yes
Johnson Greene	Yes		

Resolution 24-78 was approved by unanimous vote.

c) RESOLUTION 24-79, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AUTHORIZING THE CITY MANAGER OR HER DESIGNEE POST HOC, ERGO PROPTER HOC, TO FINALIZE AND EXECUTE THE APPROPRIATE CONTRACT DOCUMENTS /AGREEMENT WITH THE SUCCESSFUL, RESPONSIBLE BIDDER(S) TO THE CITY’S RFP FOR A DESIGN/BUILD

PROPOSAL FOR THE WATER TREATMENT PLANT FILTRATION SYSTEM
UPGRADE DESIGN/BUILD PROPOSAL AS SET FORTH HEREIN.

Council Member Norton made a motion to approve Resolution 24-79, seconded by
Vice-Mayor Sherman.

Roll Call Vote

Ernest Norton	Yes	Derek Haviland-Lie	Yes
Joshua Hadley	Yes	Ruth Moto	Yes
Kathleen Sherman	Yes	Cory Jackson	Yes
Johnson Greene	Yes		

Resolution 24-79 was approved by unanimous vote.

XI. Council Members Comments

Seat F: Cory Jackson

Seat G: Johnson Greene

Seat B: Derek Haviland-lie

Seat D: Kathleen Sherman

Seat C: Joshua Hadley

Seat E: Ruth Moto

Seat A: Ernest Norton

Youth Representative: Bristol Huffman

All Council Member comments can be found on recording at the City Hall.

XII. Executive Session

Council Member Hadley made a motion, seconded by Council Member Jackson to enter
Executive Session to discuss matters which by law, or municipal ordinance are required
to be confidential.

Entered Executive Session at 6:39 PM.

Reentered Open Session at 8:30 PM.

Direction was given, no votes were taken during this time.

XIII. Adjournment

Council Member Norton made a motion, seconded by Council Member Moto to adjourn.

Meeting adjourned at 8:30 PM.

Accepted By:

Derek Haviland-Lie Mayor

Date

Respectfully Submitted By:

Paeton Schaeffer City Clerk

[SEAL]

Kobuk 440 Racing Association
PO Box 410
Kotzebue, AK 99752

Section VIII, Item b)

City of Kotzebue
Kotzebue, Ak 99752

November 14,2024



Dear City of Kotzebue,

On behalf of the Kobuk 440 Racing Association, we would like to thank you for your generous sponsorship of the Kobuk 440 Racing Association in 2024.

The Kobuk 440 Racing Association is 501 (C) 3 non-profit organization. Our purpose is to enhance and perpetuate the Inupiaq tradition of distance dog mushing in the Arctic. The Racing Association has no employees, and all 440 races and club activities are put on by hard working volunteers in Kotzebue and the regional villages.

To carry out our mission, we rely on financial and in-kind support from organizations like yours that understand the social and cultural value of the activities we conduct in our communities. All our communities look forward to these events every year.

Once again, we are requesting your sponsorship for the 2025 racing season.

In 2024 the Kobuk 440 Racing Association held a 50-mile training race, the Taaqpak 120, the Kobuk 440, the Junior Kobuk 440 and sponsored a junior musher to participate in the Junior Iditarod race. During the past year, the Association also conducted a musher support program and supported two veterinary clinics (in association with Alaska Rural Veterinary Outreach). The 440 Racing Association covers all expenses associated with the race events. We also provide an annual donation to Search and Rescue organizations in our checkpoint communities as a thank you for their help setting trail.

For 2025 we are planning to hold these same races and activities.

Last year your organization was a sponsor by providing financial support in the amount of \$1,000 during the race. This year we are again seeking your support at the same level. You have been a gracious sponsor in the past, and we hope that if you have these resources available you will consider our request.

Included with this letter is a document showing our Sponsorship opportunities and benefits. If you have specific requests for how your sponsorship could better benefit your organization, we would be interested in hearing your ideas. All sponsorship proceeds go directly into race and checkpoint expenses and prize money.

Thank you for your consideration of this request. If I can provide more information or you would like to discuss this request further, please feel free to contact us at 907-947-5598. We look forward to another exciting season of world-class racing throughout our region!

Sincerely,

Kobuk 440 Racing Association Board of Directors

Request for Taxpayer Identification Number and Certification

Go to www.irs.gov/FormW9 for instructions and the latest information.

Section VIII, Item b)

Give form to requester. Do not send to the IRS.

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See Specific Instructions on page 3.	<p>1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.) <u>Kobuk 440 Racing Association</u></p>	
	<p>2 Business name/disregarded entity name, if different from above.</p>	
	<p>3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only one of the following seven boxes.</p> <p><input type="checkbox"/> Individual/sole proprietor <input checked="" type="checkbox"/> C corporation <input type="checkbox"/> S corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate</p> <p><input type="checkbox"/> LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership)</p> <p>Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner.</p> <p><input type="checkbox"/> Other (see instructions)</p>	<p>4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):</p> <p>Exempt payee code (if any) _____</p> <p>Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____</p> <p><i>(Applies to accounts maintained outside the United States.)</i></p>
	<p>3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions <input type="checkbox"/></p>	
	<p>5 Address (number, street, and apt. or suite no.). See instructions. <u>PO Box 410</u></p>	Requester's name and address (optional)
	<p>6 City, state, and ZIP code <u>Kotzebue Alaska 99752</u></p>	
	<p>7 List account number(s) here (optional)</p>	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
<table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 25%;"></td> <td style="width: 25%;"></td> <td style="width: 25%;"></td> <td style="width: 25%;"></td> </tr> </table>					<table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 25%;"></td> <td style="width: 25%;"></td> <td style="width: 25%;"></td> <td style="width: 25%;"></td> </tr> </table>				
or									
Employer identification number									
<table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 25%; text-align: center;">46</td> <td style="width: 25%; text-align: center;">-</td> <td style="width: 25%; text-align: center;">1672</td> <td style="width: 25%; text-align: center;">9115</td> </tr> </table>	46	-	1672	9115					
46	-	1672	9115						

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person <u>[Signature]</u>	Date <u>10-21-2024</u>
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they

KOBUK 440 RACING ASSOCIATION

Section VIII, Item b)

Profit and Loss January - December 2023

	TOTAL
Income	
Donations	
Donations - Corporations	85,751.00
Donations - Individuals	130.16
Total Donations	85,881.16
Race Entry Fees	7,420.00
Sales - Fundraising	
Buy a Mile Sales	4,400.00
Merchandise Sales	6,237.79
Straw and Dog Food Sales	31,130.00
Total Sales - Fundraising	41,767.79
Uncategorized Income	9,881.13
Total Income	\$144,950.08
Cost of Goods Sold	
COGS - Merchandise	20,957.27
COGS - Straw and Dog Food	31,975.00
Total Cost of Goods Sold	\$52,932.27
GROSS PROFIT	\$92,017.81
Expenses	
Office/General Administrative Expenses	
Advertising & Marketing	156.32
Bank Charges & Fees	650.68
Donations/Charitable Contributions	5,950.00
Late Fees	580.00
Meeting Expense	143.90
Office Expenses	
Accounting Software	360.00
Video Conferencing	15.89
Total Office Expenses	375.89
Shipping	237.50
Subcontractors	
Legal & Professional Services	5,570.00
Total Subcontractors	5,570.00
Taxes & Licenses	20.00
Uncategorized Expense	11,837.28
Total Office/General Administrative Expenses	25,521.57
Race Expenses	
Checkpoint Supplies	5,382.64

160-96-5498

Section VIII, Item b)

Equipment Rental	
Snowmachine Rentals	5,640.00
Total Equipment Rental	5,640.00

Accrual Basis Wednesday, October 2, 2024 07:58 AM GMT-08:00

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KOBUK 440 RACING ASSOCIATION**Profit and Loss**

January - December 2023

	TOTAL
Freight	1,927.15
Fuel and Trail Crew	6,581.82
Race Prizes	
Musher Purse	68,220.00
Trophies & Tags	1,801.77
Total Race Prizes	70,021.77
Safety and Equipment	
Safety and Equipment - Misc.	962.73
Total Safety and Equipment	962.73
Volunteer Expenses	
Banquet Supplies	269.74
Total Volunteer Expenses	269.74
Total Race Expenses	90,785.85
Total Expenses	\$116,307.42
NET OPERATING INCOME	\$ -24,289.61
Other Income	
Gaming - Contribution Revenue	500.00
Gaming - Raffle Income	1,720.00
Total Other Income	\$2,220.00
Other Expenses	
Gaming - Raffle Prizes & Expenses	500.00
Total Other Expenses	\$500.00
NET OTHER INCOME	\$1,720.00
NET INCOME	\$ -22,569.61

Accrual Basis Wednesday, October 2, 2024 07:58 AM GMT-08:00

2/2

22

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 Derek Haviland-Lie and Members of the City Council

FROM: The Office of the City Manager, Tessa Baldwin

DATE: December 2024

Key Accomplishments and Project Updates

- We had a great Christmas Party for all staff and families! Thank you, Parks and Rec for hosting and putting on such a great event!
- Grant reports for the year have been closed out! We look forward to continuing the capital projects in 2025!
- SRF Documents are moving forward for Water Treatment Plant Filtration System and Swan Lake Loop/ Lagoon Loop.

Report Narrative

Attached to this document you will see my transition plan for the council to review. It has been a working document for the last 90 days. Please give any feedback that the city council sees fit.

The Mayor, Russ, Sam and I attended a State of Alaska Department of Transportation meeting with Commission Ryan Anderson, and Deputy Commissioner Katherine Keith. Also in attendance were representatives from the Tribe and Northwest Arctic Borough. During this meeting we were informed that we do not have enough local match for Cape Blossom Phase II of the road. Originally, we were told that the tribes bridge funding from the BIA would be a local match, however, since the original funding is federal funds we cannot match with federal funds. Therefore, the only local match at this moment in time is the City of Kotzebue award from Denali Commission at \$2 Million dollars. This is a concern as project funding can be shifted and placed on a different state project if we do not find the additional local match. We requested that the Mayor work with the Northwest Arctic Borough Mayor to secure a plan for additional funding. The State of Alaska DOT will also break down recommendation on what can be

completed with an additional \$1M in local match, \$2M and more so that we can better understand the extent of the work.

Current Open Grants and Funding Opportunities

Continuing Projects:

- Denali Commission, Local Match Funding for Cape Blossom Road Phase II, **\$2,000,000.00**
 - Pre- Assessment forms have been completed. We are working with DOT and Denali Commission to execute this grant agreement.
- Village Improvement Fund, Bulldozer Purchase, **\$375,600.00**
 - Quotes selected and grant agreement with the NWAB has been signed.
- Cyber Security Grant Award, **\$30,000.00**
 - Grant documents submitted and the process to follow this award was submitted.
- State Revolving Fund, Water Treatment Plant Filtration System
 - The RFP is currently out until December 2, 2024. We are waiting for the contract for the state to review and council approval to start spending down on this money.
- State Revolving Fund, Vortac Lake Dam, **\$1,000,000.00**
 - ANTHC has told us that they pulled funding for the PER. A decision needs to be made by the city council to use these funds for the preliminary engineering design.
- State Revolving Fund, Swan Lake Loop/ Lagoon Loop, **\$2,500,000.00**
 - RFP was awarded to DOWL engineering. Project is moving forward and funding is being spent down.
- U.S. Department of Transportation, Port Infrastructure Development Program (PIDP) at **\$2,455,000.00.**
 - RFP was selected for consulting on this project and was awarded to PND Engineering- an on boarding call will be set up with their company to do next steps. Their contract is up for review during the January 2025 city council meeting.
- Alaska Housing Finance Corporation Grant, **\$5,000,000.00.**
 - KIC was awarded the grant after review. Sam and I met with AHFC and KIC to discuss next steps. The City of Kotzebue will be providing administrative support but funding will go through the AHFC directly to KIC.

- 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**
 - DOWL has worked through the assessment. More on this project soon!
- Village Economic Investment Funding, NANA Regional Corporation, Cape Blossom Road Project, **\$139,480.00**
 - PIDP accepted this as match funding. This will be used to pay for the PND contract for consulting.
- Village Economic Investment Funding, NANA Regional Corporation, Cudd Hall Renovations, **\$56,289.00**.
 - Met with Brad Reeves who has submitted quotes for needed equipment. Public Works ordered the needed items and reimbursement for this amount of money has been requested to NANA at about \$15,000.00.
- Designated Legislative Spending, State of Alaska Legislature, **\$500,000.00**.
 - Some of these funds will be used for the economic study currently being developed.
- Denali Commission, Washeteria and Local Shower Facility, **\$1,250,000.00**
 - This project has several moving parts. The first being that the design came back over budget by nearly \$1M. Denali Commission stated that we are welcome to reapply but had suggested that we need to search for additional funding to finish this project. Rasmussen and other funding organizations had been suggested. The council needs to make a decision on how to move forward with this project.
- Village Economic Investment, NANA Regional Corporation, Landfill Upgrades, and Infrastructure Project, **\$782,500.00**
 - The project is moving forward. Russ Ferguson, public works director, is the lead for this project.

City of Kotzebue - City Manager Transition Plan

Effective Date: January 20, 2025

Prepared by: Tessa Baldwin, City Manager

1. Executive Summary

The purpose of this transition plan is to ensure continuity of operations across all departments and ongoing projects. This document provides key information, department contacts, and next steps for the incoming City Manager and current administration.

2. Departmental Overview & Key Contacts

a. Administration

- **Overview:** Responsible for overseeing city operations, city clerk functions, records management, and HR.
- **Key Contacts:**
 - Acting City Manager (upon transition): **TBD**
 - City Clerk: Paeton (responsible for managing records, council meetings, and city documents)
 - City Attorney: Joe Evans
- **Next Steps:**
 - Ensure Paeton has access to all city clerk-related resources and any updates to council protocols.
 - Work with **(name ACM)** on pending administrative issues and sign-off processes until the new City Manager is in place. Passwords for all accounts will be handed over to the ACM on January 17, 2025.

b. Finance Department

- **Overview:** Manages city finances, including payroll, accounts payable, accounts receivable, and budgeting.
- **Key Contacts:**
 - Finance Lead: Mike Laughlin (New Finance Director)
 - Support Team: Mike (Altman and Rogers)
- **Next Steps:**
 - Finalize Caselle payroll transition process, ensuring all finance staff are trained.

- Review Tax Form 941 filing process and address any outstanding IRS responses to ensure compliance.
- Prepare the upcoming fiscal year budget and brief **ATC** on any significant budgetary considerations.
- Sales Tax Transition (Charlie Santos has been taking the lead on this initiative)

c. Planning & Capital Projects

- **Overview:** Oversees city planning, zoning, and project management for capital projects.
- **Key Contacts:**
 - Planning Director: Sam Camp (responsible for project surveys, evacuee assessments, and community planning)
 - Planning Support: Gem Belamour
- **Next Steps:**
 - Ensure continuity of Cape Blossom Port project, including timelines for planning and funding proposals.
 - Confirm follow-ups with the RFP committee for any pending or upcoming project selection.
 - Meet with Sam Camp regarding survey and damage assessment plans and ensure the data is accessible to **ACM**.

d. Public Safety (Police Department, Regional Jail, Fire Department, EMS Contract)

- **Overview:** Coordinates emergency response, public information, and public safety operations. Originally we had a fire chief position and police chief. We have not had the fire chief position filled in almost a year. After leaving it open for some time we have decided to have the fire and EMS programs go under the current fire chief until the position is filled. This is for a time period that would allow the department some leadership as well as more hands on attention with administrative aspects.
- **Key Contacts:**
 - Chris Cook (Chief of Police)
 - Fire Department TBD
- **Next Steps:**
 - Interview for Fire chief and stabilize communication between Fire Department and City Council.

e. Grants and Special Projects

- **Overview:** Manages grant applications, compliance, and funding for city projects.
- **Key Contacts:**

- Grant Manager (temporary assignment to Sailaq LLC.)
- Mike Laughlin (Finance Director)
- Sam Camp (Planning Director)
- Lobbying Team (Drue, Eldon, Ben)
- **Next Steps:**
 - Document all current grant applications, status updates, and upcoming deadlines.
 - Briefing to the City Council is scheduled during the budget retreat on January 6-7th, 2025. Here we will better understand where all the projects are for 2025.

f. Arctic Spirits

- **Overview:** Manages Arctic Spirits and oversight of the liquor store.
- **Key Contacts:**
 - Jamie Lambert
- **Next Steps:**
 - Newly updated cameras for security. A quote has been requested by Jamie.

g. Parks and Recreation

- **Overview:** Manages and organizes community events and facilities.
- **Key Contacts:**
 - Ron Johnson (Director of Parks and Recreation)
 - Liliya Boiko (Assistant Director)
- **Next Steps:**
 - Calendar for yearly projects- Ron has a good grasp of what this is.

h. Human Resources

Overview: The HR department handles all aspects of employment, including job descriptions and postings, interviews, onboarding, benefits, policy regulations, grievances, I-9 compliance, CSSD, training, and separation/termination processes.

- **Key Contacts:**
 - **HR Administrator: Rachel Belamour**, Rachel is transitioning out of the City of Kotzebue at the end of January. We will need to find a replacement.
 - **HR Technician: Juan Rodriguez**

Next Steps:

- HR operations will continue as usual, with no current issues requiring City Manager intervention. Support from the City Manager will be provided only if necessary.

i. Public Works

- **Overview:** Manages all public utilities including water, sewer, refuse, and streets department.
 - **Key Contacts:**
 - **Next Steps:**
-

3. Current & Pending Projects

- **Cape Blossom Port Planning & Design Project:**
 - Confirm the next steps in planning, including engineering reviews, funding allocations, and community engagement.
 - Provide contacts for the project committee and consultants.
- **Water Treatment Plant**
- **Swan Lake and Lagoon Loop**
 - Currently the PER is being worked on by DOWL Engineering. We will have it slated for Capital Project funds in March.
- **Vortac Lake Dam**
 - There are funds allocated for this project. We are debating on requesting the use of these funds to start the PER process for this project. Right now, the project funds are only allocated for design.
- **Negotiations with Maniilaq Association**
- **Housing Development Partnership with AHFC:**
 - Review the \$5 million low-income housing project with Kikiktagruk Inupiat Corporation.
 - Prepare a report summarizing goals, timelines, and key contacts within AHFC.
- **Emergency Preparedness & Response Improvement:**
 - Compile after-action reports from recent responses to update protocols and identify gaps.
 - Ensure Rachel Belamour and Chris Hatch are supported with resources for future incidents.
- **Recommendation for the 2025 Budget Retreat and Capital Projects Reorganization**
 - Given that my last day as City Manager is January 17, 2025, I recommend the following timeline to ensure a smooth transition in the budget process and a thorough review of capital projects:

Budget Retreat Week: Schedule the 2025 budget retreat for the week of **January 6, 2025**. This timing allows us to:
 - Review the new budget for 2025 alongside the end-of-year budget for 2024.

- Ensure alignment of goals and funding.
- Prioritize and address any adjustments to capital projects as necessary, with discussions focused on reorganization and prioritization where needed.

Capital Projects List: During the retreat, review the existing list of capital projects. This will allow us to address any pressing needs or reprioritizations for 2025 and set clear goals to match available funds with project timelines. The one capital project that is recommended to add to this list is the baler building facility.

City Council Budget Readings:

- **First Reading: January 16, 2025** – Council can review and make preliminary adjustments.
- **Second Reading: February 6, 2025** – Final reading and approval in time for the City Council's annual trip to Juneau.
- This timeline will allow the incoming City Manager and the City Council to have a well-organized and thoroughly vetted budget, and capital projects plan in place for 2025.

4. Additional Priorities & Deadlines

- **Scholarship Committee Administration:** Continue with the updated scholarship process, ensuring Paeton has clear guidance on timelines, packet preparation, and communication with Josh and Derek.
- **Human Resources & Recruitment:**
 - Review open positions, including any interim needs, especially in the finance department or administration.
 - Prepare onboarding materials for the incoming city manager and identify any immediate training requirements.
- **Legal & Compliance:**
 - Monitor any pending legal matters
 - Prepare a summary of outstanding compliance matters or litigation as of the effective transition date.

5. Final Handover Meeting

- **Scheduled Handover Meeting with(ACM) and Mayor Haviland-Lie :** January 15, 2025
 - Review final project updates, department status reports, and key tasks.
 - Discuss any remaining handover items, especially those needing immediate attention post-transition.

6. Conclusion

This transition plan is intended to guide the incoming City Manager through Kotzebue’s ongoing initiatives, departmental activities, and critical projects. Comprehensive briefings and documentation are prepared to facilitate seamless management and minimize disruptions to city operations.

DRAFT

Kotzebue City
Revenues with Comparison to Budget
For the 12 Months Ending December 31, 2024

GENERAL FUND

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>GENERAL REVENUE</u>					
100-00-43100 Sales Tax	.00	2,509,975.83	3,837,500.00	1,327,524.17	65.4
100-00-43105 Sale Tax-Bingo/Pull Tabs	.00	158,233.72	280,000.00	121,766.28	56.5
100-00-43110 Sales Tax - MUS	.00	91,549.49	96,000.00	4,450.51	95.4
100-00-43111 Bed Tax	.00	87,160.60	110,000.00	22,839.40	79.2
100-00-43115 Alcohol Use Tax	.00	.00	500.00	500.00	.0
100-00-43116 Liquor Store Use Tax	7,878.64	170,126.66	180,000.00	9,873.34	94.5
100-00-43117 Tobacco - Excise Tax	.00	158,418.74	330,000.00	171,581.26	48.0
100-00-43120 Penalties/Interest	.00	22,753.18	10,000.00	(12,753.18)	227.5
100-00-43125 Municipal Court Fines	.00	5,990.00	3,000.00	(2,990.00)	199.7
100-00-43126 Court Fees for Summons	150.00	730.00	750.00	20.00	97.3
100-00-43130 Interest	.00	20,187.82	10,000.00	(10,187.82)	201.9
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	588,954.14	1,182,050.00	593,095.86	49.8
100-00-43320 Emerg. Mgmt. Assistance	.00	97,961.23	.00	(97,961.23)	.0
100-00-43330 Rentals/Lease	.00	21,633.22	25,000.00	3,366.78	86.5
100-00-43331 Land Lease	.00	.00	500.00	500.00	.0
100-00-43335 Xerox Copy	.00	11.19	75.00	63.81	14.9
100-00-43345 Maps	.00	391.90	180.00	(211.90)	217.7
100-00-43400 Alarms Monitoring	.00	.00	200.00	200.00	.0
100-00-43415 Animal Control Fees	5.00	590.00	2,000.00	1,410.00	29.5
100-00-43425 Building Permits	.00	9,320.50	3,000.00	(6,320.50)	310.7
100-00-43426 Community Activities	.00	5,575.00	4,000.00	(1,575.00)	139.4
100-00-43427 Notary Services	.00	88.60	200.00	111.40	44.3
100-00-43435 Miscellaneous Permits	50.00	7,898.75	15,000.00	7,101.25	52.7
100-00-43505 Cash Over/Short-G.F.	.00	1.26	50.00	48.74	2.5
100-00-43520 Miscellaneous Income	320.00	104,913.91	15,000.00	(89,913.91)	699.4
100-00-43522 Gen Fund Admin Overhead	.00	137,500.00	550,000.00	412,500.00	25.0
100-00-43523 Electric & Telephone Coop	.00	136,456.56	90,621.00	(45,835.56)	150.6
100-00-43524 OTZ Native Village-Roads	.00	.00	50,000.00	50,000.00	.0
100-00-43525 NSF Check Fee	.00	54.00	1,000.00	946.00	5.4
100-00-43526 Snow Removal	.00	350.00	.00	(350.00)	.0
100-00-43530 Donations	3.00	1,606.00	2,500.00	894.00	64.2
100-00-43534 911 Billing Surcharge	7,170.00	188,584.87	105,000.00	(83,584.87)	179.6
100-00-43535 Ambulance 3rd Party	.00	231,847.96	275,000.00	43,152.04	84.3
100-00-43536 Maniilaq Ambulance	.00	265,000.00	580,000.00	315,000.00	45.7
100-00-43606 Memberships	.00	342.00	.00	(342.00)	.0
100-00-43610 Food	.00	.00	2,000.00	2,000.00	.0
100-00-43615 Building Rental	330.00	19,205.54	4,000.00	(15,205.54)	480.1
100-00-43616 Special Events / Misc.	.00	85.00	5,200.00	5,115.00	1.6
100-00-43800 Operating Tranfers In	.00	.00	1,778,344.00	1,778,344.00	.0
Total GENERAL REVENUE	15,906.64	5,043,497.67	10,006,692.00	4,963,194.33	50.4
Total Fund Revenue	15,906.64	5,043,497.67	10,006,692.00	4,963,194.33	50.4

Kotzebue City
Expenditures with Comparison to Budget
For the 12 Months Ending December 31, 2024

GENERAL FUND

		Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>ADMINISTRATION DEPT.</u>						
100-10-54125	Salaries & Wages	45,597.45	598,645.93	797,674.00	199,028.07	75.1
100-10-54130	Overtime Salaries	.00	67.50	1,500.00	1,432.50	4.5
100-10-54140	Employee Benefits	9,602.79	175,544.48	303,117.00	127,572.52	57.9
100-10-54210	Electricity	.00	6,449.26	8,500.00	2,050.74	75.9
100-10-54215	Heating Fuel	.00	12,328.73	12,675.00	346.27	97.3
100-10-54220	Building Maintenance	.00	2,416.44	3,500.00	1,083.56	69.0
100-10-54306	Meals & Entertainment	.00	696.37	500.00	(196.37)	139.3
100-10-54312	Books & Publications	.00	.00	200.00	200.00	.0
100-10-54315	Office Supplies & Equip.	.00	14,139.47	16,478.50	2,339.03	85.8
100-10-54325	Office Leased Equipment	.00	21,554.39	30,000.00	8,445.61	71.9
100-10-54400	Service Charges	.00	5,137.22	24,500.00	19,362.78	21.0
100-10-54407	Employee Morale & Health	.00	1,029.18	500.00	(529.18)	205.8
100-10-54410	Telephone/Fax	.00	23,675.84	30,000.00	6,324.16	78.9
100-10-54415	Travel/Lodging	.00	18,356.15	25,000.00	6,643.85	73.4
100-10-54425	Training	.00	1,061.02	10,000.00	8,938.98	10.6
100-10-54430	Dues & Membership	.00	1,580.49	.00	(1,580.49)	.0
100-10-54434	Ambulance 3rd Party Fees	.00	11,392.18	25,000.00	13,607.82	45.6
100-10-54435	Postage	.00	6,488.08	4,521.50	(1,966.58)	143.5
100-10-54436	Professional Services	.00	83,109.43	100,000.00	16,890.57	83.1
100-10-54437	Audit Consulting	.00	218,499.95	270,000.00	51,500.05	80.9
100-10-54438	Legal	.00	172,665.13	157,000.00	(15,665.13)	110.0
100-10-54439	Insurance	.00	12,299.62	14,000.00	1,700.38	87.9
100-10-54440	Advertising	.00	1,281.60	1,500.00	218.40	85.4
100-10-54441	Lobbying	.00	46,538.82	60,000.00	13,461.18	77.6
100-10-54505	Unleaded Gas	.00	2,052.54	2,700.00	647.46	76.0
100-10-54526	Light Vehicle R & M	.00	39.99	2,000.00	1,960.01	2.0
100-10-54620	Maintenance/Support Agrmt	.00	49,886.50	75,000.00	25,113.50	66.5
100-10-54625	Computer & DP Equipment	.00	1,520.93	3,000.00	1,479.07	50.7
100-10-54901	Miscellaneous	.00	100.00	900.00	800.00	11.1
<u>Total ADMINISTRATION DEPT.</u>		<u>55,200.24</u>	<u>1,488,557.24</u>	<u>1,979,766.00</u>	<u>491,208.76</u>	<u>75.2</u>
<u>CITY CLERK</u>						
100-20-54110	Council Honorarium	900.00	21,150.00	31,000.00	9,850.00	68.2
100-20-54125	Salaries & Wages	6,153.84	65,582.56	80,100.00	14,517.44	81.9
100-20-54130	Overtime	.00	.00	1,000.00	1,000.00	.0
100-20-54140	Employee Benefits	1,445.28	24,021.99	30,400.00	6,378.01	79.0
100-20-54170	Election Expense	.00	.00	2,000.00	2,000.00	.0
100-20-54312	Books & Publications	.00	.00	436.86	436.86	.0
100-20-54315	Office Supplies	.00	3,835.28	2,207.30	(1,627.98)	173.8
100-20-54325	Office Leased Equipment	.00	.00	3,000.00	3,000.00	.0
100-20-54410	Telephone	.00	2,332.68	2,500.00	167.32	93.3
100-20-54415	Travel/Lodging	.00	25,997.39	42,000.00	16,002.61	61.9
100-20-54425	Training	.00	350.00	350.00	.00	100.0
100-20-54430	Dues & Memberships	.00	10,480.29	6,463.14	(4,017.15)	162.2
100-20-54435	Postage	.00	18.40	75.00	56.60	24.5
100-20-54439	Insurance	.00	1,537.44	3,000.00	1,462.56	51.3
100-20-54440	Advertising (RFB & RFP)	.00	.00	42.70	42.70	.0
100-20-54500	Council Amenities	.00	99.81	500.00	400.19	20.0
100-20-54620	Maintenance/Support Agrmt	.00	.00	1,000.00	1,000.00	.0
<u>Total CITY CLERK</u>		<u>8,499.12</u>	<u>155,405.84</u>	<u>206,075.00</u>	<u>50,669.16</u>	<u>75.4</u>

Kotzebue City
Expenditures with Comparison to Budget
For the 12 Months Ending December 31, 2024

GENERAL FUND

		Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>CAPITAL PROJ/PLANNING</u>						
100-50-54110	Planning Comm Stipend	.00	2,325.00	6,300.00	3,975.00	36.9
100-50-54125	Salaries & Wages	18,705.94	207,541.02	180,000.00	(27,541.02)	115.3
100-50-54130	Overtime	.00	.00	500.00	500.00	.0
100-50-54140	Employee Benefits	7,393.88	75,366.48	68,200.00	(7,166.48)	110.5
100-50-54315	Office Supplies	.00	1,679.68	1,500.00	(179.68)	112.0
100-50-54325	Office Leased Equipment	.00	.00	2,000.00	2,000.00	.0
100-50-54410	Telephone	.00	161.25	500.00	338.75	32.3
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	.00	81,174.67	301,000.00	219,825.33	27.0
100-50-54439	Insurance	.00	1,459.90	2,800.00	1,340.10	52.1
100-50-54500	Commission Amenities	.00	.00	250.00	250.00	.0
100-50-54505	Unleaded Gas/Diesel	.00	1,368.35	1,688.00	319.65	81.1
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
Total CAPITAL PROJ/PLANNING		26,099.82	372,054.81	571,098.00	199,043.19	65.2

POLICE DEPT

100-70-54125	Salaries & Wages	58,203.98	802,604.91	1,102,509.00	299,904.09	72.8
100-70-54130	Overtime	82.18	96,877.81	75,000.00	(21,877.81)	129.2
100-70-54140	Employee Benefits	22,366.69	329,734.57	404,301.00	74,566.43	81.6
100-70-54210	Electricity	.00	7,457.42	8,500.00	1,042.58	87.7
100-70-54215	Heating Fuel	.00	8,693.37	9,100.00	406.63	95.5
100-70-54220	Building Maintenance	.00	2,879.41	2,500.00	(379.41)	115.2
100-70-54301	Clothing	.00	2,697.94	4,200.00	1,502.06	64.2
100-70-54315	Office Supplies	.00	4,228.08	6,000.00	1,771.92	70.5
100-70-54316	Operations Supply	.00	12,482.90	19,633.00	7,150.10	63.6
100-70-54317	Community Policing	.00	.00	500.00	500.00	.0
100-70-54325	Office Leased Equipment	.00	3,840.00	2,880.00	(960.00)	133.3
100-70-54410	Telephone/Fax	.00	14,398.08	9,500.00	(4,898.08)	151.6
100-70-54415	Travel/Lodging/Per Diem	.00	8,871.18	20,000.00	11,128.82	44.4
100-70-54420	Employee Rent	.00	3,300.00	15,000.00	11,700.00	22.0
100-70-54425	Training	(300.00)	7,350.00	35,000.00	27,650.00	21.0
100-70-54430	Dues & Membership	.00	6,355.79	6,375.00	19.21	99.7
100-70-54435	Postage	.00	672.41	800.00	127.59	84.1
100-70-54436	Professional Services	.00	11,057.09	13,495.00	2,437.91	81.9
100-70-54439	Insurance	.00	119,671.73	229,000.00	109,328.27	52.3
100-70-54440	Advertising	.00	.00	500.00	500.00	.0
100-70-54505	Unleaded Gas/Diesel	.00	21,698.15	25,000.00	3,301.85	86.8
100-70-54526	Light Vehicle R & M	.00	8,617.54	10,000.00	1,382.46	86.2
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	2,302.61	2,367.00	64.39	97.3
Total POLICE DEPT		80,352.85	1,475,790.99	2,004,160.00	528,369.01	73.6

JAIL DEPT

100-75-54125	Salaries & Wages	33,665.22	570,159.44	828,945.00	258,785.56	68.8
100-75-54130	Overtime	3,952.85	98,781.24	73,000.00	(25,781.24)	135.3
100-75-54140	Employee Benefits	13,203.00	220,906.36	316,139.00	95,232.64	69.9

Section X, Item a)

Kotzebue City
Expenditures with Comparison to Budget
For the 12 Months Ending December 31, 2024

GENERAL FUND

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
100-75-54210 Electricity	.00	11,405.15	10,000.00	(1,405.15)	114.1
100-75-54215 Heating Fuel	.00	47,537.57	78,000.00	30,462.43	61.0
100-75-54220 Building Maintenance	.00	10,713.09	30,000.00	19,286.91	35.7
100-75-54301 Clothing	.00	1,147.37	3,000.00	1,852.63	38.3
100-75-54306 Food & Prisoner Supplies	.00	33,511.61	30,000.00	(3,511.61)	111.7
100-75-54315 Office Supplies	.00	3,509.25	3,500.00	(9.25)	100.3
100-75-54316 Operation Supplies	.00	7,565.50	20,000.00	12,434.50	37.8
100-75-54410 Telephone	.00	10,433.69	9,000.00	(1,433.69)	115.9
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	6,700.00	15,000.00	8,300.00	44.7
100-75-54425 Training	.00	753.98	10,000.00	9,246.02	7.5
100-75-54430 Dues & Membership	.00	1,063.08	1,150.00	86.92	92.4
100-75-54434 Television	.00	1,624.82	1,350.00	(274.82)	120.4
100-75-54435 Postage	.00	809.01	850.00	40.99	95.2
100-75-54436 Professional Services	.00	7,831.87	9,075.00	1,243.13	86.3
100-75-54439 Insurance	.00	69,309.12	133,000.00	63,690.88	52.1
100-75-54505 Unleaded Gas/Diesel	.00	2,052.54	2,700.00	647.46	76.0
100-75-54526 Vehicle & Equip R & M	.00	15.68	1,000.00	984.32	1.6
100-75-54620 Maintenance/Support	.00	.00	16,723.00	16,723.00	.0
100-75-54901 Miscellaneous Expense	.00	53.82	75.00	21.18	71.8
Total JAIL DEPT	50,821.07	1,111,596.64	1,607,507.00	495,910.36	69.2

FIRE/EMT DEPT

100-80-54125 Salaries & Wages	36,344.91	541,490.00	1,029,422.00	487,932.00	52.6
100-80-54130 Overtime	9,848.34	128,990.63	85,500.00	(43,490.63)	150.9
100-80-54140 Employee Benefits	18,961.49	259,970.08	391,180.00	131,209.92	66.5
100-80-54210 Electricity	.00	9,389.80	14,000.00	4,610.20	67.1
100-80-54215 Heating Fuel	.00	58,565.82	71,500.00	12,934.18	81.9
100-80-54220 Building Maintenance	.00	14,111.87	5,000.00	(9,111.87)	282.2
100-80-54301 Clothing	.00	3,994.58	25,000.00	21,005.42	16.0
100-80-54315 Office Supplies	.00	3,223.09	4,891.38	1,668.29	65.9
100-80-54323 Fire prevention/hydant maint.	.00	.00	7,500.00	7,500.00	.0
100-80-54324 Ambulance Supplies&Equip.	.00	595.94	1,500.00	904.06	39.7
100-80-54325 Office Leased Equipment	.00	3,840.00	3,840.00	.00	100.0
100-80-54327 Small Tools	.00	142.98	1,500.00	1,357.02	9.5
100-80-54407 Fire/EMT Rehabilitation	.00	612.37	1,000.00	387.63	61.2
100-80-54410 Telephone/Fax	.00	2,769.50	3,000.00	230.50	92.3
100-80-54415 Travel/Lodging	.00	.00	9,768.62	9,768.62	.0
100-80-54425 Training	.00	10,957.00	15,000.00	4,043.00	73.1
100-80-54430 Dues & Membership	.00	166.50	500.00	333.50	33.3
100-80-54435 Postage	.00	36.66	500.00	463.34	7.3
100-80-54436 Professional Services	.00	9,641.04	6,000.00	(3,641.04)	160.7
100-80-54439 Insurance	.00	8,737.08	16,500.00	7,762.92	53.0
100-80-54505 Unleaded Gas/Diesel	.00	10,282.92	12,000.00	1,717.08	85.7
100-80-54526 Vehicle R & M	.00	917.76	22,000.00	21,082.24	4.2
100-80-54530 Equipment R & M	.00	4,636.67	10,000.00	5,363.33	46.4
Total FIRE/EMT DEPT	65,154.74	1,073,072.29	1,737,102.00	664,029.71	61.8

PUBLIC WORKS DEPT

100-90-54125 Salaries & Wages	59,748.27	826,026.93	1,122,991.00	296,964.07	73.6
100-90-54130 Overtime	378.24	33,232.34	30,000.00	(3,232.34)	110.8
100-90-54140 Employee Benefits	22,582.34	349,198.12	426,737.00	77,538.88	81.8

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Kotzebue City
Expenditures with Comparison to Budget
For the 12 Months Ending December 31, 2024

GENERAL FUND

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
100-90-54201 Street Lighting	.00	53,646.50	80,000.00	26,353.50	67.1
100-90-54202 Sign Replacement	.00	302.65	2,500.00	2,197.35	12.1
100-90-54210 Electricity	.00	20,920.47	13,000.00	(7,920.47)	160.9
100-90-54215 Heating Fuel	.00	128,083.09	131,200.00	3,116.91	97.6
100-90-54220 Building Maintenance	.00	20,426.15	13,000.00	(7,426.15)	157.1
100-90-54300 Cleaning Supplies	.00	1,925.39	500.00	(1,425.39)	385.1
100-90-54301 Clothing	.00	1,580.88	4,000.00	2,419.12	39.5
100-90-54315 Office Supplies	.00	4,378.21	3,500.00	(878.21)	125.1
100-90-54325 Office Leased Equipment	.00	3,840.00	2,000.00	(1,840.00)	192.0
100-90-54327 Small Tools	.00	1,422.91	4,500.00	3,077.09	31.6
100-90-54410 Telephone/Fax	.00	6,358.02	6,000.00	(358.02)	106.0
100-90-54415 Travel/Lodging	.00	754.00	5,000.00	4,246.00	15.1
100-90-54425 Training	.00	644.00	8,500.00	7,856.00	7.6
100-90-54430 Dues & Memberships	.00	2,115.00	2,000.00	(115.00)	105.8
100-90-54435 Postage	.00	.00	500.00	500.00	.0
100-90-54436 Professional Services	.00	16,088.85	30,000.00	13,911.15	53.6
100-90-54439 Insurance	.00	14,599.29	28,000.00	13,400.71	52.1
100-90-54505 Unleaded Gas/Diesel	.00	125,332.76	130,000.00	4,667.24	96.4
100-90-54525 Emergency Disaster Relief	1,820.61	1,337,677.99	.00	(1,337,677.99)	.0
100-90-54526 Light Vehicle R & M	.00	37,005.29	22,500.00	(14,505.29)	164.5
100-90-54527 Snow Removal	.00	46,590.00	40,000.00	(6,590.00)	116.5
100-90-54528 Gravel Purchases	.00	50,000.00	50,000.00	.00	100.0
100-90-54529 Paved Road Maintenance	.00	16,945.07	50,000.00	33,054.93	33.9
100-90-54530 Heavy Equipment R & M	.00	121,952.88	85,000.00	(36,952.88)	143.5
Total PUBLIC WORKS DEPT	84,529.46	3,221,046.79	2,291,428.00	(929,618.79)	140.6

SMALL BOAT HARBOR

100-94-54125 Salaries & Wages	.00	16,570.00	100,000.00	83,430.00	16.6
100-94-54130 Overtime	.00	.00	500.00	500.00	.0
100-94-54140 Benefits	.00	1,110.57	40,000.00	38,889.43	2.8
100-94-54210 Electricity	.00	4,543.41	13,500.00	8,956.59	33.7
100-94-54225 R&R Docks Annually	.00	10,247.92	6,500.00	(3,747.92)	157.7
100-94-54315 Office Supplies & Equipment	.00	110.38	1,000.00	889.62	11.0
100-94-54439 Insurance	.00	14,599.29	28,000.00	13,400.71	52.1
Total SMALL BOAT HARBOR	.00	47,181.57	189,500.00	142,318.43	24.9

PARKS & REC.

100-95-54125 Salaries & Wages	12,422.37	194,669.36	296,515.00	101,845.64	65.7
100-95-54130 Overtime	.00	25.88	1,000.00	974.12	2.6
100-95-54140 Employee Benefits	4,345.14	70,466.04	112,676.00	42,209.96	62.5
100-95-54210 Electricity	.00	13,000.01	20,000.00	6,999.99	65.0
100-95-54215 Heating Fuel	.00	14,017.97	15,000.00	982.03	93.5
100-95-54220 Building & Equipment Maint.	.00	13,225.34	20,000.00	6,774.66	66.1
100-95-54300 Cleaning Supplies	.00	497.75	2,500.00	2,002.25	19.9
100-95-54306 Food	.00	996.40	2,000.00	1,003.60	49.8
100-95-54308 Playground & Park Maintenance	.00	2,761.81	5,000.00	2,238.19	55.2
100-95-54315 Office Supplies & Equipment	.00	2,749.37	3,000.00	250.63	91.7
100-95-54410 Telephone/Fax	.00	3,144.28	3,000.00	(144.28)	104.8
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	.00	550.00	2,500.00	1,950.00	22.0
100-95-54439 Insurance	.00	4,640.18	9,000.00	4,359.82	51.6

Section X, Item a)

Kotzebue City
 Expenditures with Comparison to Budget
 For the 12 Months Ending December 31, 2024

GENERAL FUND

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
100-95-54505 Gas/Deisel	.00	2,301.59	2,700.00	398.41	85.2
100-95-54526 Light Vehicle Maintenance	.00	900.25	3,000.00	2,099.75	30.0
100-95-54530 Program Equip. & Equip. Repair	.00	328.63	1,000.00	671.37	32.9
100-95-54907 Community Events	.00	4,178.17	4,000.00	(178.17)	104.5
Total PARKS & REC.	16,767.51	328,453.03	504,891.00	176,437.97	65.1
 <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	6,136.14	4,500.00	(1,636.14)	136.4
100-96-54908 Miscellaneous Comm. Support	.00	1,044.12	2,500.00	1,455.88	41.8
100-96-54909 Kotzebue/Middle High School	.00	20,000.00	40,000.00	20,000.00	50.0
100-96-54911 City of Kotz Scholarship Fund	.00	18,967.00	20,000.00	1,033.00	94.8
Total Other Agency Contributions	.00	46,147.26	69,500.00	23,352.74	66.4
 <u>NON-DEPT. EXPENSE</u>					
100-98-54407 Employee Morale & Health	.00	3,554.60	10,000.00	6,445.40	35.6
Total NON-DEPT. EXPENSE	.00	3,554.60	10,000.00	6,445.40	35.6
 Total Fund Expenditures	 387,424.81	 9,322,861.06	 11,171,027.00	 1,848,165.94	 83.5
 Net Revenue Over Expenditures	 (371,518.17)	 (4,279,363.39)	 (1,164,335.00)	 3,115,028.39	 (367.5)

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Kotzebue City
Revenues with Comparison to Budget
For the 12 Months Ending December 31, 2024

E-911 SPECIAL REVENUE FUND

	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Unexpended</u>	<u>Pcnt</u>
<u>E911 Revenue</u>					
204-00-43534 E-911 Surcharge	.00	7,072.00	.00	(7,072.00)	.0
Total E911 Revenue	.00	7,072.00	.00	(7,072.00)	.0
Total Fund Revenue	.00	7,072.00	.00	(7,072.00)	.0
Net Revenue Over Expenditures	.00	7,072.00	.00	(7,072.00)	.0

Section X, Item a)

Kotzebue City
 Revenues with Comparison to Budget
 For the 12 Months Ending December 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	33,761.00	.00	(33,761.00)	.0
Total Water Treatment Plant Const.	.00	33,761.00	.00	(33,761.00)	.0
Total Fund Revenue	.00	33,761.00	.00	(33,761.00)	.0

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Kotzebue City
Expenditures with Comparison to Budget
For the 12 Months Ending December 31, 2024

Capital Projects

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>Water Treatment Plant Const.</u>					
467-85-54436 Professional Services	.00	23,336.36	.00	(23,336.36)	.0
Total Water Treatment Plant Const.	.00	23,336.36	.00	(23,336.36)	.0
Total Fund Expenditures	.00	23,336.36	.00	(23,336.36)	.0
Net Revenue Over Expenditures	.00	10,424.64	.00	(10,424.64)	.0

Kotzebue City
Expenditures with Comparison to Budget
For the 12 Months Ending December 31, 2024

Major R&R CPF

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>Expense - Admin CP</u>					
469-10-54600 Capital Purchase - Veh & Equip	.00	24,425.00	.00	(24,425.00)	.0
469-10-54601 Capital Purchase - Constr.	.00	74,549.00	.00	(74,549.00)	.0
Total Expense - Admin CP	.00	98,974.00	.00	(98,974.00)	.0
<u>Expense - Police CP</u>					
469-70-54600 Capital Purchase - Veh & Equip	.00	11,460.28	.00	(11,460.28)	.0
Total Expense - Police CP	.00	11,460.28	.00	(11,460.28)	.0
<u>Expense - Package Store CP</u>					
469-93-54601 Capital Purchase - Constr.	13,774.35	341,024.75	.00	(341,024.75)	.0
Total Expense - Package Store CP	13,774.35	341,024.75	.00	(341,024.75)	.0
Total Fund Expenditures	13,774.35	451,459.03	.00	(451,459.03)	.0
Net Revenue Over Expenditures	(13,774.35)	(451,459.03)	.00	451,459.03	.0

Kotzebue City
Revenues with Comparison to Budget
For the 12 Months Ending December 31, 2024

Washateria Denali Comm Fund

	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Unexpended</u>	<u>Pcnt</u>
<u>Source 00</u>					
472-00-43215 Grant Revenue - State	.00	172,460.72	.00	(172,460.72)	.0
Total Source 00	<u>.00</u>	<u>172,460.72</u>	<u>.00</u>	<u>(172,460.72)</u>	<u>.0</u>
Total Fund Revenue	<u>.00</u>	<u>172,460.72</u>	<u>.00</u>	<u>(172,460.72)</u>	<u>.0</u>

Kotzebue City
Expenditures with Comparison to Budget
For the 12 Months Ending December 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	310,391.57	.00	(310,391.57)	.0
Total Washateria Denali Comm Fund	.00	310,391.57	.00	(310,391.57)	.0
Total Fund Expenditures	.00	310,391.57	.00	(310,391.57)	.0
Net Revenue Over Expenditures	.00	(137,930.85)	.00	137,930.85	.0

Kotzebue City
Revenues with Comparison to Budget
For the 12 Months Ending December 31, 2024

Designated Legislative Grants

	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Unexpended</u>	<u>Pcnt</u>
<u>Grant Revenue</u>					
483-00-43215 Grant Revenue - State	.00	36,609.18	.00	(36,609.18)	.0
Total Grant Revenue	.00	36,609.18	.00	(36,609.18)	.0
Total Fund Revenue	.00	36,609.18	.00	(36,609.18)	.0

Kotzebue City
Expenditures with Comparison to Budget
For the 12 Months Ending December 31, 2024

Designated Legislative Grants

		Period Actual	YTD Actual	Budget	Unexpended	Pcnt
	<u>Expense-Swan Lake</u>					
483-50-54303	Construction	.00	36,128.00	.00	(36,128.00)	.0
	Total Expense-Swan Lake	.00	36,128.00	.00	(36,128.00)	.0
	Total Fund Expenditures	.00	36,128.00	.00	(36,128.00)	.0
	Net Revenue Over Expenditures	.00	481.18	.00	(481.18)	.0

Kotzebue City
Revenues with Comparison to Budget
For the 12 Months Ending December 31, 2024

AEA Grant Special Revenue Fund

	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Unexpended</u>	<u>Pcnt</u>
<u>Source 00</u>					
487-00-43210 Grant Revenue - Federal	.00	6,104.72	.00 (6,104.72)	.0
487-00-43215 Grant Revenue - State	.00	2,875.33	.00 (2,875.33)	.0
Total Source 00	<u>.00</u>	<u>8,980.05</u>	<u>.00 (</u>	<u>8,980.05)</u>	<u>.0</u>
Total Fund Revenue	<u>.00</u>	<u>8,980.05</u>	<u>.00 (</u>	<u>8,980.05)</u>	<u>.0</u>

Kotzebue City
Expenditures with Comparison to Budget
For the 12 Months Ending December 31, 2024

AEA Grant Special Revenue Fund

	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Unexpended</u>	<u>Pcnt</u>
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	6,104.72	.00	(6,104.72)	.0

Kotzebue City
Revenues with Comparison to Budget
For the 12 Months Ending December 31, 2024

VIF

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>Source 00</u>					
490-00-43220 Grant Revenue - Local	.00	402,500.00	.00	(402,500.00)	.0
Total Source 00	.00	402,500.00	.00	(402,500.00)	.0
Total Fund Revenue	.00	402,500.00	.00	(402,500.00)	.0

Section X, Item a)

Kotzebue City
 Expenditures with Comparison to Budget
 For the 12 Months Ending December 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	363,433.99	.00	(363,433.99)	.0

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Kotzebue City
 Revenues with Comparison to Budget
 For the 12 Months Ending December 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 12 Months Ending December 31, 2024

NANA VEI GRANT

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
491-00-54303 CONSTRUCTION	.00	9,576.23	.00	(9,576.23)	.0
Total Department 00	.00	9,576.23	.00	(9,576.23)	.0
Total Fund Expenditures	.00	9,576.23	.00	(9,576.23)	.0
Net Revenue Over Expenditures	.00	(6,277.94)	.00	6,277.94	.0

Kotzebue City
Expenditures with Comparison to Budget
For the 12 Months Ending December 31, 2024

Cape Blossom Road

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
492-00-54163 Design Engineering	.00	21,210.08	.00	(21,210.08)	.0
Total Department 00	.00	21,210.08	.00	(21,210.08)	.0
Total Fund Expenditures	.00	21,210.08	.00	(21,210.08)	.0
Net Revenue Over Expenditures	.00	(21,210.08)	.00	21,210.08	.0

Kotzebue City
Revenues with Comparison to Budget
For the 12 Months Ending December 31, 2024

ENTERPRISE ACCOUNTS

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>MUS REVENUE</u>					
601-40-43524	OTZ Native Village-Roads	.00	50,000.00	.00 (50,000.00)	.0
601-40-43915	MUS Penalties & Interest	.00	30,889.99	20,000.00 (10,889.99)	154.5
601-40-43927	Service Equipment Sales	.00	1,609.08	500.00 (1,109.08)	321.8
601-40-43928	Hydro Flush Service	.00	17,042.00	10,000.00 (7,042.00)	170.4
601-40-43930	Water Sales-Residential	.00	395,682.55	700,000.00	304,317.45 56.5
601-40-43931	Water Sales-Commercial	.00	1,055,365.99	1,150,000.00	94,634.01 91.8
601-40-43932	Water Delivery	.00	11,975.59	10,000.00 (1,975.59)	119.8
601-40-43940	Sewer Sales-Commercial	.00	642,969.62	500,000.00 (142,969.62)	128.6
601-40-43941	Sewer Sales-Residential	.00	172,204.18	290,000.00	117,795.82 59.4
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	7,742.00	4,000.00 (3,742.00)	193.6
601-40-43953	Sewer Re/Dis Connect	.00	.00	500.00	500.00 .0
601-40-43985	Miscellaneous	.00	14,263.50	2,500.00 (11,763.50)	570.5
601-40-44107	State of AK PERS Relief	.00	.00	27,035.00	27,035.00 .0
Total MUS REVENUE		.00	2,399,744.50	2,717,035.00	317,290.50 88.3
Total Fund Revenue		.00	2,399,744.50	2,717,035.00	317,290.50 88.3

Kotzebue City
Expenditures with Comparison to Budget
For the 12 Months Ending December 31, 2024

ENTERPRISE ACCOUNTS

		Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>Water & Sewer Expenses</u>						
601-10-54400	Service Charges	.00	16,200.03	17,500.00	1,299.97	92.6
601-10-54434	3rd Party Collection Fees	.00	.00	500.00	500.00	.0
601-10-54435	Postage	.00	3,029.75	3,000.00	(29.75)	101.0
601-10-54460	Gen. Fund Admin. Overhead	.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
Total Water & Sewer Expenses		.00	90,729.78	2,213,640.00	2,122,910.22	4.1

<u>Water Expenses</u>						
601-20-54125	Salaries & Wages	15,556.52	217,205.66	300,000.00	82,794.34	72.4
601-20-54130	Overtime	2,814.21	54,779.92	27,000.00	(27,779.92)	202.9
601-20-54140	Employee Benefits	7,455.33	95,930.81	114,000.00	18,069.19	84.2
601-20-54210	Electricity	.00	132,847.92	160,000.00	27,152.08	83.0
601-20-54215	Heating Fuel	.00	120,080.21	100,000.00	(20,080.21)	120.1
601-20-54216	KEA Waste Heat	.00	12,735.79	100,000.00	87,264.21	12.7
601-20-54220	Building Maintenance	.00	2,540.15	5,000.00	2,459.85	50.8
601-20-54301	Clothing/Safety Equipment	.00	1,544.64	2,000.00	455.36	77.2
601-20-54315	Office Supplies	.00	2,402.81	1,000.00	(1,402.81)	240.3
601-20-54327	Small Tools	.00	899.30	1,000.00	100.70	89.9
601-20-54331	Chemicals	.00	116,113.98	170,000.00	53,886.02	68.3
601-20-54332	Pipe & Materials	.00	53,201.15	25,000.00	(28,201.15)	212.8
601-20-54410	Telephone	.00	11,520.43	5,700.00	(5,820.43)	202.1
601-20-54415	Travel/Loding	.00	540.50	4,000.00	3,459.50	13.5
601-20-54425	Training	.00	428.50	8,000.00	7,571.50	5.4
601-20-54430	Dues & Membership	.00	75.00	4,000.00	3,925.00	1.9
601-20-54436	Professional Services	.00	10,122.02	64,000.00	53,877.98	15.8
601-20-54439	Insurance	.00	7,299.62	14,000.00	6,700.38	52.1
601-20-54505	Unleaded Gas/Diesel/Oil	.00	2,356.47	3,750.00	1,393.53	62.8
601-20-54525	Light Vehicle R & M	.00	.00	1,500.00	1,500.00	.0
601-20-54526	Vehicle & Equipment R & M	.00	528.77	3,000.00	2,471.23	17.6
601-20-54541	Lab Equipment/Testing	.00	18,091.80	20,000.00	1,908.20	90.5
Total Water Expenses		25,826.06	861,245.45	1,132,950.00	271,704.55	76.0

<u>Sewer Expenses</u>						
601-30-54125	Salaries & Wages	30,932.17	367,191.59	357,914.00	(9,277.59)	102.6
601-30-54130	Overtime	3,275.63	61,661.76	61,000.00	(661.76)	101.1
601-30-54140	Employee Benefits	11,630.76	138,979.64	154,998.00	16,018.36	89.7
601-30-54210	Electricity	.00	77,402.96	75,000.00	(2,402.96)	103.2
601-30-54211	Electricity-Sewage Lagoon	.00	3,835.60	10,000.00	6,164.40	38.4
601-30-54220	Building Maintenance	.00	5,667.27	30,000.00	24,332.73	18.9
601-30-54301	Clothing/Safety Equipment	.00	5,825.40	5,000.00	(825.40)	116.5
601-30-54315	Ofc Sup/Equip/Maintenance	.00	1,662.93	500.00	(1,162.93)	332.6
601-30-54316	Operational Supplies	.00	116.20	3,000.00	2,883.80	3.9
601-30-54327	Small Tools	.00	7,359.51	4,000.00	(3,359.51)	184.0
601-30-54331	Chemicals	.00	25,484.90	80,000.00	54,515.10	31.9
601-30-54332	Pipe & Materials	.00	37,129.23	60,000.00	22,870.77	61.9
601-30-54415	Travel/Loding	.00	.00	3,500.00	3,500.00	.0
601-30-54425	Training	.00	10,107.00	8,500.00	(1,607.00)	118.9
601-30-54436	Professional Services	.00	27,514.08	35,000.00	7,485.92	78.6
601-30-54439	Insurance	.00	2,949.86	6,000.00	3,050.14	49.2

Kotzebue City
Expenditures with Comparison to Budget
For the 12 Months Ending December 31, 2024

ENTERPRISE ACCOUNTS

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
601-30-54505 Unleaded Gas/Diesel/Oil	.00	26,047.24	35,100.00	9,052.76	74.2
601-30-54525 Light Vehicle R & M	.00	2,239.71	2,000.00	(239.71)	112.0
601-30-54526 Vehicle & Equipment R & M	.00	5,348.65	22,500.00	17,151.35	23.8
601-30-54600 Capital Purchases - Pumps	.00	84,195.69	.00	(84,195.69)	.0
601-30-54901 Miscellaneous	.00	43.99	.00	(43.99)	.0
Total Sewer Expenses	45,838.56	890,763.21	954,012.00	63,248.79	93.4
Total Fund Expenditures	71,664.62	1,842,738.44	4,300,602.00	2,457,863.56	42.9
Net Revenue Over Expenditures	(71,664.62)	557,006.06	(1,583,567.00)	(2,140,573.06)	35.2

Kotzebue City
Revenues with Comparison to Budget
For the 12 Months Ending December 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	29,202.77	23,000.00	(6,202.77)	127.0
602-40-43924 Residential Refuse Collec	.00	347,911.70	335,000.00	(12,911.70)	103.9
602-40-43925 Commercial Refuse Collect	.00	572,779.00	640,000.00	67,221.00	89.5
602-40-43926 Refuse Equipment Sales	.00	.00	2,000.00	2,000.00	.0
602-40-43927 Residential Refuse Cart	299.50	1,538.98	1,750.00	211.02	87.9
602-40-43928 Commercial Dumpster Rental	.00	35,625.24	40,000.00	4,374.76	89.1
602-40-44107 State of AK PERS Relief	.00	.00	28,496.00	28,496.00	.0
602-40-49987 Miscellaneous Income	.00	6,668.50	5,000.00	(1,668.50)	133.4
Total REFUSE ENTERPRISE FUND	299.50	993,726.19	1,080,246.00	86,519.81	92.0
Total Fund Revenue	299.50	993,726.19	1,080,246.00	86,519.81	92.0

Kotzebue City
Expenditures with Comparison to Budget
For the 12 Months Ending December 31, 2024

REFUSE DEPARTMENT

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>REFUSE ENTERPRISE FUND</u>					
602-40-54125 Salaries & Wages	35,792.16	410,325.35	579,620.00	169,294.65	70.8
602-40-54130 Overtime	18.75	14,234.36	10,000.00	(4,234.36)	142.3
602-40-54140 Employee Benefits	15,328.21	182,900.33	220,256.00	37,355.67	83.0
602-40-54210 Electricity	.00	19,039.63	25,000.00	5,960.37	76.2
602-40-54215 Heating Fuel	.00	63,407.99	60,000.00	(3,407.99)	105.7
602-40-54220 Building Maintenance	.00	6,489.48	5,500.00	(989.48)	118.0
602-40-54300 Operational Supplies	.00	104,149.54	90,000.00	(14,149.54)	115.7
602-40-54301 Clothing/Safety Equipment	.00	2,552.09	3,000.00	447.91	85.1
602-40-54307 Spring Cleanup	.00	9,554.40	7,000.00	(2,554.40)	136.5
602-40-54315 Office Supplies	.00	1,730.70	600.00	(1,130.70)	288.5
602-40-54327 Small Tools	.00	68.97	1,000.00	931.03	6.9
602-40-54410 Telephone	.00	3,160.62	2,500.00	(660.62)	126.4
602-40-54415 Travel/Lodging	.00	9,606.50	3,000.00	(6,606.50)	320.2
602-40-54425 Training	.00	10,779.00	7,000.00	(3,779.00)	154.0
602-40-54436 Professional Services	.00	16,854.35	30,000.00	13,145.65	56.2
602-40-54439 Insurance	.00	46,747.75	90,000.00	43,252.25	51.9
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	.00	28,905.89	47,250.00	18,344.11	61.2
602-40-54525 Light Vehicle R & M	.00	2,201.48	1,500.00	(701.48)	146.8
602-40-54526 Vehicle & Equipment R & M	.00	8,869.18	25,000.00	16,130.82	35.5
602-40-54527 Gen. Fund Admin. Overhead	.00	27,500.00	110,000.00	82,500.00	25.0
Total REFUSE ENTERPRISE FUND	51,139.12	973,077.61	1,329,026.00	355,948.39	73.2
Total Fund Expenditures	51,139.12	973,077.61	1,329,026.00	355,948.39	73.2
Net Revenue Over Expenditures	(50,839.62)	20,648.58	(248,780.00)	(269,428.58)	8.3

Kotzebue City
Revenues with Comparison to Budget
For the 12 Months Ending December 31, 2024

ARCTIC SPIRITS

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>ARCTIC SPIRITS REVENUE</u>					
603-00-43405 Retail Sales-Liquor	124,870.92	2,789,489.55	2,972,500.00	183,010.45	93.8
603-00-43407 Retail Sales - Tobacco	5,654.55	79,505.62	61,200.00	(18,305.62)	129.9
603-00-43408 Retail Sales - Miscellaneous	793.39	12,826.31	10,200.00	(2,626.31)	125.8
603-00-43410 Distribution Point Fees	40.00	1,560.00	1,500.00	(60.00)	104.0
603-00-43425 Permitting Fees	3,335.00	74,920.00	55,000.00	(19,920.00)	136.2
603-00-44107 State of AK PERS Relief	.00	.00	15,697.00	15,697.00	.0
Total ARCTIC SPIRITS REVENUE	134,693.86	2,958,301.48	3,116,097.00	157,795.52	94.9
Total Fund Revenue	134,693.86	2,958,301.48	3,116,097.00	157,795.52	94.9

Kotzebue City
Expenditures with Comparison to Budget
For the 12 Months Ending December 31, 2024

ARCTIC SPIRITS

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>ARCTIC SPIRITS EXPENSES</u>					
603-10-54110 LBCB Stipend	.00	900.00	5,500.00	4,600.00	16.4
603-10-54125 Salaries & Wages	18,089.58	212,597.90	276,585.00	63,987.10	76.9
603-10-54130 Overtime	.00	1,195.45	3,000.00	1,804.55	39.9
603-10-54140 Employee Benefits	5,221.55	49,538.76	108,502.00	58,963.24	45.7
603-10-54210 Electricity	.00	4,677.68	6,000.00	1,322.32	78.0
603-10-54215 Heating Fuel	.00	28,684.19	30,000.00	1,315.81	95.6
603-10-54220 Building Maintenance	.00	3,159.33	2,000.00	(1,159.33)	158.0
603-10-54300 Cleaning Supplies	.00	212.28	500.00	287.72	42.5
603-10-54315 Office Supplies & Equip	.00	8,911.88	5,000.00	(3,911.88)	178.2
603-10-54320 Product Acquisition	.00	3,527.74	1,279,000.00	1,275,472.26	.3
603-10-54321 Cash Overs/Shorts - Pkg Store	2.22	79.99	500.00	420.01	16.0
603-10-54400 Service Charges	.00	32,360.72	37,500.00	5,139.28	86.3
603-10-54410 Telephone/Fax	.00	1,407.91	2,000.00	592.09	70.4
603-10-54415 Travel/Lodging/Per Diem	.00	378.00	2,000.00	1,622.00	18.9
603-10-54425 Training	.00	150.00	1,000.00	850.00	15.0
603-10-54433 Postage	.00	.00	50.00	50.00	.0
603-10-54434 Freight Charges	.00	323,444.31	475,000.00	151,555.69	68.1
603-10-54436 Professional Services	.00	.00	400.00	400.00	.0
603-10-54438 Legal Fees	.00	3,054.80	10,000.00	6,945.20	30.6
603-10-54439 Insurance	.00	32,848.44	63,000.00	30,151.56	52.1
603-10-54450 Permits	.00	46.50	500.00	453.50	9.3
603-10-54505 Gas/Diesel	.00	2,052.54	2,700.00	647.46	76.0
603-10-54526 Light Vehicle R & M	.00	.00	2,000.00	2,000.00	.0
603-10-54527 Gen. Fund Admin. Overhead	.00	38,500.00	155,000.00	116,500.00	24.8
603-10-54530 Equipment Maint.	.00	1,181.00	1,500.00	319.00	78.7
603-10-54620 Maintenance/Support Agrmt	.00	.00	500.00	500.00	.0
603-10-54625 Computer Equipment	.00	2,126.35	1,500.00	(626.35)	141.8
603-10-54702 Transfer to G.F.-Comm Support	.00	.00	1,137,672.00	1,137,672.00	.0
Total ARCTIC SPIRITS EXPENSES	23,313.35	751,035.77	3,608,909.00	2,857,873.23	20.8
Total Fund Expenditures	23,313.35	751,035.77	3,608,909.00	2,857,873.23	20.8
Net Revenue Over Expenditures	111,380.51	2,207,265.71	(492,812.00)	(2,700,077.71)	447.9

Public Works Department Report
November 12 - /December,23, 2024
Russell Ferguson/Lorraine Hunnicutt

Public Works – For a complete record of the work orders – on Public Works Assistant Directors computer. Reports are from November 12, 2024, through December 23, 2024. We want to welcome Ronnie Huss, Municipal Government Intern, back for Christmas Break. The 2025 fuel bid ITBs were received, with Vitus winning the bid. The Water Filter Pitchers ITB only had one bidder, which met our Manganese removal criteria, but we are waiting on an update showing 10-cup pitchers instead of the 7-cup pitchers offered.

Water Treatment Plant—Swalling was here working on punch list items and completed push-back racking. We are currently advertising for another operator. A leak under the slab has not been isolated, but troubleshooting thus far indicates the force main to the back-wash tank; this has been temporarily bypassed. Russ was able to troubleshoot control problems to the generator fuel system, a new circuit board is on order. We received one proposal for the WTP filtration improvements RFP, The selection committee consisted of Russ Ferguson, Josh Hadley, and Lorraine Hunnicutt, we recommended to our city manager acceptance with stipulations that the 30% mark-up be removed (this mark-up was not honored during the Swan Lake freeze up reimbursement request) and that they give a total amount rather than time and materials proposed.

Building Maintenance – We would like to welcome John Mendenhall, Maintenance Worker. There were twenty-five (25) work orders generated seven (7) City Hall, three (3) Fire Department, three (3) Water Plant; six (6) Public Works; three (3) Youth Center; one (1) Baler Building; one (1) Cain Building, one (1) Bump out.

Streets Department – All of the docks have been recovered. We may have lost some pilings and covers, but we have some spares in the connexs. There were ten (10) work orders generated for the streets department. Our Large Volvo 150 loader is currently down for repairs. Parts are on order; it will cost approximately \$43,000 to repair. Both loaders are wearing out from age.

Shop Department – There were thirty-one (31) work orders. nine (9) Heavy Equipment, twelve (12) KPD; six (6) light vehicles; two (2) KFD; two (2) equipment. We are waiting for parts to come in for the L150, and when the parts come in we will need to have a mechanic come in and install it.

Line Maintenance: *Twenty-nine (29) work orders were generated, of which twenty were billable at \$7,525.00. Three operators received Certificates for the Sewer Lagoon,*

bringing the total number of certificated Operators to four. Russ troubleshot and repaired lift-station 10 level control circuitry.

Refuse Department: We would like to welcome Travis Lisbourne back. The final thermal well, TS #11, has been installed and is operational. The springs on the main garage door of the baler building were replaced. Parts are ordered for the baler machine repair; service technicians will arrive after the parts are on site.

We were able to cover the C&D from the flood disaster, but we are now out of cover material and cannot accept anymore C&D until spring.

LOOP SUPPLY

December

2024

Date	Temp. deg. F	pH	Color (app)	Turb. NTU	Alk. mg/L	Hard. mg/L	Fe mg/L	Mn mg/L	Chlorine mg/L	Fluoride mg/L	Comments	Oper.
1	37.2	7.71	2	0.086					0.47	0.79		AA
2	38.4	7.69	3						0.45			RF
3	37.4		4	0.095				0.024	0.56	0.70		MFL
4	37.4	8.06	5	0.099					0.56	0.70		MFL
5	37.3	7.66	5	0.108					0.65	0.70		MFL
6	37.5	7.79	5	0.104					0.57	0.68		MFL
7	37.2	7.69	6	0.122					0.58	0.67		MFL
8	37.0	7.72	5	0.155					0.56	0.69		AA
9	37.2	7.66	3	0.136					0.40	0.66		MFL
10	37.7	7.72	6	0.125				0.031	0.49	0.69		MFL
11	37.4	7.67	6	0.126					0.52	0.71		AA
12	37.2	7.63	5	0.141					0.49	0.72		AA
13	37.2	7.63	6	0.196					0.51	0.75		AA
14	37.5	7.62	5	0.125					0.40	0.72		MFL
15	37.4	7.54	6	0.207					0.36	0.78		AA
16	37.5	7.59	5	0.121				0.041	0.35	0.70		MFL
17	37.4	7.51	6	0.119					0.35	0.69		MFL
18	37.0	7.55	3	0.117					0.36	0.75		MFL
19	37.3	7.72	5	0.116					0.39	0.73		MFL
20	37.2	7.46	6	0.111					0.38	0.75		MFL
21	36.8	7.43	6	0.102					0.47	0.74		AA
22	37.0	7.44	5	0.106					0.49	0.71		AA
23	37.2	7.56	3	0.109				0.045	0.47	0.68		MFL
24	36.6	7.40	3	0.126					0.49	0.76		AA
25	36.6	7.38	5	0.114					0.47	0.78		AA
26	36.5	7.18	4	0.132					0.43	0.74		AA
27	36.6	7.19	6	0.119					0.43	0.75		AA
28	36.6	7.38	5	0.165					0.44	0.71		AA
29	36.8	7.39	5	0.106				0.054	0.25	0.67		MFL
30	36.5	7.19	7	0.116					0.42	0.68		MFL
31	36.8	7.21	5	0.122					0.56	0.71		MFL
Avg	37.1	7.55		0.124					0.46	0.72		
Max	38.4	8.06	7	0.207	0	0	0.00	0.05	0.65	0.79		
Min	36.5	7.18	2	0.086	0	0	0.00	0.02	0.25	0.66		

On-line analyzer reading for April 27.

Marble Test:	Initial:	Final:	Difference:	Date:	MFL
Temperature	11.5	11.8	0.3	Must be less than 1 degree C.	
pH	7.81	7.91	-0.10	Approximate Langelier Saturation Index.	
Hardness	58	64	-6	Calcium Carbonate Precipitation Potential.	



City of Kotzebue, Alaska
Police Department

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

Section X, Item a)



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

Date: 12/30/2024

Since the Kotzebue Police Department's last activity report, the police department has responded to 525 calls for service (November 2024), a 12% increase from the month of October. Calls of note for the month of November were 20 Disturbances, 36 Intoxicated Persons, 10 Assaults, and 40 Animal Control Calls. For a complete list of calls for service see the attached report. Calls for service occurred most frequently on Fridays between the hours of 04:00 am to 05:00 am.

The Kotzebue Regional Jail processed 54 prisoners during the month of October, a 11% increase from October.

Community Policing:

- KPD officers had 140 public relations, safety, and assistance contacts with the citizens and business owners of Kotzebue during the month of November.
- KPD officers conducted 82 security checks of businesses, or other locations within the city.

Staff Development and Training:

- Sgt. Meier, Lt. Odom, Sgt. Buege are participating in Police One Leadership Training, Leadership Academy, Leadership Styles, Leadership for the New Supervisor, Leadership and Law Enforcement, Leadership- Tips for the New Supervisor, Adult Learning Concepts for Field Trainers,
- E-911 Operators participated in virtual academy training, 9-1-1 Cape Building and Building Trust on Both Sides of the Console.

Community Service Officers:

- The Community Service Officers responded to 44 calls for service regarding animal complaints, a 7% increase from October.
- The CSOs impounded 5 dogs.
- 2 animal(s) were adopted or rescued. (32 since beginning of the year)
- 1 animal(s) was euthanized in October. (24 since the beginning of the year)
- Served or attempted to serve 0 court documents.

Christopher Cook / Chief of Police



KOTZEBUE POLICE DEPARTMENT
258B THIRD AVENUE

PO BOX 550
 KOTZEBUE, AK 99752

Date : 12/29/2024
 Page :
 Agency : Section X, Item a)

Calls For Service Totals By Call Type

11/01/2024 to 11/30/2024

Call Type	Totals
	1
ABAN ABANDONED AUTO	3
AGAS AGENCY ASSIST (NON LAW ENFORCEMENT) M	21
ALAR-U ALARM UNFOUNDED	2
AOFF ASSIST OFFICIAL	1
ASLT ASSAULT	10
CHAB CHILD ABUSE/NEGLECT	1
CIVIL CIVIL	20
CRIM CRIMINAL MISCHIEF	1
DISC DISORDERLY CONDUCT	7
DIST DISTURBANCE	20
DOGY ANIMAL CONTROL	40
DOMS DOMESTIC	8
DRUG DRUGS	2
DUI DRIVING UNDER THE INFLUENCE	3
DVORDER DV ORDER SERVICE	2
FIGH FIGHT	2
HARA HARASSMENT	4
INDEC INDECENT EXPOSURE	1
INTP INTOXICATED PERSON	36
JFING JAIL FINGER PRINTING	1
JSEAR JAIL SEARCH AND SECURITY	1
KIDN KIDNAPPING	1
MCA MINOR CONSUMING ALCOHOL	1
MVC-D MOTOR VEHICLE CRASH-DAMAGE ONLY	2
PASS PUBLIC ASSIST	115
PHN Phone Call	1
POLYCOM INMATE COURT	2
PROV PROBATION VIOLATION	5
PSAF PUBLIC SAFETY	4
PSR Protective Services Report	2
PUBR PUBLIC RELATIONS	25
RUNA RUNAWAY	2
SALT SEXUAL ASSAULT	2
SAMI SEXUAL ABUSE OF A MINOR	1
SCHOOL SCHOOL PATROL	4
SECU SECURITY	82
SUCD SUICIDE/SUICIDAL/ATTEMPTED/POSSIBLE	1
SUM/SUB SERVING SUMMONS/SUBPOENA/ORDER TO SHO	8



KOTZEBUE POLICE DEPARTMENT 258B THIRD AVENUE

PO BOX 550
KOTZEBUE, AK 99752

Date : 12/29/2024
Page :
Agency : Section X, Item a)

Calls For Service Totals By Call Type

11/01/2024 to 11/30/2024

Call Type	Totals
SUSP SUSPICIOUS PERSON/VEHICLE/ACTIVITIES	8
THEF THEFT	8
THRE THREATS	2
TRAF TRAFFIC	10
TRAIN DEPARTMENT TRAINING	9
TRES CRIMINAL TRESPASS	3
TRNG Training Run	1
TSA TSA ASSISTS/AIRPORT SECURITIES	3
VETH VEHICLE THEFT	1
VOCR VIOLATION OF CONDITIONS OF RELEASE	3
WARRANT WARRANT (ARREST, BENCH, DAY, AND SEAR	16
WEAP WEAPONS	1
WELF WELFARE CHECK	15
Grand Total for all calls	
	525



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

Date : 12/29/24
 Page : Section X, Item a)
 Agency : **KPD**

Calls For Service By Time of Day / Day of Week

11/01/2024 to 11/30/2024

Time of Day / Day of Week	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total
0000 - 0059 Hrs	4	0	2	1	2	2	1	12
0100 - 0159 Hrs	4	0	1	4	0	1	5	15
0200 - 0259 Hrs	0	0	3	2	2	5	3	15
0300 - 0359 Hrs	1	0	0	2	5	4	3	15
0400 - 0459 Hrs	5	3	2	11	1	11	5	38
0500 - 0559 Hrs	3	2	5	8	5	7	9	39
0600 - 0659 Hrs	1	1	4	1	1	1	2	11
0700 - 0759 Hrs	2	1	0	0	2	1	1	7
0800 - 0859 Hrs	0	1	4	3	3	6	2	19
0900 - 0959 Hrs	6	2	6	3	3	4	1	25
1000 - 1059 Hrs	0	5	12	2	4	6	3	32
1100 - 1159 Hrs	1	3	8	5	5	9	0	31
1200 - 1259 Hrs	2	3	8	2	4	6	1	26
1300 - 1359 Hrs	2	2	1	1	7	5	6	24
1400 - 1459 Hrs	1	8	6	2	1	3	2	23
1500 - 1559 Hrs	3	5	1	4	4	7	2	26
1600 - 1659 Hrs	2	3	6	6	7	1	3	28
1700 - 1759 Hrs	6	4	0	4	3	8	5	30
1800 - 1859 Hrs	3	3	3	1	2	7	4	23
1900 - 1959 Hrs	2	0	2	1	4	3	1	13
2000 - 2059 Hrs	2	3	0	2	3	3	4	17
2100 - 2159 Hrs	1	3	3	1	4	4	6	22
2200 - 2259 Hrs	2	0	0	2	2	3	6	15
2300 - 2359 Hrs	1	3	0	3	2	3	7	19
Total	54	55	77	71	76	110	82	525

December 2024 Report

Staff:

Program Coordinator: The Program Coordinator's last day was 29 October. The vacant position currently has two applicants. We will interview and fill the position pending the outcome of the interviews.

Janitor: The janitor's position was vacated just prior to Christmas. We are currently advertising for another janitor.

On-call Attendant: We will be interviewing an additional on-call attendant for upcoming basketball activities in January.

Parks and Recreation Advisory Committee (PRAC): The 4th PRAC meeting was held on 19 December. All seven of the seven members were present.

Special Events:

1. **Christmas House Decorating Contest:** 18 December 2024.
Winners: 1st: Bree Swanson
 2nd: Andrea Henry
 3rd: Crystal Jennings

Boat Harbor: The Parks and Recreation Department is currently coordinating harbor improvements / outdoor activities.

1. **Ramp Extensions:** A contractor has been selected for improvements to ramp extensions. Contract is under review. Work to begin shortly.
2. **Safety / Environmental Equipment:** Pads and booms have been received to facilitate containment and removal of petroleum-based spills.
3. **Ice Skating:** The Parks and Recreation Department is coordinating with the Kotzebue Fire Department for surface preparation for ice skating activities in the small boat harbor.

Youth Center:

1. **Rentals:** The Youth Center has been booked many weekends and occasionally with multiple renters on the same day.
2. **Youth Nights:** The Parks and Recreation Department / Maniilaq has begun Youth Nights at the Kotzebue Youth Center.
3. **Boiler Room Floor:** The boiler room will require replacement if a suitable contractor can be hired to do the work. We would expect to conduct repair operations during the summer.
4. **Swing Dance Class:** The Parks and Recreation Department in partnership with Chukchi campus completed swing dance class. Interest has already been expressed in a new dance opportunity beginning in January for Kotzebue residents.
5. **Toddler Time:** Toddler Time continues Tuesdays and Thursdays from 10:00-11:30 am. Both Nikaitchuat School and individual parents / toddlers participate with an average of about 20 children each session for December. Also, special toddler time is allocated to home-school students/residents on a case-by-case basis.

Armory:

1. **Schedule and Staffing:** The Armory gym is under normal operations and have hired an attendant to cover the hours.

Open Gym {School}: Open Gym Basketball is currently on-hold due to after-school usage and night-time use. We have coordinated with the School Advisory Board and JNES for use of the JNES gym. JNES gym availability is forthcoming.

December 2024

Arctic Spirits Manager's Report

To: Tessa Baldwin – City Manager
CC: Mike Laughlin, Paeton Schaeffer
From: Jamie Lambert, Arctic Spirits Manager
Date: January 2, 2025
Re: Arctic Spirits Manager's report and monthly recap comparison

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

Total revenue collected in December of 2023 was \$292,031.60 compared to \$281,945.82 in December of 2024. This is a decrease of \$10,085.78. or 3% less revenue than this time last year. There were 25 sales days in December of 2023 and 25 sales days in December of 2024.

In December of 2023 we had 5,326 customers compared to 5,367 in December of 2024. This is an increase of 41 customers. The average sale in December of 2023 was \$54.83 compared to \$52.53 in December of 2024 or an average of \$2.30 less spent per customer this year compared to last year.

Cigarette sales in December of 2023 were \$5,310.17 as compared to \$10,206.14 in December of 2024. This is an increase of \$4,895.97 in tobacco sales compared to this time LY.

The Delivery Site 3 logged transactions.

The number of 10-day permits issued was 166.

The number of 30-day permits issued was 6.

The number of 90-day permits issued was 2.

The number of 180-day permits issued was 9.

The number of one-year permits issued was 62.

Total Permits sold \$6,350.00

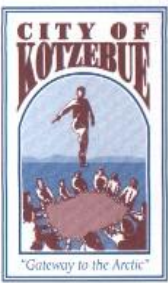
Total Delivery Site fees \$120.00

Total - \$6,470.00

At least 5 permits were newly suspended or revoked due to background checks, public intoxication reports, and COR/judgement paperwork sent from the jail. We received about 0 COR/judgements to update within our system.

Inventory for December 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

*Welcomed six new employees across different departments.
Promoted one employee in the fire department.*

Actively Advertising as of January 1st, 2025!

JOB TITLE	DEPARTMENT	FULL-TIME/PART-TIME
911 Dispatcher	Police Department	Regular/Full-time
City Manager	Administration	Regular/Full-time
EMS/FIRE: First Responder	Fire Department	Regular/Full-time
Fire Chief	Fire Department	Regular/Full-time
Program Coordinator	Parks and Rec	Regular/Full-time
Rec Center Attendant	Parks and Rec	Regular/Full-time
Refuse Landfill Supervisor	Public Works	Regular/Full-time
Maintenance Worker	Public Works	Regular/Full-time
Office Assistant	Fire Department	Regular/Full-Time
Human Resources Administrator	Human Resources	Regular/Full-Time
Janitor	Parks and Rec	Regular/Part-Time
Municipal Government Inter	Administration	Temporary/Part-Time
Police Officer	Police Department	Regular/Full-Time
Refuse Helper	Refuse Helper	Regular/Full-Time
Water Treatment Plant Operator	Public Works	Regular/Full-Time

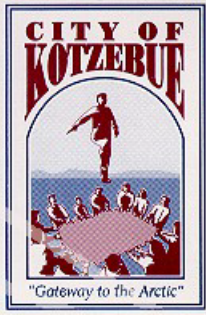
Key Accomplishments/Ongoing items:

HR Items:

1. Wage Scale: Creating a wage scale for the City of Kotzebue, setting starting salaries and ensuring it reflects all positions across departments.
2. Employee Evaluations: Reviewed employee evaluations, made recommendations for salary increases and promotion opportunities, and ensured consistency in evaluation processes.
3. Rehire Policies: Updated and reviewed rehire policies for former employees to ensure clarity and consistency.
4. Employee Warning Report Update: Revised the Employee Warning Report for better documentation of behavioral or performance issues.

Public Relations (PR):

5. Holiday Closures: Posted about holiday closures to inform residents of City office and service schedules.
6. Job Postings: Shared job openings for various City positions to attract applicants.
7. Resident Updates: Posted updates on community issues, maintenance schedules, and other important City information for residents.



1/2/25

Planning Director: January RCCM Report

- I. Permits for month of November
 - a. Building permits
 - i. 1 pending
 - ii. 0 issued
 - b. Moving permits
 - i. 0 pending
 - ii. 0 issued
 - c. Excavation permits
 - i. 0 pending
 - ii. 0 issued
 - d. Variance Requests
 - i. 0 pending
 - ii. 0 issued
 - e. Tidelands permits
 - i. 0 pending
 - ii. 0 issued
 - f. Subdivisions
 - i. 2 pending
 - ii. 0 issued

- II. Hazards Mitigation Plan (HMP) Update
 - a. Working on update with DOWL and project team.
 - b. Final HMP updated and complete.
 - c. Updated HMP will be adopted by City Council at November RCCM on November 21st.
 - d. The updated HMP has been submitted to the State and FEMA for approval.
 - e. Upon State and FEMA approval, the City will have an updated HMP valid until December 2029.

- III. Recreation Center
 - a. \$1 million has been allocated by Senator Peltola for a new Multipurpose Emergency Shelter and Command Center.
 - b. EPA Community Wide Assessment Grant for States and Tribes (CWAGST) through DEC Brownfields Program

- i. DEC applied for program in November 2024, award notification will be sent in late spring 2025.

IV. CAIN Building

- a. Planning Commission passed resolution recommending building to be used as heavy equipment storage until June 2025 at which point building utilization will be reassessed.
- b. Resolution will be presented to City Council at next regular meeting on January 2nd.

V. Cape Blossom Road/Port Project

- a. Planning for Phase II has begun. Construction to begin Summer 2025 and finish Summer 2026.
- b. Two open houses hosted by DOT to discuss details of project with community.
- c. Met with selected consultant for development of port using Port Infrastructure Development Program (PIDP) Grant on December 5th.
- d. Price and scoping meeting on December 9th rescheduled.

VI. Land Disposal: Sale of City-Owned Property to NVOK

- a. Sales agreement has been finalized between City and Tribe.
- b. Following items remaining:
 - i. Survey received and working on subdivision of the property by Tribe.
 - ii. Tribe to submit payment for property.
 - iii. City will officially transfer ownership to Tribe.
 - iv. Ashley Johnson-Barr (AJB) Park repairs to be done by City.
 - v. Tribe will take over responsibility and maintenance of AJB Park

VII. City of Kotzebue Capital Project Priorities 2025

- a. City Council will be reassessing capital projects priority list for CY2025 at budget retreat January 6th-7th (CY2024 Capital Projects Priority list attached to report).
- b. Attached are Capital Projects that the Planning Department has submitted.



**KOTZEBUE PLANNING COMMISSION
RESOLUTION 2024-12**

A RESOLUTION OF THE CITY OF KOTZEBUE PLANNING COMMISSION RECOMMENDING TO THE CITY COUNCIL OF THE CITY OF KOTZEBUE THE TEMPORARY UTILIZATION OF THE GRAIN CAPITAL CORPORATION BUILDING, ALSO REFERRED TO AS THE “CAIN” BUILDING, AS A SEASONAL STORAGE FACILITY FOR THE CITY OF KOTZEBUE PUBLIC WORKS DEPARTMENT HEAVY EQUIPMENT UNTIL JUNE 2025.

WHEREAS, the real property and building located at Lot 9, Block 18, USS 2863, Kotzebue Townsite, was purchased from the Grain Capital Corporation on November 9, 2023, for the amount of five hundred and ninety-five thousand dollars (\$595,000.00), as set forth in Exhibit “A” (Grain Capital Corp. Sales Agreement), without a predetermined use approved;

WHEREAS, the Kotzebue Municipal Code in KMC Chapter 17.36.090(D), Planning Commission: Powers and Duties, Exhibit “B” sets forth the process for building use designation of any public building or land within the City;

WHEREAS, the Planning Commission has extensively evaluated and considered multiple potential uses for the CAIN Building over several Planning Commission meetings, carefully weighing various possibilities and their feasibility given current circumstances;

WHEREAS, after thorough deliberation, the Planning Commission has come to an agreement that, as of this moment, the building should be temporarily utilized as a storage facility for heavy equipment due to a current lack of funding and available resources for alternative uses, as well as the constraints of the winter season that prevent construction work or significant renovation efforts;

WHEREAS, the Planning Commission finds that the most practical and beneficial use for the CAIN Building is as a temporary storage facility for the City of Kotzebue Public Works Department’s heavy equipment, a significant and currently unmet need for the department;

WHEREAS, correspondence from the Parks and Recreation Advisory Committee (PRAC) highlighted that the CAIN Building does not offer sufficient space to effectively serve as a recreation center. The PRAC evaluated various recreational possibilities for the building but ultimately determined that its size and structure would not meet the community’s recreational needs;

WHEREAS, the City of Kotzebue Planning Director confirms both the limited suitability of the building for recreation and the lack of available funding to renovate or repurpose it for such use at this time;

WHEREAS, no additional funding is required for the CAIN Building to be utilized as a storage facility, as the building is suitable in its existing condition for this purpose;

WHEREAS, the City of Kotzebue Planning Director confirms that this building use would have no significant negative effect on traffic or utilities;

WHEREAS, the building currently has no designated purpose or active use within the City, and utilizing the CAIN Building as a temporary heavy equipment storage facility would provide an immediate, practical function for this City-owned property, supporting the operational needs of the Public Works Department;

WHEREAS, the Planning Commission approves this use only for a six-month seasonal storage for Public Works use during the 2024-2025 winter season until June 2025, subject to review during the May 2025 Planning Commission meeting to determine further use of the storage facility;

WHEREAS, it is now the responsibility of the City Council to either accept or deny the Planning Commission's recommendation for the building’s temporary use as a seasonal storage facility for heavy equipment. Should the Council approve, the building will be designated for this purpose immediately. If denied, the Planning Commission will reconvene at the next regular monthly meeting to discuss further options for the building’s utilization.

NOW THEREFORE BE IT RESOLVED: The Kotzebue Planning Commission recommends to the City Council of the City of Kotzebue the temporary utilization of the Grain Capital Corporation Building, also known as the “CAIN” Building, as a seasonal storage facility for the heavy equipment of the City of Kotzebue Public Works Department until June 2025. This use shall be subject to review during the May 2025 Planning Commission meeting to determine its continued or alternative utilization.

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PASSED AND APPROVED by the Kotzebue Planning Commission on this 18th day of November, 2024.

**CITY OF KOTZEBUE
Planning Commission**

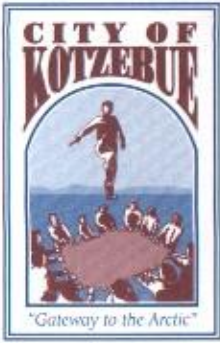


Ernest Norton, Chairman

ATTEST:



Samuel Camp, Planning Director



**CITY OF KOTZEBUE
RESOLUTION NO. 25-01**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AUTHORIZING THE CITY MANAGER, ACTING CITY MANAGER AND/OR HER/HIS DESIGNEE TO FINALIZE AND EXECUTE AN APPROPRIATE CONTRACT AND ANY OTHER RELATED DOCUMENTS WITH PND ENGINEERS, INC., ANCHORAGE, ALASKA, FOR CONSULTING SERVICES FOR THE CAPE BLOSSOM REGIONAL PORT.

WHEREAS, the City of Kotzebue has been awarded a MARAD FY2023 PIDP Grant No. 693JF72444063, in the amount of \$2,455,485.00, for the development of the Cape Blossom Regional Port;

WHEREAS, in Resolution 24-48, dated August 1, 2024, the City Council authorized the publication of an RFP for two years of consulting services for the development of the Cape Blossom Regional Port using a portion of the PIDP Grant funds noted above and in response thereto one firm submitted a response to this RFP including a 51-page submittal from PND Engineers, Inc., which is attached as Exhibit A to Resolution 24-68, passed on November 7, 2024, which was selected on that date as the successful bidder to this port development RFP; and,

WHEREAS, an award letter was issued to PND Engineers on November 8, 2024, a copy of which is attached hereto as Exhibit A and incorporated by reference herein.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Kotzebue authorizes the City Manager, Acting City Manager and/or her/his designee working with the Public Works Director, Planning Director and City Attorney to finalize and execute an appropriate contract and any other related documents with PND Engineers for consulting services for the Cape Blossom Regional Port with such contract including/using exclusively and/or using a portion of the PND Standard Form of Agreement as modified appropriately in the best interests of the City of Kotzebue.

PASSED AND APPROVED by a duly constituted quorum of the City Council of the City of Kotzebue, Alaska, this 7th day of January, 2025.

CITY OF KOTZEBUE

Derek Haviland-Lie, Mayor

[SEAL]

ATTEST:

Paeton Schaeffer, City Clerk

Attachment: Exhibit A – November 8, 2024 Award Letter [1 page]



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

November 8, 2024

Chip Courtright, PE, SE
Vice President & Principal Engineer
PND Engineers, Inc.
1506 W. 36th Avenue
Anchorage, Alaska 99503

Dear PND,

We are pleased to inform you that the City Council of the City of Kotzebue, Alaska, has officially authorized the City Manager or her designee to enter into a contract with PND Engineers, Inc. for planning and design consulting services in connection with the Cape Blossom Regional Port project. This decision, marked by Council Resolution 24-64, reflects our confidence in PND Engineers' expertise and commitment to developing a strategic, sustainable, and impactful regional port.

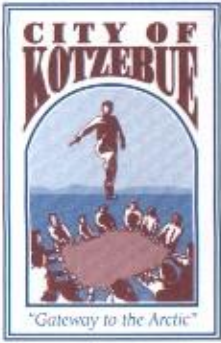
As a valued partner in this project, we look forward to collaborating closely with your team throughout the planning and design phases. We are confident that your skills and experience will significantly enhance our efforts to create a port that meets the unique needs of the Kotzebue region and the surrounding communities.

In the coming days, we will initiate the contract finalization process and coordinate the project kickoff meeting to align expectations and ensure a seamless start to our collaboration. Please feel free to reach out to us with any preliminary questions or requirements in advance.

Thank you again for your commitment to this important endeavor. We look forward to a successful partnership.

Warm regards,

Tessa Baldwin
City Manager
City of Kotzebue



**CITY OF KOTZEBUE
RESOLUTION NO. 25-02**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AUTHORIZING THE CITY MANAGER, ACTING CITY MANAGER AND/OR HER/HIS DESIGNEE TO FINALIZE AND EXECUTE AN APPROPRIATE CONTRACT AND ANY OTHER RELATED DOCUMENTS WITH DOWL AND DRAKE CONSTRUCTION, INC. ("DCI") BASED UPON THEIR JOINT SUBMITTAL, DATED DECEMBER 2, 2024, TO RFP 2024-06 WTP FILTRATION MODIFICATION.

WHEREAS, the City of Kotzebue new Water Treatment Plant needs modification(s) to its filtration process to deal with, *inter alia*, higher than anticipated manganese levels during late winter/early spring;

WHEREAS, the only response to the City’s RFP 2024-06 for this/these modification(s) was a joint submittal from DOWL and Drake Construction, Inc., (“DCI”) dated December 2, 2024; and,

WHEREAS, a working draft of a proposed Contract with DOWL and DCI is attached hereto as Exhibit A and incorporated by reference herein.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Kotzebue authorizes the City Manager, Acting City Manager and/or her/his designee working with the Public Works Director, Planning Director and City Attorney to finalize and execute an appropriate contract and any other related documents with DOWL and DCI in a form acceptable to DOWL and DCI and which has been approved by the State Revolving Fund (“SRF”).

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PASSED AND APPROVED by a duly constituted quorum of the City Council of the City of Kotzebue, Alaska, this 7th day of January, 2025.

CITY OF KOTZEBUE

Derek Haviland-Lie, Mayor

[SEAL]

ATTEST:

Paeton Schaeffer, City Clerk

Attachment: Exhibit A – DRAFT/Template for DOWL/DCI Contract [9 pages]

Contract Agreement for Water Plant Upgrade of the Water Filtration System

This Agreement is made and entered into as of [Date], by and between the **City of Kotzebue** ("Owner"), located at 256A Third Street, Kotzebue, AK 99752, and **Drake Construction, Inc.**, ("Contractor"), located at 116 2nd Avenue, Kotzebue, AK 99752, and **DOWL Engineering** ("Engineer"), located at 5015 Business Park Blvd #4000, Anchorage, AK 99503. The parties agree as follows:

Article 1: Project Description

The Contractor and Engineer agree to perform all work necessary for the design, construction, and implementation of the **Water Plant Upgrade of the Water Filtration System** for the City of Kotzebue, as per the specifications outlined in the City of Kotzebue Request for Proposals ("RFP") 24-06 which is attached hereto and incorporated by reference herein.

Article 2: Compliance with Applicable Laws and Standards

The Contractor and Engineer shall comply with all federal, state, and local laws, regulations, and requirements applicable to the project, including but not limited to:

2.1 Davis-Bacon Wage Requirements

- Compliance with the Davis-Bacon Act, as specified in the **Davis-Bacon Compliance Guide** and **Bid Insert Requirements** found at:
 - [Davis-Bacon Compliance Guide](#)
 - [Davis-Bacon Bid Insert](#)
- The Contractor shall maintain detailed payroll records and make them available for inspection upon request by the Owner or other authorized entities. The City of Kotzebue will be responsible for reporting wage requirements compliance to the funder.

2.2 Build America, Buy America (BABA) Act

- Compliance with BABA Act standards, as per the **BABA Compliance Documentation Guide** and **Construction Contract Example** found at:
 - [BABA Compliance Guide](#)
 - [BABA Construction Contract Example](#)
- Appropriate documentation verifying compliance shall be submitted to the Owner.

2.3 Disadvantaged Business Enterprise (DBE) Requirements

- The Owner shall demonstrate good faith efforts to include DBEs in the project per the **DBE Contract Insert** and **Good Faith Effort Form** found at:
 - [DBE Contract Insert](#)
 - [Good Faith Effort Form](#)

- The Owner shall submit documentation of outreach efforts, solicitations, and responses received from DBEs. The City of Kotzebue will submit documentation for outreach efforts and solicitations. In the case that the Contractor or Engineer needs to do sub-contract work, this request will be submitted to the City of Kotzebue in writing. Once in agreement for the need of a subcontractor, the Contractor or Engineer will be responsible for documentation of efforts, solicitations and responses received from DBEs and submitted to the owner. It will be the responsibility of the owner to report these efforts to the funder.

Article 3: Scope of Work

3.1 Contractor Responsibilities

- Perform all construction activities as per project specifications contained in RFP 24-06 attached hereto.
- Ensure compliance with Davis-Bacon, BABA, and DBE requirements.
- Submit progress reports, compliance documentation, and payroll records.

3.2 Engineer Responsibilities

- Provide design, engineering oversight, and technical support for the Water Plant Upgrade of the Water Filtration System.
- Ensure engineering designs comply with project requirements and federal, state and local standards.
- Assist with inspection and certification of work completed by the Contractor.

Article 4: Compensation

The Owner agrees to compensate the Contractor and Engineer as follows:

- Contractor: [Amount, terms of payment] ****←we need the revised prices from Drake for this item****
- Engineer: [Amount, terms of payment] ****←not sure if we have to revise these numbers****

Payments shall be subject to verification of compliance with Davis-Bacon, BABA, and DBE requirements.

The Contractor and Engineer acknowledge that this is a State of Alaska Revolving Loan (“SRF”) Project with the only funds available for this Project being the SRF forgivable loan monies (less the loan fee imposed by the SRF) and that no City of Kotzebue general funds are available for and/or committed to this Project. To that end, the Contractor and Engineer shall submit a phased budget estimate for this Project as a condition precedent to the execution of this Contract Agreement. (If the Contractor and/or Engineer shall become aware of changes that need to be made to the budget estimate, the Contractor and/or Engineer shall promptly notify the Owner within no more than ten (10) days of becoming aware of the changes that need to be made to the budget estimate.)

Article 5: Performance and Termination

5.1 Performance

The Contractor and Engineer shall perform all work with the highest standards of workmanship and within the agreed-upon timeline. Delays attributable to noncompliance with federal, state and/or local requirements may result in penalties.

5.2 Termination

The Owner reserves the right to terminate this contract for cause, including *inter alia* noncompliance with Davis-Bacon, BABA, or DBE requirements.

Article 6: Dispute Resolution

Any dispute, whatsoever, concerning this Agreement and/or termination of this Agreement shall be resolved by good faith, non-binding mediation between the Parties to this Contract. If such non-binding mediation shall not resolve all disputed matters, the Parties agree to submit any unresolved disputes to binding arbitration (with a single arbitrator). This arbitration shall be the sole remedy for any and all disputes arising under this Agreement, including termination of this Agreement, and the decision of the Arbitrator shall be the complete, final adjudication of any and all such disputes under this Agreement. The site of any such arbitration shall be in Kotzebue, Alaska, at a location agreed upon by the Parties.

The arbitration shall be governed by Alaska’s Revised Uniform Arbitration Act as set forth in A.S. 09.43.300 to A.S. 09.43.595. Damages, if any, awarded by an arbitrator shall be limited to non-tort, contract damages allowed by Alaska law, with full, reasonable fees and costs awarded to the prevailing party by the Arbitrator, with the determination of prevailing party status governed by the Alaska case law developed under Alaska Rule of Civil Procedure 82.

Article 7: Miscellaneous

7.1 Notices

Notices under this Agreement shall be in writing and hand-delivered to the parties at their respective addresses listed above **and/or** by USPS Priority Mail to the following USPS mailing addresses: City of Kotzebue, P.O. Box 46, Kotzebue, AK 99752-0046, Drake Construction, Inc., P.O. Box 338, Kotzebue, AK 99752-0338 and DOWL Engineering 5015 Business Park Blvd #4000, Anchorage, AK 99503.

7.2 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska.

Signatures on next page

City of Kotzebue

By: _____

Name: [City Manager's Name]

Title: City Manager

Date: _____

Drake Construction, Inc.

By: _____

Name: _____

Title: _____

Date: _____

DOWL Engineering

By: _____

Name: _____

Title: _____

Date: _____

ATTACHMENT: RFP 24-06 and related documents [5 pages]

City of Kotzebue
Request for Proposal (RFP) – Water Treatment Plant Filtration System Upgrade During the Winter/Spring 2024-2025

RFP Number: 2024-05

Date Issued: October 30, 2024

Proposal Due Date: December 2, 2024

I. PURPOSE

The City of Kotzebue is soliciting proposals from qualified Design-Build contractors and firms for the winter/spring 2024-2025 design, procurement, and installation of an upgraded filtration system for the city's new water treatment plant. The intent of this project is to enhance water quality, ensure compliance with current regulatory standards, and optimize operational efficiency.

II. BACKGROUND

The City of Kotzebue relies on a new water treatment plant constructed in 2023 to deliver potable water to residential and commercial users. The existing filtration system has challenges adequately removing, among other things, high levels of manganese, leading to inefficiencies and a need for improvement. An updated filtration system installed during the winter/spring 2024-2025 is essential to meet state and federal water quality regulations and support the city's commitment to public health and safety.

III. SCOPE OF WORK

The selected contractor will provide a full solution for upgrading the water treatment plant filtration system **during the winter/spring 2024-2025**. The scope of work includes:

1. Design Phase:

- Assessment of the current system's performance.
- Development of a detailed design for the new filtration system that mitigates deficiencies.
- Compliance with EPA, state, and local water quality standards.
- Submission of design documents for city review and approval.

2. Procurement of Equipment:

- Provision of all necessary materials and equipment, including filtration media, tanks, pumps, and control systems.
- Emphasis on energy-efficient equipment compatible with existing infrastructure.

3. Installation and Construction:

- Removal and disposal of the existing filtration system as required.
- Installation of the new system, including mechanical, electrical, and control components.
- Coordination with city staff to minimize disruptions to water service.
- Startup, testing, and commissioning of the system for optimal operation.

4. Training and Documentation:

- Training for city staff on system operation and maintenance.
- Delivery of manuals, maintenance schedules, and as-built drawings upon project completion.

IV. PROJECT REQUIREMENTS

1. **Compliance:** All work must meet Alaska Department of Environmental Conservation (ADEC) standards, EPA regulations, and City of Kotzebue ordinances.
2. **Timeline:** The City requires immediate action. Anticipated Substantial Completion is April, 2025
3. **Budget:** The budget for this project is up to the approved amount by the State Revolving Fund Loan and inclusive of all costs associated with design, procurement, installation, and commissioning.
4. **Warranty:** A minimum one-year warranty on equipment and workmanship is required, with extended warranties where available.

V. PROPOSAL REQUIREMENTS

Interested contractors should include the following in their proposal:

1. **Company Information:**
 - Name, address, and primary contact information.
 - Overview of the company’s history and relevant experience of work in the Arctic and Subarctic and in water treatment systems in the Arctic and Subarctic.
2. **Technical Proposal:**
 - Detailed description of the approach to the project, including design and installation.
 - Information on the proposed filtration technology, including technical specifications.
3. **Project Timeline:**
 - Detailed timeline for the winter/spring 2024-2025 covering key project phases, including design, procurement, installation, and commissioning by the end of spring 2025.

4. **Cost Proposal:**

- Provide rates that will be used for both design and construction. Rates should include a full list of personnel, supplier and sub-contractor fees.

5. **References:**

- At least three references from similar projects completed in the last five years.

6. **Proof of Insurance and Bonding:**

- Proof of liability insurance, worker's compensation, and bonding coverage.

VI. EVALUATION CRITERIA

Proposals will be evaluated on the following:

1. **Technical Approach** – Quality of proposed filtration system and design approach. **[10 points]**
2. **Experience and Qualifications** – Relevant experience and qualifications of the **Design-Build** team and experience in Northwest Alaska. **[20 points]**
3. **Equipment Mobilization**- Design build team has **the necessary** equipment to mobilize a team in Kotzebue **during the winter/spring 2024-2025**. **[25 points]**
4. **Cost** – Alignment with budgetary expectations and overall cost competitiveness. **[20 points]**
5. **Project Timeline** – Feasibility and efficiency of the proposed timeline for the winter/spring 2024-2025. **[15 points]**
6. **References** – Positive feedback and successful project outcomes from prior clients. **[10 points]**

VII. SUBMISSION INSTRUCTIONS

Proposals must be submitted no later than December 2, 2024 at 5PM to:

City of Kotzebue

ATTN: Russ Ferguson, Public Works Director

P.O. Box 46, Kotzebue, AK 99752

Email: customerservice@kotzebue.org and rferguson@kotzebue.org

Phone: 907-442-3401 Cell 907-412-3656

Proposals should be submitted in both electronic and hard copy formats.

VIII. QUESTIONS AND ADDENDA

All questions regarding this RFP must be submitted in writing to customerservice@kotzebue.org by November 15, 2024. Responses to questions will be issued to all bidders in an addendum format within 5 business days.

IX. TERMS AND CONDITIONS

The City of Kotzebue reserves the right to reject any or all proposals, waive informality in the RFP process, and award the contract based on the best interests of the City.

We look forward to reviewing proposals and collaborating to enhance the quality and reliability of Kotzebue’s water supply.

Issued by:

Tessa Baldwin
City Manager
City of Kotzebue



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

Request for Proposal (RFP) – Water Treatment Plant Filtration System Upgrade During the Winter/Spring 2024-2025

RFP Number: 2024-05

Date Issued: October 30, 2024

Proposal Due Date: December 2, 2024

Addendum Issued by: The City of Kotzebue

Date: November 27, 2024

The City of Kotzebue has revised the submission requirements for the Request for Proposals (RFP) regarding the Water Treatment Plant Filtration System Upgrade.

Revised Submission Requirement:

The City will now accept **electronic submissions** in lieu of hard copy submissions. Proposers are no longer required to send hard copies of their proposals to City Hall.

New Submission Method:

All proposals must be submitted electronically to the following email address:
customerservice@kotzebue.org

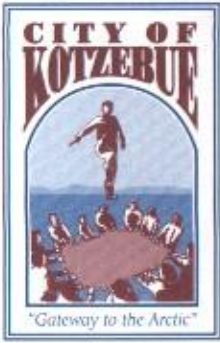
Please ensure the subject line of your email reads:

"Proposal Submission: Water Treatment Plant Filtration System Upgrade"

The deadline for proposal submissions remains unchanged. It is the responsibility of the proposer to ensure the electronic submission is received before the stated deadline.

For any questions regarding this addendum or the RFP, please contact the
customerservice@kotzebue.org

Thank you for your interest in working with the City of Kotzebue.



**CITY OF KOTZEBUE
RESOLUTION NO. 25-03**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AUTHORIZING THE CITY MANAGER, ACTING CITY MANAGER AND/OR HER/HIS DESIGNEE TO FINALIZE AND EXECUTE AN APPROPRIATE CONTRACT AND ANY OTHER RELATED DOCUMENTS WITH MANILAQ ASSOCIATION FOR BASIC AND/OR PART-TIME ADVANCED LIFE SUPPORT AMBULANCE SERVICES WITHIN THE CITY LIMITS OF THE CITY OF KOTZEBUE AND IMMEDIATE ENVIRONS.

WHEREAS, the City of Kotzebue and Maniilaq Association (“Maniilaq”) have been operating under an Agreement for ambulance/EMS services last negotiated in 2018 and extended by a series of subsequent amendments through the present;

WHEREAS, the City and Maniilaq started discussions on a new Agreement in mid-2023 and spent significant time exchanging proposals and meeting to discuss those proposals; and,

WHEREAS, late last summer, Maniilaq sent over its final proposal for a new Professional Services Agreement which is attached hereto as Exhibit A with the City Attorney’s proposed deletions in **yellow highlighted strike and brackets** and City Attorney suggested additions in ***red font, underlined, bolded and in italics.***

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Kotzebue authorizes the City Manager, Acting City Manager and/or her/his designee working with the Fire Department, Public Safety Department and City Attorney to finalize and execute an appropriate Professional Service Agreement with Maniilaq for ambulance/EMS services effective March 1, 2025 in a format similar to that set forth in Exhibit A attached hereto.

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PASSED AND APPROVED by a duly constituted quorum of the City Council of the City of Kotzebue, Alaska, this 7th day of January, 2025.

CITY OF KOTZEBUE

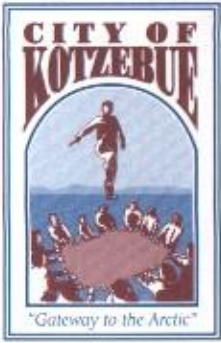
Derek Haviland-Lie, Mayor

[SEAL]

ATTEST:

Paeton Schaeffer, City Clerk

Attachment: Exhibit A – Annotated Proposed Professional Agreement [19 pages /w cover page]



**CITY OF KOTZEBUE
RESOLUTION NO. 25-03**

EXHIBIT A

DRAFT proposed Professional Services Agreement prepared by Manilaq for Review by City Council at first RCCM in January 2025 with City Attorney’s proposed deletions marked with yellow highlighted ~~strike and brackets~~ and City Attorney’s proposed additions in *red font, underlined, bolded and in italics*.



**PROFESSIONAL SERVICES AGREEMENT
BETWEEN MANIILAQ ASSOCIATION AND
CITY OF KOTZEBUE**

This professional services agreement (“Agreement”), effective ~~January 1, 2025~~ March 1, 2025 (the “Effective Date”), is made by and between Maniilaq Association (“Maniilaq”), with the address P.O. Box 256, Kotzebue, Alaska 99752, and City of Kotzebue (“Contractor”), with the address 258 Third Ave. Kotzebue, AK.

1. **SCOPE OF WORK.** Contractor agrees to provide Maniilaq the services (the “Services”) set forth in **Exhibit A, Scope of Work**, attached to this Agreement. Contractor shall provide all supplies, equipment, or tools necessary to perform the Services, unless agreed otherwise in writing or part of **Exhibit B, Maniilaq Support**.
2. **TERM.** The term of this Agreement commences on the Effective Date and expires ninety (90) days after writtent notice is provided.
3. **TERMINATION.** Either Party may terminate this Agreement upon ninety (90) days’ written notice to the other Party for any or no cause whatsoever.
4. **COMPENSATION.** For the performance of the Services Maniilaq will compensate Contractor a fee-for- service as set forth in **Exhibit C, Payment Schedule**. Monthly, Contractor shall submit a detailed invoice to Maniilaq for the Services performed during the prior month. Contractor shall include on the invoice the total amount paid to Contractor and the potential amount remaining under this Agreement. Maniilaq will remit payment within thirty (30) days of receipt of an invoice.

Additionally, Maniilaq agrees to provide Contractor Support as outlined in **Exhibit B, Maniilaq Support**.

5. **INDEPENDENT CONTRACTOR.** Contractor is an independent contractor. Nothing in this Agreement is intended to, or shall be construed to, create an employment relationship, partnership, agency, or joint venture between the Parties. Neither Party shall have the authority to bind the other. Maniilaq is not responsible for withholding any federal, state or local taxes with respect to the compensation paid to Contractor under this Agreement. Contractor shall have no claim against Maniilaq for vacation pay; sick leave; social security; retirement, health, disability benefits; or any other employee benefits of any kind.
6. **INDEMNITY.** Each Party (as the “Indemnifying Party”) shall indemnify, defend, and hold harmless the other Party (as the “Indemnified Party”) their affiliates, officers, directors, employees, agents and other representatives from and against any and all claims, demands, losses, liabilities, damages, expenses (including reasonable attorney’s fees) and causes of action (hereinafter “Claims”) for Claims

Page 1 of 19

DRAFT prepared by Maniilaq for Review by City Council at first RCCM in January 2025 with City Attorney’s proposed deletions marked with yellow highlighted **strike and brackets** and additions in **red font, underlined, bolded and in italics.**

caused by or resulting from the sole fault, negligent or reckless acts or omissions of the Indemnifying Party, its officers, employees, agents, contractors, licensees or invitees. Any Claims that are the result of negligence or willful misconduct of both Parties, their officers, directors, employees, agents, contractors, licensees or invitees shall be apportioned on a comparative fault basis, and each Party shall indemnify the other Party for any liabilities and damages assessed against them in excess of their percentage of liability. This provision shall survive the expiration or termination of this Agreement.

7. INSURANCE. Contractor agrees to maintain at all times during the course of this Agreement insurance coverage as specified below, written by an insurance company with a minimum rating by A.M. Best & Company of A-VI, and to provide proof of such insurance prior to performing Services:
 - a. General Liability Insurance – \$1,000,000 per occurrence and \$1,000,000 aggregate.
 - b. Auto Liability Insurance – \$1,000,000 combined single limit per accident for bodily injury and property damage.
 - c. Worker’s Compensation Insurance in accordance with statutory requirements.

8. CONTRACTOR’S ASSURANCES. Contractor represents that Contractor is qualified to perform the Services, that it has obtained any professional or business licenses, permits, or governmental approvals necessary to perform the Services, and that it carries any legally required insurance such as worker’s compensation insurance. Contractor agrees to abide by all applicable state, federal and local laws, regulations, standards and executive orders including but not limited to the Clean Air Act (42 U.S.C. § 7401–7671q), the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251–1387), the Stark Law (42 U.S.C. § 1395m), the Health Information Portability and Accountability Act (Public Law 104-191; “HIPAA”), the Health Information Technology Act (42 U.S.C. § 17901; “HITECH Act”), and any current or future regulations promulgated under HIPAA or the HITECH Act. Contractor agrees to be bound by **Exhibit C, Business Associate Agreement** attached hereto. Contractor also agrees to comply with applicable licensing body requirements including but not limited to the Joint Commission on the Accreditation of Health Care Organization, Commission on Accreditation of Rehabilitation Facilities, and Occupational Safety and Health Administration standards, including those specific to bloodborne pathogens.

9. INDIAN PREFERENCE. In accordance with the Indian Self-Determination and Education Assistance Act (25 U.S.C. § 5307), Contractor shall, in connection with this Agreement, give preference in the award of any subcontracts to American Indian/Alaska Native owned enterprises, and preferences and opportunities for training and employment to American Indians/Alaska Natives.

10. DEBARMENT AND SUSPENSION. Maniilaq does not contract with parties listed on the Federal Excluded Parties List System in the System for Award Management. Contractor warrants that is not listed on the Excluded Parties List System and that it will notify Maniilaq within three (3) days in the event it is listed on the Excluded Parties List.

Page 2 of 19

DRAFT prepared by Maniilaq for Review by City Council at first RCCM in January 2025 with City Attorney’s proposed deletions marked with yellow highlighted **strike and brackets** and additions in ***red font, underlined, bolded and in italics***.

11. CONFLICTS OF INTEREST. Contractor warrants that there is no conflict of interest between Contractor's other contractual engagements, if any, or Contractor's employment, if employed, and the Services to be performed and obligations to be undertaken under this Agreement. Contractor agrees to notify Maniilaq within three (3) days of becoming aware of a conflict of interest in the future.
12. CONFIDENTIALITY. Contractor may become acquainted with or gain knowledge of confidential or proprietary verbal or written data, technical or financial materials, or other confidential or proprietary information of significant business value ("Confidential Information") while performing this Agreement. Contractor agrees to not disclose any Confidential Information, directly or indirectly, or use it in any manner, either during the term of this Agreement or any time thereafter, except as required to perform under this Agreement.
13. OWNERSHIP OF WORK PRODUCT. To the extent this Agreement requires Contractor to produce for Maniilaq goods, tangible objects, or original intellectual property of any kind, including but not limited to written reports, memoranda, documents, graphs, charts, illustrations, artwork, photographs, video or audio recordings of any kind, regardless of the medium in which such products are recorded, all ownership and copyright interest in such work product shall belong to Maniilaq, unless stated otherwise in this Agreement.
14. FORCE MAJEURE. Neither Party shall be liable for failure to perform its respective obligations hereunder when such failure is caused by an earthquake, fire, explosion, water, act of God, civil disorder or disturbance, vandalism, war, sabotage, weather and energy related closings, governmental rules or regulations, extreme illness, or like causes beyond the reasonable control of such Party.
15. NOTICES. Any notice, demand or request with respect to this Agreement shall be made in writing and delivered by personal service or certified mail, return receipt requested, to the address first set forth above.
16. SUBCONTRACTING AND ASSIGNMENT. Contractor shall have no right to subcontract or assign this Agreement, except upon prior written consent of Maniilaq, which consent may be withheld at Maniilaq's discretion.
17. SEVERABILITY. If any provision of this Agreement is held by a court of law to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.
18. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between Maniilaq and Contractor and supersedes and replaces any prior or contemporaneous oral or written agreements concerning the matters contained herein.
19. AMENDMENTS. This Agreement may only be modified upon the prior written agreement of both Parties.

Page 3 of 19

DRAFT prepared by Maniilaq for Review by City Council at first RCCM in January 2025 with City Attorney's proposed deletions marked with yellow highlighted ~~strike and brackets~~ and additions in **red font, underlined, bolded and in italics.**

20. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be deemed an original, but both of which, taken together, shall constitute the same agreement.

21. LIMITED WAIVER OF SOVEREIGN IMMUNITY. The Maniilaq Association (Maniilaq), for itself, its agents, members, enterprises and affiliates, expressly and unequivocally provides this waiver of MANIILAO's sovereign immunity to the City of Kotzebue with respect to any claims arising out of this Professional Services Agreement between the City of Kotzebue and MANIILAO for the limited purposes of enforcing the terms of and resolving disputes between the parties arising under this Professional Services Agreement (including claims and counterclaims against MANIILAO, provided, however, that MANIILAO does not waive sovereign immunity with respect to: being subject to jury trials; punitive damages (this is not a limitation on permitted contractual remedies); or any civil or proceeding brought by any third party other than a permitted assign under this Professional Services Agreement. MANIILAO and the City of Kotzebue further agree to waive any right to a trial as set forth herein, and that the Agreement will be interpreted by the laws of the state of Alaska. Further, MANIILAO waives any requirement of exhaustion of tribal remedies and agrees it will not present any affirmative defense based upon any alleged failure to exhaust such remedies in any judicial proceeding brought pursuant to this waiver. MANIILAO covenants that it will not take any action to revoke this grant of limited waiver of its sovereign immunity. MANIILAO's waiver of sovereign immunity is expressly limited as provided herein. Furthermore, this waiver is limited to the recovery of no more than MANIILAO's express obligations under this Professional Services Agreement; this waiver does not extend to nor allow any award of punitive, exemplary or other damages except to the extent MANIILAO is required to indemnify the City of Kotzebue in respect of such damages claimed by a third party; and this waiver does not extend to jury trials, or to any trial, action, or proceeding to the extent such trial, action, or proceeding is subject to 25 U.S.C. § 5321(d), 25 U.S.C. § 1680c, Section 314 of Public Law 101-512, the Federal Tort Claims Act, 28 U.S.C. § 1346(b), 28 U.S.C. §§ 2671-2680, or similar federal protections. This limited waiver of sovereign immunity does not waive Maniilaq's sovereign immunity for any action whatsoever against Maniilaq's or its officers, board members, employees, or agents, nor as to any property of Maniilaq's, whether real or personal property, nor to any other asset of Maniilaq, by any person, entity, organization, or party whatsoever other than the City of Kotzebue. Finally, does not consent to waive Maniilaq's sovereign immunity for trial or civil discovery, actions for money damages, consequential damages, attorney fees, fines, entry of judgment, execution, or for any other purpose or any other type or sort of relief whatsoever, in any forum, except as specifically provided herein. Each Authorized Maniilaq Officer is authorized to take any actions and to execute any documents needed to effectuate this waiver of sovereign immunity.

22. DISPUTE RESOLUTION. Any dispute, whatsoever, concerning this Agreement and/or termination of this Agreement shall be resolved by good faith, non-binding mediation between the Maniilaq and the City of Kotzebue. If such non-binding mediation shall not resolve all disputed matters, Maniilaq and the City of Kotzebue agree to submit any unresolved disputes to binding

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arbitration (with a single arbitrator). This arbitration shall be the sole remedy for any and all disputes arising under this Agreement, including termination of this Agreement, and the decision of the Arbitrator shall be the complete, final adjudication of any and all such disputes under this Agreement. The site of any such arbitration shall be in Kotzebue, Alaska, at a location agreed upon by Maniilaq and the City of Kotzebue.

The arbitration shall be governed by Alaska’s Revised Uniform Arbitration Act as set forth in A.S. 09.43.300 to A.S. 09.43.595. Damages, if any, awarded by an arbitrator shall be limited to non-tort, contract damages allowed by Alaska law, with full, reasonable fees and costs awarded to the prevailing party by the Arbitrator, with the determination of prevailing party status governed by the Alaska case law developed under Alaska Rule of Civil Procedure 82.

IN WITNESS WHEREOF, the undersigned have executed this Agreement.

Maniilaq Association

Contractor

By:
Its:

By:
Its:

Date

Date

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Exhibit A
Scope of Work

1. The City agrees to provide basic and/or part-time advanced life support ambulance services within the City limits and immediate environs in accordance with Kotzebue Municipal Code 2.36.080, subject to annual appropriation as provided therein, and the Alaska Administrative Code 7AAC26.2 IO - 7ACC26.999. Ambulance services will typically NOT include ground transport services for air medevac patients unless there are special circumstances such as multiple simultaneous medevacs landing.
2. The City agrees to remain certified by the State of Alaska Department of Health and Social Services, Emergency Medical Services Section, as basic life support services with advanced life support services part-time and to provide evidence of such certification on each anniversary date of this Agreement.
3. The City agrees to bill Maniilaq directly for IHS beneficiaries without third party revenues.
4. The City will provide and maintain one ambulance.
5. Notwithstanding any other terms of this Agreement, the City remains responsible for patient care and the treatment rendered at its facilities.
6. The City agrees to comply with all applicable guidelines and appropriate processes as identified in the City of Kotzebue Fire Department Treatment Guidelines.

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Exhibit B
Maniilaq Provided Support

1. Maniilaq agrees to provide all information required to enable the City of Kotzebue and its authorized representative, to bill patients, third-parties, or pursue appropriate collections action for medical services provided.
2. Maniilaq agrees to provide an EMS Medical Director who will serve as the Sponsoring Physician for the Kotzebue Fire Department in accordance with the most recent version (and any future versions) of the State of Alaska Medical Director Handbook.
3. Maniilaq agrees to provide access to scheduled EMS Training programs opportunities at no cost taught by certified instructors and associated training material.
4. Maniilaq agrees to provide the supplies, pharmaceuticals and medical equipment listed on Appendix A and Appendix B so that the ambulance can be stocked properly. This is not an all-inclusive list as the ambulance will be stocked with supplies used in the emergency room so as to maintain compatibility. Other items may be added to and/or deleted from this list by mutual agreement.
5. Notwithstanding any other terms of this Agreement, Maniilaq remains responsible for patient care and the treatment rendered at its facilities.
6. Maniilaq agrees to provide access to infection control and employee health services for ambulance personnel. Access to Behavioral Health Services will be available but will be billed in accordance to Maniilaq's standard practices.

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Exhibit C
Payment Schedule

Service	Amount
911 Response for IHS beneficiary without Third Party Coverage	\$1000
Medevac Patient Transport	\$1000
Human Remains Transport	\$500
Non-Emergency Transport at Maniilaq's Request	\$500

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Exhibit D
Business Associate Agreement

I. Authority

Pursuant to 45 C.F.R. § 164.502(e), the Maniilaq Association, as a covered entity, is required to enter into an agreement with a “Business Associate,” as defined by 45 C.F.R. § 160.103, under which the business associate must agree to appropriately safeguard Protected Health Information (PHI) that it will use and disclose when performing functions, activities or services pursuant to its contract with Maniilaq Association. By signing the City of Kotzebue agrees that it is a Business Associate and will comply with the terms below, in addition to other applicable Contract terms and conditions, and applicable law, relating to the safekeeping, use, and disclosure of PHI.

II. Definitions

The following terms shall have the same meaning as those terms in 45 C.F.R. Part 160 and Part 164, which are the federal regulations implementing the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended: Breach, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, PHI, Required by Law, Secretary, Security Incident, Subcontractor, Unsecured PHI, and Use.

- A. Business Associate. “Business Associate” shall generally have the same meaning as the term “business associate” at 45 C.F.R. § 160.103, and in reference to the party to this Agreement shall mean City of Kotzebue
- B. Covered Entity. “Covered Entity” shall generally have the same meaning as the term “covered entity” at 45 C.F.R. § 160.103, and in reference to the party to this Agreement, shall mean Maniilaq Association.
- C. HIPAA Rules. “HIPAA Rules” shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 C.F.R. Part 160 and Part 164.

III. Obligations and Activities of Business Associate

- A. Compliance: Business Associate agrees not use or disclose PHI other than as authorized by the Agreement or as required by law. Business Associate acknowledges that it is directly liable under the HIPAA Rules and subject to civil and, in some cases, criminal penalties for making uses and disclosures of PHI that are not authorized by the Agreement or required by law. Business Associate agrees that it will require all of its agents, employees, subsidiaries, and affiliates, to whom Business Associate provides PHI, or who create or receive PHI on behalf of Business Associate for Covered Entity, to comply with the HIPAA Rules and to enter into written agreements with Business Associate that provide the same restrictions, terms, and conditions as set forth in the Agreement.

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- B. Subcontractors: In accordance with 45 C.F.R. §§ 164.502(e)(1)(ii) and 164.308(b)(2), which govern relations with subcontractors, Business Associate agrees to ensure that any subcontractors that create, receive, maintain, or transmit PHI on behalf of Business Associate agree to the same restrictions, terms, and conditions that apply to Business Associate with respect to such PHI.
- C. Safeguarding PHI: Business Associate shall develop and use appropriate procedural, physical, and electronic safeguards to protect against the use or disclosure of PHI in a manner not authorized by this Agreement or required by law. Business Associate will limit any use, disclosure, or request for use or disclosure of PHI to the minimum amount necessary to accomplish the intended purpose of the use, disclosure, or request.
- D. Safeguarding Electronic PHI: Business Associate agrees to use appropriate safeguards, as set forth in Subpart C of 45 C.F.R. Part 164 with respect to electronic PHI, to prevent use or disclosure of electronic PHI other than as authorized by this Agreement or required by law.
- E. Reporting Use or Disclosures Not Authorized By this Agreement or Required by Law: Business Associate agrees to report to Covered Entity any use or disclosure of PHI not authorized by this Agreement or required by law as soon as is reasonable upon discovery but within thirty (30) calendar days of discovering the use or disclosure, or any security incident of which it becomes aware. In addition, Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to Business Associate of the use, disclosure, or security incident.
- F. Reporting of Breach: In accordance with the policy of the Department of Health and Human Services, Business Associate will report, without unreasonable delay and no later than 30 days from the discovery of the breach, all suspected or confirmed breaches to Covered Entity.
- G. Notification of Breach of Unsecured PHI: In addition to the above, Business Associate shall notify Covered Entity of a breach, as set forth in 45 C.F.R. § 164.410, of the security of any unsecured PHI that Business Associate received from, or created or received on behalf of, Covered Entity as soon as is reasonable upon discovery but within thirty (30) calendar days after the discovery of the breach by Business Associate, its employees, officers, and/or other agents, unless notification is specifically excepted by 45 C.F.R. § 164.412.
1. Requirements of Notice. Such notice shall include, to the extent possible, the identification of each individual whose unsecured PHI has been, or is reasonably believed by Business Associate to have been, accessed, acquired, or disclosed during such breach; a brief description of the circumstances of the breach of security, including the date of the breach and the date of Business Associate's discovery of the breach; and the type of unsecured PHI involved in the breach. Business Associate agrees to provide any other available information that Covered Entity is required to include in notification to the individual under

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45 §164.404(c). In the event notification is delayed, evidence demonstrating the necessity of the delay shall accompany the notification.

2. Individual Access to PHI: Business Associate shall maintain a designated record set for each individual for whom it maintains PHI. In accordance with an individual's right to access his or her PHI, Business Associate shall make available all PHI in the individual's designated record set to the individual to whom that information pertains, or, upon the request of the individual, to that individual's authorized representative, as necessary to satisfy Covered Entity's obligations under 45 C.F.R. § 164.524. Availability to access PHI shall be made within five (5) calendar days of receipt of a valid request.
- H. Accounting of Disclosures: Business Associate shall maintain records of PHI received from, or created or received on behalf of, Covered Entity and shall document subsequent uses and disclosures of such information by Business Associate. Business Associate shall, within five (5) calendar days after receiving a request from Covered Entity, provide to Covered Entity such information as Covered Entity may require to fulfill its obligations to account for disclosures of PHI pursuant to 45 C.F.R. § 164.528.
- I. Amendment of PHI: Business Associate shall, within five (5) calendar days of a request by Covered Entity, make PHI available to Covered Entity for Covered Entity to fulfill its obligations under 45 C.F.R. § 164.526 to amend PHI and shall, as directed by Covered Entity, within five (5) calendar days of receipt of such direction, incorporate any amendments into PHI held by Business Associate. In addition, Business Associate shall ensure incorporation of any such amendments into PHI held by its agents or subcontractors within ten (10) days of such direction, and shall notify Covered Entity within five (5) calendar days of when those agents or subcontractors have completed the incorporation of the amendments. Business Associate shall forward to Covered Entity all requests to amend PHI that it receives directly from individuals within five (5) calendar days of its receipt of a request.
- J. Carrying out Covered Entity's Obligations: To the extent Business Associate is to carry out one or more of Covered Entity's obligation(s) under Subpart E of 45 C.F.R. Part 164, Business Associate agrees to comply with the requirements of Subpart E that apply to Covered Entity in the performance of such obligation(s).
- K. Disclosures for Verifying Compliance: Upon request, Business Associate shall permit access by the Secretary and Covered Entity during normal business hours to its facilities, books, records, accounts, and any other sources of information, including PHI and any agreements that it has with subcontractors, vendors, and/or other agents relating to the use and disclosure of PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity, for purposes of determining both Business Associate's and Covered Entity's compliance with the HIPAA Rules.

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IV. Permitted Uses and Disclosures by Business Associate

- A. Business Associate shall not use or disclose PHI except to perform functions, activities, or services on behalf of Covered Entity as provided for in the Contract, this Agreement, the HIPAA Rules, or other applicable law.
- B. Business Associate agrees that it may use or disclose PHI on behalf of Covered Entity only:
1. Upon obtaining the authorization of the individual to whom the PHI pertains;
 2. For the purposes of treatment, payment or health care operations unless Covered Entity has agreed to a restriction pursuant to 45 C.F.R. § 164.520(b)(iv)(A) or 45 C.F.R. § 164.522; or
 3. Without an authorization or consent, if in accordance with 45 C.F.R. § 164.510, 45 C.F.R. § 164.512, 45 C.F.R. § 164.514(e), 45 C.F.R. § 164.514(f), or 45 C.F.R. § 164.514(g).
- C. Business Associate shall use and disclose PHI in compliance with each applicable requirement of 45 C.F.R. § 164.504(e), which section is fully incorporated herein.
- D. Business Associate agrees to make uses, disclosures, and requests for PHI consistent with Covered Entity's minimum necessary policies and procedures.
- E. Business associate may use protected health information for the proper management and administration of the business associate or to carry out the legal responsibilities of the business associate.
- F. Business Associate may not use or disclose PHI in a manner that would violate Subpart E of 45 C.F.R. Part 164 if done by Covered Entity, except for the specific uses and disclosures set forth below.
1. Business Associate may disclose PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided the disclosures are required by law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that the information will remain confidential and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

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V. Obligations of Covered Entity

- A. Covered Entity shall provide Business Associate with its Notice of Privacy Practices and any changes to the Notice.
- B. Covered Entity shall notify Business Associate of any limitation(s) in Covered Entity's Notice of Privacy Practices under 45 C.F.R. § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
- C. Covered Entity shall notify Business Associate of any change in, or revocation of, the permission by an individual to use or disclose his or her PHI to the extent that such changes may affect Business Associate's use or disclosure of PHI.
- D. Covered Entity shall notify Business Associate of any restriction on the use or disclosure of PHI that Covered Entity has agreed to or is required to abide by under 45 C.F.R. § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.
- E. Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under Subpart E of 45 C.F.R. Part 164 if done by Covered Entity, except as provided in Part IV, Subpart F, Section 1.

VI. Termination

- A. Term: The Term of this Agreement shall be effective as of the date Business Associate signs the underlying Contract and shall terminate when the Contract ends or on the date covered entity terminates for cause as authorized in paragraph (b) of this Section, whichever is sooner.
- B. Termination: Business Associate authorizes termination of this Agreement by Covered Entity, if Covered Entity determines Business Associate has violated a material term of the Agreement and Business Associate has not ended the violation within the time specified by Covered Entity.
- C. Obligations of Business Associate Upon Termination: Upon termination of this Agreement for any reason, Business Associate, with respect to PHI received from Covered Entity, or created, maintained, or received by Business Associate on behalf of Covered Entity, shall:
 1. Retain only that PHI which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities;
 2. Return to Covered Entity, or, if agreed to by Covered Entity, destroy, the remaining PHI that Business Associate does not need to continue its proper management and administration or to carry out its legal responsibilities;

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3. Continue to use appropriate safeguards, in compliance with Subpart C of 45 C.F.R. Part 164, with respect to electronic PHI to prevent use or disclosure of electronic PHI, other than as provided for in this Part, for as long as Business Associate retains the PHI;
4. Not use or disclose PHI retained by Business Associate other than for the purposes for which such PHI was retained and subject to the same conditions set out above, at Part IV, Subpart F, Section 1 of the Agreement which applied prior to termination;
5. Return to Covered Entity, or, if agreed to by Covered Entity, destroy, the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities; and
6. If Business Associate or its agent or subcontractor destroys any PHI, Business Associate will provide Covered Entity with documentation evidencing such destruction within thirty (30) days of completion of destruction.

B. Survival: The obligations of Business Associate under this Part shall survive the termination of this Agreement.

VII. Indemnification

The Indemnity provision in the underlying Contract shall apply hereto.

VIII. Miscellaneous

- A. Incorporation: This Agreement is attached to and fully incorporated into the Contract.
- B. Notices: All notices under this Agreement shall be provided by certified mailing, and shall require proof of date of receipt.
- C. Regulatory References: A reference in this Agreement to a section in the HIPAA Rules means the section as in effect or as amended.
- D. Amendment: The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for compliance with the requirements of the HIPAA Rules and any other applicable law.

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- E. Interpretation: Any ambiguity in this Agreement shall be interpreted to permit compliance with the HIPAA Rules.
- F. Successors and Assigns: This Agreement shall be binding upon, inure to the benefit of and be enforceable by and against the Parties and their successors and assigns.
- G. Severability: If a court of competent jurisdiction deems any provision of this Agreement unenforceable, such provision shall be severed from this Agreement and every other provision of the Agreement shall remain in full force and effect.

Maniilaq Association

Contractor

 By:
 Its:

 By:
 Its:

 Date

 Date

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APPENDIX A

LINEN:

Blankets, Sheets, & Pillow cases

Sheets are changed after every patient transport.

SINGLE USE. AMBULANCE SUPPLIES:

Wire ladder splints

"SAM" tm. splints

Oropharyngeal airways (Berman, tm.) size 5.5 to 12

Nasopharyngeal airways size 20 fr. to 37 fr.

Diaphoretic cardiac monitor electrodes, adult and pediatric sizes

Zoll M-Series Compatible Adult Automatic External Defibrillation /Pacer Pads

Zoll M-Series Compatible Pediatric Automatic External Defibrillation/Pacer Pads

Accu-check Blood Glucose Monitor

Accu-check test strips

Nasal cannula, adult and pediatric sizes

Med. concentrations O2 masks, adult and pedi. sizes

Non-rebreather, O2 masks (high concentration)

O2 humidifier (single use)

Large bore rigid suction catheters

Large diameter suction tubing

Oxygen refill for size "D" and "C" cylinders

Oxygen refill for size "M" Ambulance Cylinders.

Disposal thermometer covers for digital type

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APPENDIX A (continued)

IV Catheters, 14 to 24 gauge

EZ-IO needles

Standard IV tubing

Micro drip IV tubing

Pediatric IV tubing with measure chamber

Butterfly needles 19 to 25 gauge

Sterile water 500 ml. plastic bottles

Endotracheal tubes and stylets

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APPENDIX A (continued)

Disposal penlights

Nitrile examination gloves (various sizes)

(p2 Hi-risk gloves (size sm., med., lg.)

Disposable goggles

Disposable gowns

"Alcare" tm. foam hand cleaner

"Wavi-cide" tm. disinfectant, or equivalent

Convenience bags

Cleansing wipes

"Wet proof" adhesive tape, 1" and 2"

"Elastikon" tape or equivalent, 1" and 2" Kerlix 4 ½"

Multi trauma dressing 30" x 10"

4" x 4" gauze dressings

2" x 2" gauze dressings

Abdominal pads 5" x 9"

Abdominal pads 7" x 8"

Abdominal pads 8" x 10"

Ace bandages 2", 3", and 4"

Hot packs

Cold packs

Complete OB kit (single kit)

Silver swaddlers

Eye wash

Petroleum gauze, 4" x 4" and 3" x 9"

Tape, clear plastic, 1"

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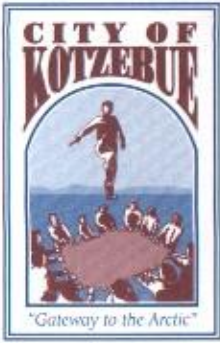
APPENDIX B

Medications for Patient Care:

Activated Charcoal 50gm/240ml	Albuterol Fish 2.5mg/3ml
Aspirin 81mg U/D	Atropine Sulfate 10cc syringe
Dextrose 50% Syringe	Diazepam
Diphenhydramine 50mg/ml vials or Prefilled Syringe	Epinephrine 1:1000 Ampules or Multi-dose vial
Epinephrine 1:10,000	Furosemide (Lasix)
Glucagon	Ipratropium Bromide (Atrovent)
Lidocaine 100mg/10cc Syringe	Lidocaine Pre-mixed 2gm/500ml
Lorazepam (Ativan)	Morphine Sulfate
Naloxone 0.4mg/1cc Ampule or Prefilled Syringe	Nitroglycerine 0.4mg Tabs (25 tab/btl)
Oral Glucose	Sodium Bicarbonate 8.4%/50ml (ADULT)
Thiamine 100mg/ml	NS Injection (10cc Syringe)
Lactated ringers solution, 1000 ml.bags	Normal saline solution, 1000 ml. bags
D5w solution, 500 ml.	

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**CITY OF KOTZEBUE
RESOLUTION NO. 25-04**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AUTHORIZING THE CITY MANAGER, ACTING CITY MANAGER AND/OR HER/HIS DESIGNEE WORKING WITH THE CITY OF KOTZEBUE FINANCE DIRECTOR TO ESTABLISH APPROPRIATE FINANCIAL/CREDIT CARD ACCOUNTS WITH CREDIT UNION 1 ALASKA THROUGH ITS KOTZEBUE BRANCH AT 606 BISON STREET, KOTZEBUE, ALASKA

WHEREAS, the City of Kotzebue has a need to diversify its financial accounts and credit card accounts with another financial institution;

WHEREAS, for years the only financial institution with a office in Kotzebue has been Wells Fargo Bank; however, recently Credit Union 1 Alaska has decided to open a branch in Kotzebue at the new Alaska Commercial Company store, 606 Bison Street; and,

WHEREAS, this unique opportunity to establish a relationship with another financial institution with an office in Kotzebue is in the City of Kotzebue’s best interests and establishing a direct relationship with Credit Union 1 Alaska is authorized by Kotzebue Municipal Code (“KMC”) 3.16.090(b) [*Contracts for services and other contractual services which are in their nature unique and not subject to competition exceeding fifty thousand dollars shall be awarded by the council*].

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Kotzebue finds that there is a unique opportunity to establish a relationship with another financial institution with an office in Kotzebue, such a relationship with another financial institution is in the City of Kotzebue’s best interests and establishing a direct relationship with Credit Union 1 Alaska is authorized by Kotzebue Municipal Code (“KMC”) 3.16.090(b). Therefore, the City Council of the City of Kotzebue authorizes the City Manager, Acting City Manager and/or her/his designee working with the City of Kotzebue Finance Director and City Attorney to establish a financial business arrangement with Credit Union 1 Alaska.

PASSED AND APPROVED by a duly constituted quorum of the City Council of the City of Kotzebue, Alaska, this 7th day of January, 2025.

CITY OF KOTZEBUE

Derek Haviland-Lie, Mayor

[SEAL]

ATTEST:

Paeton Schaeffer, City Clerk



**CITY OF KOTZEBUE
RESOLUTION NO. 25-05**

**“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE
APPROVING A CONTRACT WITH VITUS TERMINALS, LLC FOR FUEL
DELIVERY SERVICES FOR THE REMAINDER OF CY2025”**

WHEREAS, the City of Kotzebue duly issued in the Fall of 2024 RFP No. 2024-05 for fuel delivery services for Calendar Year 2025;

WHEREAS, unlike prior years where only one (1) response was received to the RFP, this year two (2) responses were received, to wit: (1) Crowley Fuels, LLC and Vitus Terminals, LLC, which were opened at 3:00pm on December 6, 2024. The entire packet for RFP No. 2024-05 is attached hereto as 23-page Exhibit A;

WHEREAS, as shown on Pages 1 of 23 and 2 of 23 of Exhibit A, Vitus Terminals, LLC, was the low bidder for all types of fuel for Calendar Year 2025: heating fuel at \$6.52 per gallon; ultra-low sulfur diesel at \$6.52 per gallon; and gasoline at \$6.52 per gallon;

WHEREAS, Vitus Terminals, LLC and Crowley Fuels, LLC are both good providers of fuel deliveries in Kotzebue; and,

WHEREAS, the Public Works Department at Page 1 of 23 of Exhibit A has recommended awarding a contract to Vitus Terminals, LLC for fuel delivery services for the remainder of Calendar Year 2025.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Kotzebue, authorizes the Mayor pursuant to KMC 2.08.020(A) to execute a contract with Vitus Terminals, LLC on the applicable terms and conditions as set forth in this Resolution and the applicable documents attached hereto as Exhibit A and incorporated by reference herein.

PASSED AND APPROVED by a duly constituted quorum of the City Council of the City of Kotzebue, Alaska, this 7th day of January, 2025.

CITY OF KOTZEBUE

Derek Haviland-Lie, Mayor

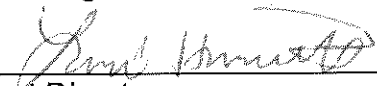
[SEAL]

ATTEST:

Paeton Schaeffer, City Clerk

Attachment: Exhibit A – RFP 2024-05 documents [23 pages]

MEMORANDUM PUBLIC WORKS DEPARTMENT

DATE: December 9, 2024
TO: Tessa Baldwin, City Manager
FROM: Lorraine Hunnicutt, 
Public Works Assistant Director

SUBJECT: RFP24-05 Heating Fuel Delivery Service

~~~~~  
Bid readings were conducted on Friday, December 6, 2024 3:00 pm., present were Russell Ferguson, Ronald Hunnicutt, Sr., - Crowley, Gayle Ralston, Jr. – Vitus Terminals and Lorraine Hunnicutt, PW Admin. Asst.

There were two bidders:

Crowley:

|                                         | Price Per Gallon |
|-----------------------------------------|------------------|
| Heating Fuel Delivery Service Agreement | \$6.56           |
| Ultra Low Sulfur Diesel                 | \$6.79           |
| Gasoline                                | \$6.69           |

Vitus Terminals:

|                                         | Price Per Gallon |
|-----------------------------------------|------------------|
| Heating Fuel Delivery Service Agreement | \$6.52           |
| Ultra Low Sulfur Diesel                 | \$6.52           |
| Gasoline                                | \$6.52           |

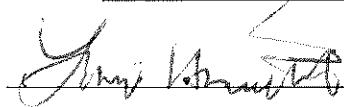
It is our recommendation to award the RFP24-05 to Vitus Terminals.

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

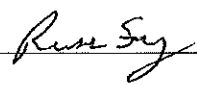
PROPOSAL NUMBER/TITLE: RFP 2024-05 Heatin Fuel Delivery Service

DATE/TIME OPENED: December 6, 2024 at 3:00 PM

|     | <u>CONTRACTOR</u> |     | <u>PROPOSAL AMOUNT</u> |   |
|-----|-------------------|-----|------------------------|---|
| 1.  | CROWLEY           | HTC | 6.56                   | * |
| 2.  | CROWLEY           | ULS | 679                    |   |
| 3.  | CROWLEY           | GAS | 6.69                   |   |
| 4.  | VITUS             | HTC | 6.52                   | * |
| 5.  | VHUS              | ULS | 6.52                   | * |
| 6.  | VITUS             | GAS | 6.52                   | * |
| 7.  |                   |     |                        |   |
| 8.  |                   |     |                        |   |
| 9.  |                   |     |                        |   |
| 10. |                   |     |                        |   |

  
City Clerk

12-6-24  
Date

  
Witness





December 6, 2024

City of Kotzebue  
Attn: City Clerk  
258-A Third Avenue  
Kotzebue, Alaska 99752  
Bid Due: 3:00PM December 6, 2024

**RE: Request for Proposal – RFP # 2024-05 Heating Fuel Delivery Service**

City Clerk,

In response to the City of Kotzebue RFP #2024 – 05 Fuel Bid, Crowley Fuels LLC (Crowley) respectfully submits the attached proposal for your review and consideration.

Crowley began serving the people and businesses of Alaska in 1953 – 71 years and counting – and has consistently provided unique solutions to Alaska’s logistics and marine transportation and fuel distribution challenges throughout Alaska’s communities. We are one of the unquestioned leaders in the Alaska fuel industry, providing transportation, distribution, and sales of petroleum products to more than 160+ communities across the state. We have seventeen terminals strategically positioned across Alaska serving retail, commercial, construction, transportation, and aviation industries. We prioritize sourcing quality fuel products and do strict testing when receiving and distributing those products to our customers. This prevents gelling in cold temperatures along with many other potential fuel contamination scenarios.

Crowley followed the requirements of the solicitation closely and is very familiar with the locations and fueling requirements for each property. Should Crowley be the successful bidder, a standard Fuel Supply Agreement is attached for your review and execution.

We value our relationship with the City of Kotzebue and understand the importance of safe and timely deliveries of fuel to your properties. We appreciate the opportunity to participate in the competitive bid process and look forward to serving the City of Kotzebue. If you should have questions or need any clarification to our submittal, please call Todd Tikiun, Senior Account Executive at (907) 545-0948 or via email at [Todd.Tikiun@crowley.com](mailto:Todd.Tikiun@crowley.com)

Respectfully,

Todd Tikiun  
Senior Sales Executive, Customer Experience  
Crowley Fuels LLC

This proposal, including attachments, is confidential, proprietary, and may be subject to attorney-client privilege. This proposal is intended only for the use of the City of Kotzebue. Any dissemination, distribution or copying of this proposal is strictly prohibited.

CITY OF KOTZEBUE  
REQUEST FOR PROPOSAL – RFP #24-05  
HEATING FUEL DELIVERY SERVICE  
FROM JANUARY 1, 2025 THROUGH DECEMBER 31, 2025  
FOR CY24

The City of Kotzebue is soliciting bids for delivery of heating fuel to the City’s tanks listed below along with Ultra Low Sulfur Diesel and Gasoline:

Annual fuel usage is approximately:

|                            |                |
|----------------------------|----------------|
| Heating oil HO - HS DFI MV | 85,000 gallons |
| ULSD ULS DFI MV            | 22,000 gallons |
| Gasoline UNL Reg 87        | 17,000 gallons |

A copy of the Request for Proposal is available on the City of Kotzebue website [www.cityofkotzebue.com](http://www.cityofkotzebue.com) or can be requested from Lorraine Hunnicutt, City of Kotzebue Public Works Department at 907-442-3401, extension 200. Sealed bids will be opened at Kotzebue City Hall 3:00 p.m. on Friday, December 6, 2024 bids not received by this date will be deemed non-responsive. Questions regarding requested products should be addressed to Lorraine Hunnicutt, 907-442-3401 ext. 200.

CITY OF KOTZEBUE  
 REQUEST FOR PROPOSAL - RFP # 2024-05  
 HEATING FUEL DELIVERY SERVICE  
 FROM JANUARY 1, 2025 THROUGH DECEMBER 31, 2025

The City of Kotzebue is soliciting bids for delivery of heating fuel to the City's tanks listed below:

| <u>Tank Location</u>            | <u>Tank Capacity</u> | <u>Fill Schedule*</u>      |
|---------------------------------|----------------------|----------------------------|
| City Hall                       | 1,000 gallons        | weekly                     |
| Devil's Lake                    | 2,000 gallons        | yearly                     |
| Fire Training Center, in-ground | 1,000 gallons        | biweekly                   |
| Fire Training Center, on stand  | 500 gallons          | weekly                     |
| Dog Pound                       | 55 gallons           | weekly                     |
| Kotzebue Regional Jail Kitchen  | 100 gallons          | biweekly                   |
| Kotzebue Regional Jail, tank A  | 1,000 gallons        | biweekly                   |
| Kotzebue Regional Jail, tank B  | 1,000 gallons        | biweekly                   |
| Arctic Spirits                  | 350 gallons          | biweekly                   |
| Kotzebue Police Department      | 1,000 gallons        | biweekly                   |
| Kotzebue Youth Center           | 1,000 gallons        | once a month               |
| Parks & Recreation Gym          | 500 gallons          | biweekly                   |
| Public Works Shop               | 2,000 gallons        | biweekly                   |
| Transit Building                | 500 gallons          | biweekly                   |
| Water Treatment Plant           | 5,000 gallons        | biweekly                   |
| Quonset Hut                     | 500 gallons          | weekly <u>Oct thru May</u> |
|                                 | 500 gallons          | weekly <u>Oct thru May</u> |
| Baler Building                  | 1,000 gallons        | biweekly                   |

\*Fill Schedule subject to change

Mobile Equipment Tank

|                         |        |
|-------------------------|--------|
| Ultra Low Sulfur Diesel | weekly |
| Gasoline                | weekly |

Annual fuel usage is approximately:

|                          |                |
|--------------------------|----------------|
| Heating oil HO-HS DFI MV | 85,000 gallons |
| ULSD ULS DFI MV          | 22,000 gallons |
| Gasoline UNL Reg 87      | 17,000 gallons |

Instructions to Bidders:

1. All bids shall be submitted in a sealed envelope, clearly marked #RFP 2024-05" and delivered to the City Clerk before December 6, 2024. Deliver to City Hall at 258-A Third Avenue, or mail to City of Kotzebue, P. O. Box 46, Kotzebue, AK, 99752. All bids will be opened at this time. Any bids not received by this date or time will be deemed non-responsive.
2. No Email or fax transmissions will be allowed. Any bids received other than by sealed envelope prior to the deadline will be deemed non-responsive.

3. The successful bidder shall be required to sign the attached "Fuel Delivery Service Agreement", which includes provisions for insurance, within five (5) days after receiving the Notice of Award from the City. Failure to sign the agreement within five (5) days of receiving notice shall deem the bid null and void.
4. The City of Kotzebue reserves the right to reject any and all bids, to request clarification of a respondent's bid, to modify or alter any or all of the terms of the bid, and to waive any and all technicalities or informalities it deems appropriate.

Submission Requirements:

1. The City is requesting that the vendor submit a FIXED FEE rate sheet attached for fuel delivery services.
2. Vendor shall supply a draft contract with the option to be renegotiated annually with an option to renew for up to two consecutive twelve-month periods.
3. Vendor shall supply a short summary of any other cost savings plans they provide.
4. Vendor shall submit a fee schedule for any services not covered in the proposal price.

Disbursement of monies by the City of Kotzebue shall be subject to set-off pursuant to the provisions of section 3.16.110 of the Municipal Code for any accounts receivable of the general government and municipal utilities funds indebtedness due to the city from any such person, firm or corporation contracting with the City.

Sealed bids will be opened at Kotzebue City Hall, Friday, December 6, 2024 at 3:00 pm. Bids not received by this date will be deemed non-responsive.

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

Walt L. Tague  
\_\_\_\_\_  
Printed Name of Authorized Representative

Crowley Fuels LLC  
\_\_\_\_\_  
Company Name

11/26/2024  
\_\_\_\_\_  
Date

Vice President, Sales & Supply  
\_\_\_\_\_  
Title

CITY OF KOTZEBUE  
REQUEST FOR PROPOSAL - RFP #2024-05 HEATING FUEL DELIVERY SERVICE  
FROM JANUARY 1, 2025 THROUGH DECEMBER 31, 2025

I am authorized by my company to bid on the Heating Fuel Delivery Service to the City of Kotzebue. I agree to the terms and conditions of the "Heating Fuel Delivery Service Agreement" and bid as follows:

|      |                                         |                                     |
|------|-----------------------------------------|-------------------------------------|
| Item | Heating Fuel Delivery Service Agreement | Price Per Gallon<br>\$ <u>6.56*</u> |
| Item | Ultra Low Sulfur Diesel                 | \$ <u>6.79*</u>                     |
| Item | Gasoline                                | \$ <u>6.69*</u>                     |

\*exclusive of tax

Crowley Fuels LLC  
Company Name

201 Arctic Slope Ave  
Company Address

Anchorage, AK 99507  
Company Address

907-777-5569  
Company Telephone

N/A  
Company Fax

todd.tikiun@crowley.com  
Company e-mail Address

11/26/2024  
Date

  
Signature of Authorized Representative

Walt L. Tague  
Printed Name of Authorized Representative

Vice President, Sales & Supply  
Title

**PART I**  
**FUEL SUPPLY AGREEMENT (COMMERCIAL)**

This FUEL SUPPLY AGREEMENT ("Agreement") is entered into as of the 26th day of November, 2024 by and between CROWLEY FUELS LLC, 201 Arctic Slope Avenue, Anchorage, Alaska 99518 ("Seller) and CITY OF KOTZEBUE, PO Box 46, Kotzebue, Alaska 99752 ("Buyer")(collectively, the "Parties" and individually, the "Party").

**The Parties agree as follows:**

1. **TERM:** The term of this Agreement shall be for a period of one (1) year.
  - a. Commencement Date: January 1, 2024
  - b. Expiration Date: December 31, 2024
  - c. Buyer and Seller may extend the term by mutual written agreement executed not less than thirty (30) days prior to the Expiration Date of this Agreement.
2. **PRODUCTS AND SERVICES:** Subject to the terms of this Agreement, Seller shall sell and deliver to Buyer, and Buyer shall purchase and accept from Seller, the following Product(s) and Service(s):
  - a. Heating Fuel
  - b. Ultra Low Sulfur Diesel
  - c. Regular Unleaded Gasoline  
(the "Products" or "Services").
3. **LOCATION(S):** Products or Services shall be provided in the following location(s):
  - a. Kotzebue, Alaska – various Buyer locations throughout the City  
(collectively, the "Location(s)").
4. **PRICE:** Buyer agrees to pay the following fixed price for the Product(s) delivered to Buyer's locations exclusive of all applicable taxes and fees:
  - a. Heating Fuel – Fixed Price shall be \$6.56 per gallon
  - b. Ultra Low Sulfur Diesel – Fixed Price shall be \$6.79 per gallon
  - c. Regular Unleaded Gasoline – Fixed Price shall be \$6.69 per gallon
5. **TAXES:** Buyer shall pay all taxes and fees associated with the Products and Services. Buyer is responsible for providing documentation of tax exemption if applicable.
6. **DELIVERY AND CALL OUT CHARGE.** Seller shall deliver the Product to tanks or other receptacles at a location specified by Buyer, or Buyer shall pick up the Product at a location specified by Seller (collectively, "Delivery"). Seller shall not be obligated to deliver, or allow pick up of, any Product outside of Seller's usual business hours or outside of Seller's standard procedures. If Buyer requests Delivery outside of Seller's usual business hours, Seller may agree, but is not required, to make such a Delivery; provided, however, that any such Delivery shall be subject to a call out charge.
7. **QUANTITIES.** In consideration of the discounted pricing offered by Seller, Buyer agrees to purchase all requirements for the Products and Services specified herein from Seller during the Term of this Agreement.

**If Buyer fails to purchase the minimum quantities agreed upon, Seller may terminate or non-renew this Agreement by delivering written notice to Buyer.**

8. PAYMENT TERMS. Payment is due immediately at the time of Delivery unless Seller agrees otherwise in writing. Credit is subject to credit approval by Seller. Seller may from time-to-time review and adjust Buyer's credit and payment terms. Seller accepts ACH, wire transfers, checks and cash on its commercial accounts.

9. STANDARD TERMS AND CONDITIONS. This Agreement is subject to the terms attached in PART II STANDARD TERMS AND CONDITIONS (COMMERCIAL) which are specifically incorporated into this Agreement as though fully set forth herein. In the event of conflicting language between PART I, the main body of this Agreement, and PART II, the terms of PART I of this Agreement shall control.


10. CONFIDENTIALITY. This document, including attachments, is confidential and proprietary. This document is intended only for the use of the parties to the Agreement. Any dissemination, distribution or copying of this document for third parties is strictly prohibited.

11. MISCELLANEOUS. In the event either Party institutes a lawsuit for breach of or to enforce any provision of this Agreement, the prevailing party shall be entitled to recover all of its costs, expenses and attorneys' fees related thereto. Each Party waives to the extent permitted by law any right it may have to a trial by jury in any proceeding arising out of or relating to this Agreement. This Agreement shall be governed by the laws of Alaska and shall have exclusive venue in Anchorage.

By executing this Agreement, Buyer acknowledges having read this Agreement in its entirety and fully agrees to all terms and conditions set forth herein. This Agreement is effective on the date first shown above.

**SELLER:**  
**CROWLEY FUELS LLC**

**BUYER:**  
**CITY OF KOTZEBUE**



By: Walt L. Tague  
Its: Vice President, Sales and Supply

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_



**PART II**  
**STANDARD TERMS AND CONDITIONS (COMMERCIAL)**

**1. Quality and Quantity**

- (a) Bulk quantity shall be determined by gauging the Product in the tanks to or from which delivery or pick up ("Delivery") is made, both immediately before and immediately after Delivery, and converting the gauges to volume. Alternately, certified meters may be used where such meters are available. All volume measurements shall be adjusted to 60 degrees F using the Volume Correction Factors prescribed under ASTM D 1250 in its latest version for the Product. If meters are used, built-in temperature compensators may be employed.
- (b) Any claims for shortage in quantity or defects in quality of the Product must be made by written notice to Seller within 30 days after Delivery; otherwise any such claim shall be deemed to have been waived.
- (c) The quality of the Product shall be usual production quality being sold by Seller or Seller's supplier at the time and place of Delivery. The quality of the Product shall be strictly maintained by Buyer and/or its dealer ("Buyer"), and shall not be adulterated, commingled, or blended with any other products or substances in any manner.
- (d) SELLER MAKES NO WARRANTY OF ANY KIND WHATSOEVER, EXPRESSED OR IMPLIED, AND ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND OTHER WARRANTIES OF WHATEVER KIND ARE HEREBY DISCLAIMED BY SELLER AND EXCLUDED. IN NO EVENT SHALL SELLER BE LIABLE FOR CONSEQUENTIAL, INDIRECT OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION EXTRA EXPENSE, LOSS OF PROFITS, LOSS OF USE OF PRODUCT, DELAY OR DAMAGES CONSEQUENTIAL UPON LOSS OF USE WHETHER RESULTING FROM NEGLIGENCE OR BREACH OF THIS CONTRACT BY SELLER AND EVEN IF THE POSSIBILITY OF SUCH DAMAGES IS OR WAS FORESEEABLE BY SELLER.
- (e) Buyer represents that it is familiar with the Product and the characteristics thereof, and subject to section 1(d) herein, assumes all risks whatsoever resulting from Buyer's (or its customers) handling, storage, sales, transportation, use, misuse or disposal of the Product, whether used singly or in combination with other substances or in any process, including but not limited to, liability for environmental violations and employee or consumer health or safety, and Buyer shall indemnify, defend and hold harmless Seller from and against any and all liability occurring or arising therefrom. Buyer agrees that all Product shall be clearly identified, correctly labeled, and resold under their proper grades.
- (f) Disclaimer: Due to uncertainties in the long-term supply situation, Seller may not have sufficient supplies of one or more of the fuels covered by this Agreement to meet full requirements. In the case of partial or total interruption of supply, Seller may allocate deliveries on any basis which in Seller's sole and absolute discretion is fair and reasonable, allowing for such priorities as Seller deems appropriate.

**2. Purchase Price and Payment**

Buyer agrees to pay Seller the purchase price of the Product immediately upon Delivery, without deduction, setoffs or counterclaims of any kind. Any claims of Buyer against Seller with respect to the Product shall be considered separately from payment of the purchase price. In the event payment is not made on time, time being of the essence in this regard, Buyer shall pay Seller daily interest on the late payment at the rate of 1.5% per month or at the maximum rate permitted by law. Unless and until all payments due under this Agreement have been paid to Seller, Seller shall have no obligation to deliver to Buyer, or allow pick by Buyer of, additional Product, unless Buyer pays for said Product C.O.D. in cash or certified funds.

**3. Title and Risk of Loss**

Title to and risk of loss for the Product passes from Seller to Buyer at the time and place of Delivery.

**4. Delivery**

- (a) Delivery occurs when the Product passes from Seller's delivery line into the receiving connection of Buyer's tank or other receptacle (collectively, "Tanks"), Buyer picks up the Product, or the Product is otherwise placed in possession of Buyer or its representatives.
- (b) All Product shall be delivered to Buyer's ship-to or delivery location or picked up by Buyer at Seller's rack or refinery rack. Buyer shall exercise the highest degree of care to avoid any spillage of Product or any injury or harm to any third person or to property. At all times during Delivery or when services are being furnished, an employee or agent of Buyer shall be in charge, custody and control of any Tank of Buyer's being delivered to or serviced by Seller, and Seller shall at no time be considered a bailee of or as having care, custody or control of such Tanks. Buyer shall have qualified personnel or representatives on hand to accept and sign for Delivery.
- (c) It is Buyer's responsibility at all times to ensure that its Tanks have sufficient Product in them for any purpose for which the Buyer uses them or requires the Product, and Seller shall have no liability or responsibility for any claims, damages, or injury whatsoever arising out of or resulting from insufficient Product in any of Buyer's Tanks.

**5. Taxes, Tariffs and Fees**

All taxes, tariffs and fees, now or hereafter imposed by federal, state, local or foreign governments and regulatory authorities, in respect to or measured by the Product delivered hereunder or the manufacture, importation, storage, delivery, transfer, pipeline throughput, receipt, exchange, measurement or inspection thereof, shall be for the sole account of the Buyer. Buyer shall reimburse Seller upon receipt of invoice for any such taxes or fees legally required to be paid and paid by Seller in respect of the Product delivered by Seller to Buyer.

**6. Exceptions**

No delay or failure by either party to carry out or to observe any of the terms, provisions or conditions of this Agreement shall be deemed to be a breach of this Agreement if such failure or omission shall be excused by law or if the same shall be caused by or arise out of an event not in the control of Seller including but not limited to war, hostilities, acts of the public enemy or of belligerents, sabotage, blockage, revolution, insurrection, riot or disorder, arrest or restraint of princes, rulers or peoples, expropriation, requisition, confiscation or nationalization, embargoes, export or import restrictions or rationing or allocation, whether imposed by law, decree or regulation or by voluntary cooperation of industry at the insistence or request of any governmental authority or person purporting to act under some constitution, decree, law or otherwise, act of God, fire, frost or ice, earthquake,

storm, lightning, tide, tidal wave or perils of the sea, accidents of navigation or breakdown or injury of vessels, loss of tanker tonnage due to sinking by belligerents or to governmental taking, whether or not by formal requisition, accidents to or closing of harbors, docks, canals, channels or other assistances to or adjuncts of shipping or navigation, epidemic, quarantine, strikes or combination of workmen, lockouts, or other labor disturbances, explosion, accidents by fire or otherwise to wells, pipes, storage facilities, refineries, installations, machinery or other facilities, unavailability of Product or materials or equipment, or any event, matter or thing wherever occurring and whether or not of the same class or kind as those above set forth.

#### 7. Breach

Damages for breach of this Agreement shall include all provable damages, and all costs of suit and attorney fees incurred in any action or arbitration proceeding hereunder.

#### 8. Indemnity

Buyer shall indemnify, defend, and hold harmless Seller, its officers, employees, and agents from and against any claim and/or liability of any kind whatsoever for any injury to or death of any person, or any damage to or destruction of, loss of or delay in delivery of, any property of any person, or any property of Buyer, arising out of or resulting from (a) breach of this Agreement by Buyer, (b) Buyer's negligence or willful misconduct, (c) Buyer's handling, storage, sales, transportation, use, misuse or disposal of the product purchased hereunder, including but not limited to, liability for environmental violations and employee or consumer health or safety, and (d) the furnishing of services by Seller pursuant to this Agreement; provided, however, that the foregoing indemnification shall not apply to any such claim or liability resulting from the gross negligence or willful misconduct of Seller, its officers, agents or employees. Furthermore, Buyer waives any and all rights of subrogation it may have now or hereafter arising out of any claim, dispute or proceeding related to this Agreement. This clause shall survive the term of this Agreement.

#### 9. Pollution Prevention and Responsibility

In the event a spill, escape or discharge of oil or other product occurs during Delivery and causes or threatens to cause pollution damage ("Spill"), Buyer and Seller shall promptly take whatever measures are necessary to prevent or mitigate such damage. Any and all costs or expenses incurred as a result of any measures so taken shall be at the expense of the spilling party. The spilling party shall be responsible to indemnify, defend and hold harmless the other party from any and all claims, costs, expenses, cleanup costs, fines, losses, penalties, damages or other liability incurred by the other party as a result of the Spill. This duty to indemnify, defend, and hold harmless shall be owed to Seller without regard to the negligence or fault of Seller, except to the extent the negligence or other fault of Seller is a proximate cause of the Spill, in which case Seller shall be responsible only for reasonable costs and expenses attributable to that portion of the Spill.

#### 10. Termination

Seller may terminate this Agreement immediately for any of the following reasons: (a) Buyer's failure to comply with any material provision of the Agreement including, but not limited to, Buyer's failure to pay to Seller all sums due; (b) Buyer's bankruptcy or insolvency, Buyer's fraud or criminal conduct related to the operation of Buyer's business, or Buyer's conviction of any felony involving moral turpitude; (c) Buyer's willful adulteration, mislabeling, or misbranding of motor fuels; (d) Buyer's knowing failure to comply with any laws relevant to the operation of Buyer's business; (e) Seller decides to withdraw from marketing of the Product in the area; or (f) any other ground for which termination is otherwise allowed by law or which Seller, in its sole discretion, determines is reasonable under the circumstances.

#### 11. Miscellaneous

- (a) **Construction:** No waiver by either party of any breach of any of the covenants or conditions herein contained to be performed by the other party shall be construed as a waiver of any succeeding breach of the same or any other covenant or condition. This agreement cannot be modified in any way except in writing signed by the parties.
- (b) **Definitions:** As used in this Agreement, "gallon" shall mean a U.S. standard gallon of 231 cubic inches at 60 degrees Fahrenheit.
- (c) **Assignment:** Buyer may not assign this Agreement in whole or in part nor may it cause any or all of its obligations hereunder to be performed by others, without the prior written consent of Seller.
- (d) **Performance and Waivers:** Any waiver by either party of strict performance with regard to any of the terms, conditions or provisions of this Agreement must be in writing, executed by such party to be effective, and such waiver shall not be deemed a waiver of such party's rights to insist upon strict performance of all portions of this Agreement not waived, and strict performance thereafter of provisions presently waived.
- (e) **Governing Law:** This agreement shall be governed by the laws of the State of Alaska and shall have exclusive venue in Anchorage. The non-prevailing party agrees to pay the prevailing party's commercially reasonable legal fees.
- (f) **Change in Law:** Seller may, in the event of statutory or regulatory changes, administrative or judicial action, add a fee for the term of this Agreement to address the additional cost of doing business.
- (g) **Entire Agreement:** These terms and conditions, and any attachments hereto or referred to specifically herein constitute the entire agreement between the parties with respect to the subject matter hereof and all prior written and oral agreements with respect to the sale of the Product are superseded by and fully integrated into this Agreement. Seller's acceptance of the transaction represented by this Agreement is limited to the terms and conditions hereof. Any written confirmation of this Agreement, or of any oral understanding upon which the sales confirmation is based, containing proposals or terms additional to or different from those set forth herein are not binding on Seller unless Seller expressly agrees to any such proposal or term in writing. Buyer's performance of any of its obligations hereunder shall constitute acceptance by Buyer of this Agreement and all of its terms and conditions.
- (h) **Conflicting Language:** In the event of conflicting language between Part I Fuel Supply Agreement (Commercial) and Part II Standard Terms & Conditions (Commercial), the wording of Part I shall control.



5300 A Street  
Anchorage, AK 99518

December 5, 2024

City Clerk  
City of Kotzebue  
258-A Third Avenue  
Kotzebue, AK 99752

RE: Request For Proposal – RFP # 2024-05

City Clerk,

We are pleased to provide a response to the City of Kotzebue's fuel RFP for service in 2025. We have been looking forward to the opportunity to provide a proposal to the City of Kotzebue for this service for many years. We understand how critical the fuel supply is for the City of Kotzebue so we waited until we were 100% prepared to provide best in class service for the City before submitting a proposal. Storage tanks are topped off with more than enough product to support your requirement, preseason maintenance is complete, and our full staff is trained and ready to go.

Included in our proposal is the Fixed Fee Schedule, The City of Kotzebue Non-Collusion Clause and a draft fuel supply agreement. The extension option of the draft fuel supply agreement would allow additional savings for the City of Kotzebue. Often, the lowest fuel price of the year is available in the winter. Many Vitus customers in Western Alaska take that opportunity to lock in a lower price for summer shipments during the preceding winter months. The 2026 delivery option could take advantage of that.

We look forward to the opportunity to become the City of Kotzebue's fuel provider. If you have any questions or concerns about our proposal please don't hesitate to reach out. I can be reached via phone or email any time.

Warm Regards,

*Mike Poston*

Mike Poston  
Director of Sales  
907-538-2198  
Mike.poston@vitusmarine.com

**CITY OF KOTZEBUE**  
**REQUEST FOR PROPOSAL - RFP #2024-05 HEATING FUEL DELIVERY SERVICE**  
**FROM JANUARY 1, 2025 THROUGH DECEMBER 31, 2025**

I am authorized by my company to bid on the Heating Fuel Delivery Service to the City of Kotzebue. I agree to the terms and conditions of the "Heating Fuel Delivery Service Agreement" and bid as follows:

| Item |                                         | Price Per Gallon |
|------|-----------------------------------------|------------------|
| Item | Heating Fuel Delivery Service Agreement | \$ 6.52 _____    |
| Item | Ultra Low Sulfur Diesel                 | \$ 6.52 _____    |
| Item | Gasoline                                | \$6.52 _____     |

Vitus Terminals LLC

Company Name

5300 A Street

Company Address

Anchorage, AK 99518

Company Address

907-278-6700

Company Telephone

907-278-6701

Company Fax

mike.poston@vitusmarine.com

Company e-mail Address

12/05/2024

Date

Mike Poston

Signature of Authorized Representative

Mike Poston

Printed Name of Authorized Representative

Director of Sales

Title

prices listed are before any applicable tax and based on award of all items

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.

Mike Poston  
Signature of Authorized Representative

Mike Poston  
Printed Name of Authorized Representative

Vitus Terminals LLC  
Company Name

12/04/2024  
Date

Director of Sales  
Title



**FUEL PURCHASE AGREEMENT**  
**(Shoreside – Multi-Year Requirements)**

This Fuel Purchase Agreement (“Agreement”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Vitus Terminals LLC (“Seller”), an Alaska limited liability company, whose address is 5300 A Street, Anchorage, Alaska 99518, and \_\_\_\_\_ (“Buyer”), whose address is \_\_\_\_\_.

1. **Term of Contract: Purchase and Sale.** The term of this Agreement shall commence on \_\_\_\_\_ (the “Commencement Date”) and shall continue for a period of 1 year with 2 options to renew for additional 1 year periods. Subject to the terms and conditions of this Agreement, Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, all of Buyer’s Product Requirements for each Agreement Year during the term of this Agreement.

2. **Product and Product Requirements.**

a. **Definitions.** As used herein,

(1) An “Agreement Year” is each period of January 1st of one calendar year through December 31st of the same calendar year during the term of this Agreement

(2) Each of the below-defined fuel types refers to fuel identified by Vitus’s supplier as meeting the ASTM specifications listed below for that fuel type:

| Fuel Type      | ASTM Specifications Per Vitus’s Supplier |
|----------------|------------------------------------------|
| “Unleaded”     | ASTM D4814.                              |
| “Heating Fuel” | ASTM D975, D396, D975, D1655 or D3699    |
| “ULSD 1”       | ASTM D975 or D1655                       |

(3) “Product” shall refer, collectively and severally, to all fuel types defined in the preceding subsection (a)(2).

(4) “Product Requirements” means all of Buyer’s requirements for Product during each Agreement Year during the term of this Agreement, and in any event not less than the minimum annual quantities specified in the following subsection (b).

b. **First Agreement Year and Estimated Annual Quantities.** Buyer’s Product Requirements for each Agreement Year shall be an estimate of:

| Type         | Quantity (in gallons) |
|--------------|-----------------------|
| Unleaded     | 17,000                |
| Heating Fuel | 85,000                |
| ULSD #1      | 22,000                |

c. **Product Requirements Notice.** On or before each anniversary of the Commencement Date, Buyer shall provide Seller with written notice of Buyer’s Product Requirements for the following Agreement Year (the “Product Requirements Notice”); provided, that Buyer’s Product Requirements shall not be less than the quantities specified in subsection (b) above. If Buyer fails to provide the Product Requirements Notice as and when provided for in the preceding sentence, Buyer’s Product Requirements for the following Agreement Year shall be deemed to be the same as Buyer’s last effective Product Requirements.

d. **Quantity Adjustments.** Buyer may increase or decrease its Product Requirements for a particular Product for

Vitus Energy LLC \* 5300 A Street \* Anchorage, AK 99518  
Tel: 907 793-9700 \* Fax: 907 793-9701 \* Email: Sales \* Web: vitus-energy.com

the first Agreement Year by up to 20% in excess of the quantity specified in subsection (b) above, and may increase or decrease its Products Requirements for a particular Product for any subsequent Agreement Year by up to 20% in excess of the quantity specified in the Product Requirements Notice for that Agreement Year, by providing Seller with written notice of such adjustment prior to May 1 of the Agreement Year for which such adjustment is to be effective.

e. Unanticipated Requirements. If Buyer learns that its requirements for a particular Product for the first Agreement Year are more than 20% in excess of the quantity specified in subsection (b) above, or if Buyer learns that its requirements for a particular Product for a subsequent Agreement Year are more than 20% in excess of the quantity specified in a Product Requirements Notice, Buyer shall give prompt written notice (the "Excess Requirements Notice") to Seller of such excess requirements (the "Excess Requirements") to Seller, but Seller shall have no obligation to supply additional Product to meet the Excess Requirements. Within ten days after receiving the Excess Requirements Notice, Seller shall give written notice to Buyer as to whether Seller agrees to supply additional Product to meet some or all of the Excess Requirements. If Seller agrees to supply additional Product to meet some or all of the Excess Requirements, then such additional Product as Seller agrees to supply shall be included in Buyer's Product Requirements for such Agreement Year. If and to the extent Seller does not agree to supply additional Product necessary to meet the Excess Requirements, Seller shall have no obligation to supply such additional Product to Buyer, and Buyer shall have no obligation to purchase such additional Product from Seller.

f. Requirements Contract. Except as expressly otherwise provided in this Agreement, Buyer shall purchase from Seller all Product required by Buyer during the term of this Agreement, and Buyer may not cancel or reduce its Product Requirements without Seller's consent, which consent may be withheld for any or no reason at Seller's absolute discretion. Without limiting the preceding sentence, Seller may condition any consent to cancellation or reduction in Product Requirements upon payment of Seller's lost profits resulting from such cancellation or reduction. Seller's remedies for breach in the event it does not consent to cancellation or reduction by Buyer of its Product Requirements shall not be limited by this paragraph.

3. Delivery.

a. Definitions. As used herein,

(1) "Delivery Location" means the following location: locations identified on City of Kotzebue RFP #2024-05

(2) "Tank" means, for a given type of Product, a storage tank or tanks located in the Delivery Location and designated by Buyer to receive delivery of that Product.

(3) "Seller's Storage Facility" means the fuel storage facility located at: Kotzebue Alaska

b. Number and Means of Deliveries. Delivery shall be (check box):

in multiple deliveries between \_\_\_\_\_ (insert date) and \_\_\_\_\_ (insert date) of each Agreement Year, during Seller's regular business hours, to a Tank, and each delivery of Product shall be initiated by an order from Buyer specifying the quantity of Product for that delivery.

in multiple deliveries between \_\_\_\_\_ (insert date) and \_\_\_\_\_ (insert date) of each Agreement Year, during Seller's regular business hours, to a Tank on an automatic-fill ("Auto-Fill") basis.

The following special terms shall apply in regards to delivery: Fill schedule will be based on the City of Kotzebue RFP #2024-05 or other schedule mutually agreed between City of Kotzebue and Vitus Terminals LLC, \_\_\_\_\_

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4. Price. The price per gallon of a particular Product delivered under this Agreement, exclusive of taxes and any other amounts provided for in the Standard Terms and Conditions attached hereto as Exhibit A, shall be (check box)

Fixed Price:

| <u>Type</u>  | <u>Price Per Gallon</u> |
|--------------|-------------------------|
| Unleaded     | \$6.62 _____            |
| Heating Fuel | \$6.62 _____            |
| ULSD # 1     | \$6.62 _____            |

Adjusted Base Price:

| <u>Type</u>  | <u>Price Per Gallon</u>                                    |
|--------------|------------------------------------------------------------|
| Unleaded     | Seller's Base Price for the Delivery Location, less \$.__. |
| Heating Fuel | Seller's Base Price for the Delivery Location, less \$.__. |
| ULSD # 1     | Seller's Base Price for the Delivery Location, less \$.__. |

Special terms regarding price: Fixed price above is applicable for the first year of the fuel supply agreement. Changes in Pricing for Option Years will be negotiated between City of Kotzebue and Vitus Terminals based on market changes in the cost of petroleum products.

5. Payment. Unless Seller has entered into a separate credit agreement with Buyer, or has otherwise agreed in a signed writing, payment shall be made in advance, and Seller shall not be under any obligation to deliver Product if payment has not first been received by Seller in accordance with this Agreement. Payment shall be made without deduction, setoff, or counterclaim of any kind. In the event Buyer fails to pay as and when due any amount required to be paid under this Agreement, and in addition to any other remedies available to Seller by reason of Buyer's default, Seller may charge interest on all amounts due under this Agreement at the rate of 1.5% per month or the maximum rate of interest allowed under AS 45.45.010(b), whichever is less.

6. Standard Terms and Conditions. **BUYER HAS READ AND AGREES TO THE ATTACHED STANDARD TERMS AND CONDITIONS, WHICH STANDARD TERMS AND CONDITIONS ARE INCORPORATED IN AND MADE A PART OF THIS AGREEMENT.**

SELLER:  
Vitus Energy, LLC

BUYER:  
\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Vitus Energy LLC \* 5300 A Street \* Anchorage, AK 99518  
Tel: 907 793-9700 \* Fax: 907 793-9701 \* Email: Sales \* Web: vitus-energy.com

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**STANDARD TERMS AND CONDITIONS**  
**READ THIS CAREFULLY!**

1. **Definitions.**

a. As used in these Standard Terms and Conditions:

- i. "Agreement" means the agreement that incorporates and includes these Standard Terms and Conditions.
- ii. "Seller" means Vitus Energy LLC.
- iii. "Buyer" means the Customer or Buyer as identified or defined in this Agreement.
- iv. "Product" means all fuel or other petroleum products being purchased by Buyer under this Agreement.
- v. "Seller's Storage Facility" means the facility in which Vitus stores Product intended for sale to Buyer.
- vi. "Tank" means any storage tank(s) into which Product is to be delivered under this Agreement.
- vii. "Buyer's Storage Facility" means any facilities to which Product is to be delivered under this Agreement and all

improvements, Tank, pipes, valves, fixtures, and equipment that comprise such facilities.

b. Notwithstanding the foregoing, if a capitalized term is defined elsewhere in this Agreement, then such capitalized term shall have the meaning as elsewhere defined in this Agreement.

2. **Term and Termination.** This Agreement shall continue until such time as it is terminated as provided in the following sentence. Either party may terminate this Agreement, for any or no reason, by giving written notice to the other in accordance with paragraph 22 below.

3. **Pricing.**

a. As used in this Agreement, "Base Price" means Seller's base price for that Product, as of the date of delivery, for the community in which delivery is being made. Unless expressly otherwise provided in this Agreement, the price of a given Product shall be Seller's Base Price. If a particular delivery is commenced on one day and completed on another, the date of delivery shall be deemed to be the date the delivery was commenced. Any agreed discount will be deducted from the Base Price prior to invoicing. The Base Price is subject to change without notice. Vitus will upon request provide Buyer with the Base Price for a given Product, as of the time of the request, for any community to which such Product is being delivered under this Agreement.

b. If the price of a given Product under this Agreement is indexed against a price given by a reporting service or other price index, then:

i. Price shall be determined as of the day of delivery.

ii. If the reporting service or other price index becomes discontinued, a similar reporting service or comparable index will be adopted by agreement of the parties. If an agreement cannot be reached between Seller and Buyer within ten (10) days after termination of the affected price reporting service or other price index, the issue will be promptly submitted to binding arbitration before a single arbitrator for a ruling as soon as reasonably possible. The arbitration shall be governed by the Alaska Revised Uniform Arbitration Act, AS 09.43.300-.595. Venue for such arbitration shall be exclusively in Anchorage, Alaska

4. **Payment and Taxes.**

a. Unless credit terms have been established, payment for the Product is due in advance of delivery. There shall be added to the price of each Product, and Buyer shall pay, any and all taxes, now or hereafter imposed by any governmental authority or any tribal authority in respect to or measured by the Product delivered hereunder or by the manufacture, storage, delivery, receipt, exchange or inspection thereof. If Buyer claims an exemption, Buyer shall provide Seller with copies of the applicable tax certificates establishing such exemption.

b. **Budget Billing Option.** As used in this Agreement, "Budget Billing Option" means the arrangement provided for in this subsection (b), which arrangement is available only if elected by Buyer and agreed to by Seller in writing. Under the Budget Billing Option, Seller shall invoice Buyer for, and Buyer shall pay Seller, a level monthly amount (the "Budget Billing Amount") each month for each type of Product delivered to Buyer over the course of a calendar year (the "Budget Billing Year"), on and subject to the following terms:

i. The initial amount of each Budget Billing Amount shall be the product of Buyer's annual estimated annual needs for a given Product in gallons (the "Budget Billing Estimated Volume") divided by 10 and multiplied by a per gallon price set by Seller in its sole discretion for billing purposes only (the "Budget Billing Nominal Price"). The Budget Billing Nominal Price for a given Product may vary between Buyers.

ii. Seller shall set the start of the Budget Billing Year.

iii. Buyer shall be and remain liable for the actual price of all delivered Product regardless of the Budget Billing Nominal Price and regardless of the amount of the Budget Billing Amount.

iv. After each Budget Billing Year, the following shall occur (the "True-Up"): If the total actual price of all Product delivered during the Budget Billing Year exceeds the total amount paid by Buyer during the Budget Billing Year, Seller shall invoice Buyer for the difference, and Buyer shall pay Seller the same within thirty (30) days of such invoice; but if the total actual price of all Product delivered during the Budget Billing Year is less than total amount paid by Seller during the Budget Billing Year, then Seller shall pay Buyer, within sixty (60) days after the end of the Budget Billing Year, an amount equal to the difference.

v. Seller may increase the amount of the Budget Billing Nominal Price and, as a result, the amount of the Budget Billing Amount, from time to time whenever Seller believes in good faith that, without such increase, the total amount that will be invoiced to Buyer for a given Product over the course of the Budget Billing Year will be less than actual total price for such Product.

vi. Seller may increase the amount the Budget Billing Estimated Volume and, as a result, the amount of the Budget Billing Amount, from time to time whenever Seller in good faith believes that, without such increase, the total amount of Product that Seller anticipates it will deliver to Buyer over the course of the Budget Billing Year will exceed the Budget Billing Estimated Volume.

vii. Once elected by Buyer and agreed to by Seller, the Budget Billing Option will continue from year to year unless and until cancelled, so long as Buyer provides Seller with an updated Budget Billing Estimated Volume not less than one (1) month in advance of each new Budget Billing Year.

viii. Seller may cancel the Budget Billing Option without notice if Buyer fails to pay any invoice for the Budget Billing Amount. Without limiting the preceding sentence, either Buyer or Seller may cancel the Budget Billing Option for any or no reason by giving written notice to the other party. In the event the Budget Billing Option is cancelled, a True-Up shall be done as though the Budget Billing Year at the end of the day on the date of such cancellation.

5. Delivery

a. If delivery is to a tank truck, then Buyer is subject to the truck vetting requirements of Seller and any third-party owner of Seller's Storage Facility, and Seller or any third-party owner of Seller's Storage Facility may reject a truck for any reason in its sole discretion. Without limiting the preceding sentence, Buyer represents and warrants that each tank truck into which the Product is to be delivered has sufficient unused capacity to accommodate the volume of Product to be delivered to the tank truck; that the tanks of the tank truck are structurally adequate to safely contain the Product when those tanks are filled to capacity; and that the tank truck and all of its tanks, pipes, valves and other parts are in good condition and comply with all applicable federal, state, and local laws and regulations.

b. If delivery is to a storage tank, then:

i. Buyer represents and warrants that Buyer owns or is lawfully in possession and control of the Tank and Buyer's Storage Facility of which it is part and the real property where the Tank and Storage Facility are located. Buyer authorizes Seller and its employees, agents, and contractors to come onto that real property, whether Buyer is present or not, for the purpose of making delivery. Buyer shall take all steps necessary to ensure the safety of persons making the delivery while they are on the property. If Seller believes in its sole discretion that conditions on the property pose any risk to persons making the delivery, the delivery equipment, or the environment, then Seller may refuse to proceed with delivery until such conditions have been remedied.

ii. Buyer represents and warrants that Buyer's Storage Facility is in good condition and complies with all applicable federal, state, and local laws and regulations. Without limiting the preceding sentence, Buyer represents and warrants that the Tank has sufficient unused capacity to accommodate the volume of Product to be delivered; that the Tank is structurally adequate to safely contain the Product, and the Tank base or stand is structurally adequate to safely support the Tank, when the Tank is filled to capacity; that the Tank is structurally adequate to safely contain the Product.

c. If this Agreement calls for "Auto-Fill" delivery or a "Keep Full" Service Level, then:

i. Seller will inspect the Product level in the Tank from time to time as often as Seller believes in good faith is necessary. If the Tank is found to have available storage capacity, Seller shall have the right to deliver Product in any quantity up to that available capacity. Seller shall not have any obligation to deliver unless Seller actually believes that the amount of fuel in the Tank is insufficient to last until the next anticipated delivery, and in such case, Seller shall deliver such amount of fuel as Seller in good faith believes will result in there being a sufficient quantity of fuel Product in the Tank to last until the next anticipated delivery.

d. **Buyer Ultimately Responsible for Fuel Levels. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT (INCLUDING WITHOUT LIMITATION THESE STANDARD TERMS AND CONDITIONS), AND EVEN IF THIS AGREEMENT CALLS FOR "AUTO-FILL" DELIVERY OR A "KEEP FULL" SERVICE LEVEL, BUYER IS SOLELY RESPONSIBLE FOR INSURING THAT BUYER HAS SUFFICIENT PRODUCT IN THE TANK TO MEET BUYER'S NEEDS.** If at any time Buyer determines there is insufficient Product in the Tank, Buyer shall inform Seller, and Seller shall make a delivery as soon as practicable during regular business hours.

e. Seller may require that Buyer or Buyer's designee be present at delivery, and any designee will be deemed to have full authority to act for Buyer with respect to the delivery. Seller may require that Buyer or Buyer's designee sign a meter ticket, receipt, or other proof of delivery of Product, but Buyer is obligated to pay for all delivered Product whether or not Seller requires or obtains such a signature. Buyer acknowledges and agrees that Seller may contract with one or more subcontractors to deliver Product under this Agreement.

6. Title and Risk of Loss. Ownership, title, and risk of loss to Product shall pass to Buyer upon delivery. Without limiting the preceding sentence, Seller is not responsible for theft of Product after it is delivered to Buyer. For waterborne deliveries, delivery is completed when the Product passes the permanent shore pipeline flange or header.

7. Warranties. Seller warrants that the Product shall have been identified by Seller's supplier as conforming to the following ASTM specifications:

- For Unleaded: ASTM D4814
- For ULSD 1 and 2: ASTM D975 or D1655
- For Heating Fuel: ASTM D396 or D975 or D1655 or D3699
- For Propane: ASTM D1835
- For Jet A: ASTM D1655
- For Av 100: ASTM D910

Except that with respect to the ASTM D975 specification for ULSD 1 and 2 and the ASTM D396 or D975 specification for Heating Fuel, Buyer acknowledges that the viscosity of the Product delivered may be less than 1.3

**SELLER MAKES NO FUTHER WARRANTY OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, AND ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE AND OTHER WARRANTIES OF WHATEVER KIND ARE HEREBY DISCLAIMED BY SELLER AND EXCLUDED EXCEPT AS MAY BE REQUIRED BY LAW.** Buyer's sole and exclusive remedy in the event of any breach of warranty shall be as provided for in the following paragraph.

**8. Notice of, and Exclusive Remedy for, Claims Relating to Product or Delivery. ANY CLAIM BY BUYER AGAINST SELLER FOR FAILURE TO DELIVER (INCLUDING WITHOUT LIMITATION FAILURE TO DELIVER CORRECT PRODUCT), SHORTAGE IN QUANTITY, BREACH OF WARRANTY, DEFECTS IN QUALITY, OR ANY OTHER CLAIM RELATING TO THE PRODUCT OR THE DELIVERY THEREOF IS CONCLUSIVELY WAIVED UNLESS NOTICE OF SUCH CLAIM IS GIVEN TO SELLER WITHIN TWENTY (20) DAYS OF THE DATE OF DELIVERY OR, IN THE CASE OF A FAILURE TO MAKE DELIVERY OR SHORTAGE IN QUANTITY, WITHIN TWENTY (20) DAYS OF THE DATE ON WHICH DELIVERY WAS HAVE BEEN MADE. BUYER'S EXCLUSIVE REMEDY IN THE EVENT OF ANY SUCH CLAIM SHALL BE, AT SELLER'S OPTION, REPLACEMENT OR OTHER CURE OF THE DEFECTIVE PRODUCT OR PERFORMANCE, OR RETURN OF SO MUCH OF THE PURCHASE PRICE AS HAS ACTUALLY BEEN PAID BY BUYER AND REMOVAL OF ANY DEFECTIVE PRODUCT.**

**9. Storage Contingency.** This Agreement is contingent upon the continuing availability to Seller, on terms acceptable to Seller, of tank storage space at Seller's Storage Facility. If at any time prior such tank storage space is insufficient to store the Product to be delivered under this Agreement after meeting all of Seller's other fuel storage needs in the geographic location to which delivery is to be made under this Agreement, then Seller shall give prompt notice to Buyer specifying the amount of such insufficiency by Product type, and: (a) Seller's obligation to supply particular Product to Buyer, and Buyer's obligation to purchase that Product from Seller, shall be reduced to the extent of such insufficiency, or, at Buyer's option, (b) Buyer may terminate this Agreement, and in the event of such termination Seller shall refund Buyer an amount equal to the number of gallons of the particular Product paid for by Seller but not delivered prior to the date of Seller's notice times the price specified for such Product in this Agreement, and upon such payment neither party shall have any further obligation under this Agreement.

**10. Pollution.** Buyer shall comply with all federal, state, and local laws and regulations relating to oil spills and water, air, and land pollution. Buyer shall be responsible for all liability and damages, if any, that may result from any spill, leak, venting, or other escape or accidental discharge of Product in connection with the delivery of any Product purchased under this Agreement, and even if caused by Seller's negligence; PROVIDED, however, that Buyer shall not be responsible for damages resulting from any escape or accidental discharge caused solely by Seller's reckless misconduct.

**11. Security Interest.**

a. As security for full and timely performance and payment by Buyer of all indebtedness, liabilities and obligations of Buyer to Seller, whether now existing or later arising, including without limitation payment of all amounts owed by Buyer to Seller for in connection with the purchase of Product under this Agreement, Buyer grants Seller a security interest in the following property of Buyer (collectively, "Collateral"):

All Product and all other petroleum products in which Buyer has or hereafter acquires an interest, wherever located, and however commingled; and all cash and non-cash proceeds (including without limitation accounts receivable) of the foregoing, and all products of the foregoing.

Provided, that if Buyer is purchasing Product from Seller for personal, family, or household purposes, then the Collateral is limited to the Product purchased from Seller, wherever located and however commingled, and all proceeds and products of the same.

b. Buyer has been provided with, has read, and agrees to Seller's Credit Terms and Conditions.

**12. Default.** Buyer shall be in default if Buyer fails to perform, keep, or observe any other term, provision, condition or covenant contained in this Agreement that is required to be performed, kept or observed by Buyer, including without limitation Buyer's failure to purchase from Seller all Product that Buyer is required to purchase from Seller under this Agreement, if such failure continues for ten (10) days after the giving of written notice thereof. In the event of default, Seller may pursue any and all other rights or remedies provided in this Agreement or by law.

**13. Limitation of Liability; Indemnity.** Without limiting paragraph 8 of these Standard Terms and Conditions:

a. **SELLER'S LIABILITY FOR ANY FAILURE TO DELIVER (INCLUDING WITHOUT LIMITATION FAILURE TO DELIVER CORRECT PRODUCT), SHORTAGE IN QUANTITY, BREACH OF WARRANTY, DEFECTS IN QUALITY, OR ANY OTHER CLAIM RELATING TO THE PRODUCT OR THE DELIVERY THEREOF SHALL NOT EXCEED THE DIFFERENCE BETWEEN THE COST OF COVER (WHETHER OR NOT BUYER ACTUALLY COVERS) AND THE PRICE OF SUCH PRODUCT UNDER THIS AGREEMENT. AS USED IN THE PRECEDING SENTENCE, THE "COST OF COVER" IS THE ACTUAL PRICE PAID BY BUYER BY MAKING IN GOOD FAITH AND WITHOUT UNREASONABLE DELAY A REASONABLE PURCHASE OF PRODUCT FROM A THIRD-PARTY SUPPLIER LOCATED IN ALASKA, FOR DELIVERY BY BARGE OR TRUCK IN SUBSTITUTION FOR THE PRODUCT PURCHASED FROM SELLER, BUT NOT INCLUDING BUYER'S OVERHEAD OR ADMINISTRATIVE COSTS. UNDER NO CIRCUMSTANCE SHALL SELLER BE LIABLE FOR THE COST TO HAVE PRODUCT TRANSPORTED BY AIR.**



b. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES OF ANY KIND IN CONNECTION WITH ANY CLAIM, INCLUDING WITHOUT LIMITATION LOST PROFITS OR LOSS OF INCOME EARNING CAPACITY, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

c. WITHOUT LIMITING THE PRECEDING SUBPARAGRAPH (b), UNDER NO CIRCUMSTANCE SHALL SELLER BE LIABLE FOR ANY INJURY OR DAMAGE TO PERSONS OR PROPERTY, INCLUDING WITHOUT LIMITATION ANY INJURY OR DAMAGE RESULTING FROM LACK OF HEAT, THAT RESULTS FROM SELLER'S BREACH OF THIS AGREEMENT, BREACH OF WARRANTY, NEGLIGENCE, OR ANY OTHER ACT OR OMISSION OF SELLER. TO THE FULLEXT EXTENT PERMITTED BY LAW, BUYER AGREES TO INDEMNIFY, DEFEND, AND HOLD SELLER HARMLESS FROM ANY AND ALL CLAIMS AND LIABILITY FOR SUCH INJURY OR DAMAGE.

d. WITHOUT LIMITING THE FOREGOING SUBPARAGRAPHS (b) AND (c), AND NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT TO THE CONTRARY, SELLER'S AGGREGATE LIABILITY FOR ALL CLAIMS OF ANY NATURE WHATSOEVER ARISING OUT OF OR RELATING TO THIS AGREEMENT, PRODUCT, OR SELLER'S ACTS OR OMISSIONS IN CONNECTION WITH THIS AGREEMENT OR PRODUCT, INCLUDING WITHOUT LIMITATION ALL CLAIMS FOR BREACH OF THIS AGREEMENT, BREACH OF WARRANTY, NEGLIGENCE, OR STRICT LIABILITY, SHALL NOT EXCEED THE TOTAL PRICE OF THE PARTICULAR PRODUCT WHICH IS THE SUBJECT OF THE CLAIMS OR THE PARTICULAR DELIVERY(IES) OR OTHER ACTS OR OMISSIONS OF SELLER TO WHICH THE CLAIMS RELATE, LESS ALL AMOUNTS OWING FROM BUYER TO SELLER UNDER THIS AGREEMENT.

14. Indemnity. Buyer hereby agrees to defend, indemnify and hold harmless Seller and Seller's members, managers, officers, employees, trustees, agents, attorneys, insurers, sureties, parent and subsidiary and affiliated entities, successors and assigns, past, present, and future, from and against any and all liabilities, damages, losses, costs and expenses (including attorneys' fees and other expenses of litigation), arising in whole or in part from, or related in any way to (a) any act or omission of Buyer, or any person acting on behalf of Buyer or under Buyer's direction or control, in connection with this Agreement, including without limitation in connection with the delivery or receipt of Product; or (b) unless prohibited by law, any delivery or receipt of Product using a Prokee issued by Seller to Buyer.

15. Measurement. Quantity shall be measured in units of volume identified by Seller unless otherwise required by law. Measurement may be by gauging the Product in the Tank to which delivery is to be made both immediately before and immediately after delivery, or by means of delivery meters, at Seller's option. If measurement of quantity delivered is to be by gauging the Product in the Tank, then Buyer shall give Seller reasonable notice before such measurements are taken, and Seller shall have the right to be present at such measurements. If measurement of quantity delivered is by means of delivery meters, built-in temperature compensators may be employed. Volume measurements shall be taken in accordance with the API Manual of Petroleum Measurement Standards and converted to net gallons at 60° F in accordance with the appropriate Table 6 of ASTM D-1250 in its latest version for the applicable Product. Gross Standard Volume is defined in the January 1982 Annex to Chapter 1 of the API Manual of Petroleum Standards. For purposes of this Agreement, a "gallon" is a U.S. standard gallon of 231 cubic inches at 60° F.

16. Hazardous Nature of Product. Buyer represents and warrants that it is knowledgeable and aware that the Product delivered hereunder is hazardous material and that Buyer is sophisticated and knowledgeable with respect to (i) the hazards and risks associated with such Product, and (ii) the handling, receipt, transportation, storage and use of such Product. If Buyer is purchasing such Product for resale or hereafter resells such Product, Buyer shall transmit to Buyer's customers any health and safety warnings and notices received from Seller promptly after such are furnished to Buyer by Seller, but Seller shall not have any obligation to provide such warnings or notices.

17. Force Majeure. The Seller shall not be liable for failure to perform this contract in whole or in part if such failure is due to strikes, work stoppages or slowdowns, local labor shortages, accidents, fire, storms, flood, late break-up or early freeze-up, riots, war, failure of equipment, delays in transportation, shortages in cars, shortages of fuel, power or materials, laws, regulations or requirements of any government or government agency, acts of God, or other contingencies beyond the reasonable control of the Seller. Without limiting the preceding sentence, the time for Seller to make delivery hereunder shall be extended during any period in which delivery shall be delayed or prevented by reason of any of the foregoing causes. If any delivery hereunder shall be so delayed or prevented for more than thirty (30) days beyond the stated delivery period, Seller may, but is not required to, cancel the delivery or terminate this Agreement without liability to the Buyer.

18. Waiver. The failure of a party to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach hereof shall not constitute a waiver of any provision of this Agreement or limit the party's rights thereafter to enforce any provision or exercise any right, unless such waiver is evidenced in writing and executed by the party.

19. No Third-Party Beneficiaries. This Agreement is not entered into for the benefit of any entity other than the specific parties hereto.

20. Construing of Agreement. The terms of this Agreement shall be construed according to the fair intent of the parties and not for or against either party.

21. Law and Venue; Waiver of Jury Trial. This Agreement is governed by the laws of the State of Alaska. In any dispute arising out of or relating to this Agreement or any of the transactions contemplated herein, jurisdiction and venue shall lie exclusively in the courts at Anchorage, Alaska. **BUYER IRREVOCABLY WAIVES ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT**

**OF OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN.** The prevailing party in any action shall be entitled to an award of its attorney fees and costs.

22. **Notice.** All notices required or permitted to be given under this Agreement shall be in writing and (i) delivered personally to the designated officer of the party to whom directed; or (ii) sent by registered or certified United States mail, postage prepaid, return receipt requested; or (iii) sent by email to receiving party's email address stated in this Agreement.

23. **Integration and Modification.** This Agreement, including these Standard Terms and Conditions and any other exhibits to, or attachments referenced in, this Agreement, constitutes the entire sole understanding of the parties with respect to the subject matter herein and supersedes any prior oral or written representations or agreements concerning the same. Buyer warrants that it is not relying on any representations other than those contained in this Agreement. No modification of this Agreement shall be binding unless such modification is in writing and executed by both parties subsequent to the date hereof.