

CITY OF BETHEL

City Council Meeting Agenda, August 13, 2019 – 6:30 PM

Website: <https://www.cityofbethel.org/council>

Location: Council Chambers, City Hall, 300 Chief Eddie Hoffman Highway, Bethel

Council Members: Fred Watson, Mayor; Thor Williams, Vice-Mayor; Leif Albertson; Mitchell Forbes; Perry Barr; Carole Jung-Jordan; Fritz Charles



1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. PEOPLE TO BE HEARD – FIVE MINUTES PER PERSON

5. APPROVAL OF CONSENT AGENDA AND REGULAR AGENDA

6. APPROVAL OF MEETING MINUTES

- 6.1. *7-23-2019 Regular City Council Meeting
- 6.2. *8-5-2019 Special City Council Meeting

7. REPORTS OF STANDING COMMITTEES

8. SPECIAL ORDER OF BUSINESS

- 8.1. Fiscal Year 2018 Audit Report From Altman, Rogers And Co. (Acting City Manager Howell)

9. UNFINISHED BUSINESS

- 9.1. Public Hearing Of Ordinance 19-15: Submitting To The Qualified Voters Of The City Of Bethel, On October 1, 2019, A Ballot Proposition Initiated Through Alcohol Local Option Petition (Mayor Watson)
- 9.2. Public Hearing Of Ordinance 19-16: Submitting To The Qualified Voters Of The City Of Bethel, On October 1, 2019, A Ballot Proposition Initiated Through Marijuana Local Option Petition (Mayor Watson)
- 9.3. Public Hearing Of Budget Ordinance 19-11(b): Amending The Adopted Annual FY 2020 Budget-Landfill-Streets and Roads (Acting City Manager Howell)
- 9.4. Public Hearing Of Budget Ordinance 19-11(c): Amending The Adopted Annual FY 2020 Budget-Property Maintenance (Acting City Manager Howell)

10. NEW BUSINESS

- 10.1. *Introduction Of Ordinance 19-17: Repealing Chapter 2.23, Parks And Recreation Department Of The Bethel Municipal Code (Vice- Mayor Williams)
- 10.2. *Resolution 19-09: Protesting The Issuance Of A Retail Marijuana License To Alaskan Grown Cannabis License No. 20439, Alaskan Grown Products, LLC Proposing To Operation At 230 Tundra Way, Bethel (Council Member Jung-

Posted August 7, 2019 at City Hall, AC Co., Swanson's, and the Post Office.

Kevin Morgan, Asst. City Clerk

City Clerk's Office Contact Information: Email cityclerk@cityofbethel.net Phone 907-543-1384

Items noted with an asterisk (*) are consent agenda items, unless removed from the consent agenda they are approved upon the approval of the agenda. Ordinances introduced at this meeting may be set for public hearing at the next regular meeting.

The Council may by unanimous consent, after 12:00 AM Fix the Time to Which To Adjourn until the following day at 6:30 PM

Jordan)

- 10.3. *Resolution 19-10: Authorizing The Issuance Of A Utility Revenue Bond Of The City In A Principal Amount Not To Exceed \$8,250,000 To Finance The Avenues Water And Wastewater Utility Project; Creating A Lien On Net Revenues Of The City's Water And Wastewater Utility System For The Payment Of The Bond; Providing For The Date, Terms And Covenants Of The Bond; And Authorizing The Sale Of The Bond To First National Bank Alaska, Pursuant To The Terms And Conditions Provided In This Resolution; And Related Matters (Acting City Manager Howell)
- 10.4. *AM 19-45 Appointment of Commission/Committee Members: Gary Fredericks- Finance Committee; Stanley Hoffman Jr.- Planning Commission; Jim Chevigny- Finance Committee, Port Commission; Marybeth Whalen- Finance Committee (Mayor Watson)
- 10.5. AM 19-47: Authorize The Acting City Manager To Negotiate And Execute And Agreement With The University Of Alaska To Authorize The Financial Contributions To The University Of Alaska Cooperative Extension 4-H Program (Acting City Manager Howell)
- 10.6. AM 19-48 Authorize The City Manager To Negotiate And Execute A Purchase Agreement With Quality Equipment And Sales, LLC.. For The Purchase Of A Sander Box (Acting City Manager Howell)
- 10.7. AM 19-49: Authorize The City Manager To Negotiate And Execute A Purchase Agreement With Totem Equipment And Supply, Inc. For The Purchase Of A Self-Contained Culvert Road Steamer (Acting City Manager Howell)
- 10.8. AM 19-50: Direct Administration To Negotiate And Execute A Memorandum Of Understanding Or Similar Agreement Between The City Of Bethel And Orutsarmuit Native Council For The City To Manage The Purchase And Installation Of Up To \$89,000 Worth Of Expenditures On The Pinky's Park Boardwalk Lighting Project (Acting City Manager Howell)
- 10.9. AM 19-51: Authorize The City Manager To Negotiate And Execute A Purchase Agreement With Delta Western For The Bulk Purchase Of Glycol (Acting City Manager Howell)
- 10.10. *IM 19-08: Presentation Of The City's Water & Sewer Services Expenditures Compared To Budget From July 1, 2019 To July 31, 2019 – Utilities Maintenance – Water & Wastewater Activity Report (Acting City Manager Howell)
- 10.11. *Personal Leave Request- Acting City Manager- September 1-30th (Acting City Manager Howell)

11. REPORTS

- 11.1. Mayor's Report
- 11.2. City Manager's Report
- 11.3. Clerk's Report

12. COUNCIL MEMBER COMMENTS

13. EXECUTIVE SESSION

14. ADJOURNMENT

Posted August 7, 2019 at City Hall, AC Co., Swanson's, and the Post Office.

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The Council may by unanimous consent, after 12:00 AM Fix the Time to Which To Adjourn until the following day at 6:30 PM

1. CALL TO ORDER

A Regular Meeting of the Bethel City Council was held on July 23, 2019 at 6:30 p.m., in the Council chambers, Bethel, Alaska.

Mayor Watson called the meeting to order at 6:30 p.m.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Comprising a quorum of the Council, the following members were present:
Council Member Carole Jung-Jordan Council Member Leif Albertson Council Member Perry Barr Council Member Fritz Charles Council Member Mitchell Forbes Mayor Fred Watson Vice-Mayor Thor Williams
Members Absent:
Also in attendance were the following:
Acting City Manager Bill Howell, City Attorney Patty Burley, City Clerk Lori Strickler

4. PEOPLE TO BE HEARD – Five minutes per person

Alyssa Gustafson- Spoke in favor of Ordinance 19-14 but questioned the Council's amendment to increase the daily limits of bottle sales from two bottles to five bottles per vendor per day.

Ruth Miller - Presented the Council Members with concerns related to the conduct of some of the Council Members and identified her intent of submitting a recall petition for some of the members.

Mary Nanuwak - Thanked council members who have done their job in servicing the public.

Dave Pflieger, CEO of Ravn Air Group- Thanked the City and the residents of Bethel. Offered to provide the Council and Administration some more detail on their operation.

Cezary Maczynski - Brought up concerns of the tug boats parking next to the sea wall where there are homes. The smoke from the boats are getting into the homes on the river front. Asked the City to consider options to prevent the continued parking of the boats on the seawall next to residential properties.

5. APPROVAL OF CONSENT AGENDA AND REGULAR AGENDA

Main Motion: Approve the Consent and Regular Agenda.

Moved by:	Perry Barr
Seconded by:	Thor Williams

Remove Items 10.1, 10.2, 10.3, 10.4 -Vice-Mayor Williams.

Remove Items 10.5 - Council Member Forbes.

In favor:	Carole Jung-Jordan, Leif Albertson, Perry Barr, Fritz Charles, Mitchell Forbes, Fred Watson, Thor Williams
Opposed:	None
Results:	Motion Carries

6. APPROVAL OF MEETING MINUTES

Item 6.1. - *7-3-2019 Special City Council Meeting
Passed on the consent agenda.

Item 6.2. - *7-9-2019 Regular City Council Meeting
Passed on the consent agenda.

7. REPORTS OF STANDING COMMITTEES

Item 7.1. - Committee/Commission Agendas And Draft Meeting Minutes
Port Commission, Mayor Watson-
A meeting has not been held.

Planning Commission, Vice-Mayor Williams-
A meeting was not held due to a lack of a quorum.

Community Action Grant Technical Review Board, Council Member Albertson-
A meeting has not been held since the last City Council Meeting.

Parks, Recreation, Aquatic Health and Safety Center Committee, Council Member Forbes-
A meeting was not held since the last City Council Meeting.

Finance Committee, Council Member Barr-
A meeting was held yesterday. Reminded the public that there are still vacancies on the Committee. Reviewed roles and responsibilities of the Finance Committee. Working with City Attorney on 4.16.180 Special Exemptions for Charitable Events.

Public Works Committee, Council Member Jung-Jordan-
The Committee discussed adopting a dumpster program. Discussed the option of a Code Enforcer Officer.

Public Safety and Transportation Commission, Council Member Charles-
A meeting has not been held since the last City Council Meeting.

8. SPECIAL ORDER OF BUSINESS

Item 8.1. - United States Census Overview From Donna Bach, Tribal Partnership Specialist (Mayor Watson)

9. UNFINISHED BUSINESS

Item 9.1. - Public Hearing Of Budget Ordinance 19-11(a) Amending the Adopted Annual FY 2020 Budget-Administration-Clerk's Office-Planning-Attorney- Bethel Heights Water Treatment Facility (Acting City Manager Howell)
Main Motion: Adopt Budget Ordinance 19-11(a).

Moved by: | Perry Barr

Seconded by:	Mitchell Forbes
In favor:	Carole Jung-Jordan, Leif Albertson, Perry Barr, Fritz Charles, Mitchell Forbes, Fred Watson, Thor Williams
Opposed:	None
Results:	Motion Carries

Primary Amendment to insert:

Whereas; The City Attorney's budget contains \$65,000 for surveys of municipal land, a project the City Attorney will not complete in her remaining months of service and an amount that can be reallocated;

Whereas; Administration and the City Clerk's Office need a legal fees budget to cover the cost of transition between City Attorneys.

Whereas; The City Council, under Action Memorandum 19-40 approved the use of Gov HR for Recruitment services with the associated increase of \$16,000 to the City Clerk's Office line item 10-52-644 for services.

Insert under 10-52-644 Consulting Services \$16,000.

Moved by:	Mitchell Forbes
Seconded by:	Perry Barr
In favor:	Carole Jung-Jordan, Leif Albertson, Perry Barr, Fritz Charles, Mitchell Forbes, Fred Watson, Thor Williams
Opposed:	None
Results:	Motion Carries

Primary Amendment to strike Budget Modification C.

Moved by:	Thor Williams
Seconded by:	Fritz Charles
In favor:	Carole Jung-Jordan, Fritz Charles, Thor Williams
Opposed:	Leif Albertson, Mitchell Forbes, Fred Watson, Perry Barr
Results:	Motion Does not Carry

Item 9.2. -

Public Hearing Of Ordinance 19-14: Amending Title 5.08 Alcoholic Beverages
(Council Member Albertson)

Mayor Watson opened the Public Hearing.

Alyssa Gustafson - Spoke in favor of this ordinance and encouraged the Council to amend the ordinance back to a two bottle limit.

Mary Nanuwak - Spoke in favor of this ordinance.

Todd Perez, Caribou Liquor Representative- Suggested the Council reduce the maximum number of bottles from five bottles a day to a lower number of bottles.

Mayor Watson closed the Public Hearing.

Main Motion: Adopt Ordinance 19-14.

Moved by:	Mitchell Forbes
Seconded by:	Leif Albertson
In favor:	Carole Jung-Jordan, Leif Albertson, Perry Barr, Fritz Charles, Mitchell Forbes, Fred Watson, Thor Williams
Opposed:	None
Results:	Motion Carries

Primary Amendment 5.08.130 to strike "five" and insert "two".

Moved by:	Mitchell Forbes
Seconded by:	Leif Albertson
In favor:	Carole Jung-Jordan, Leif Albertson, Fritz Charles, Mitchell Forbes, Fred Watson, Thor Williams
Opposed:	Perry Barr
Results:	Motion Carries

Secondary amendment to strike "two" and insert "three".

Moved by:	Fritz Charles
Seconded by:	Carole Jung-Jordan
In favor:	Carole Jung-Jordan, Leif Albertson, Fritz Charles, Fred Watson, Thor Williams
Opposed:	Perry Barr, Mitchell Forbes
Results:	Motion Carries

Primary Amendment 5.08.110 Operation of licensed premises to strike "between 8:00 p.m. and the closing hour " and insert "at least three hours prior to the closing of the licensed premises.

Moved by:	Perry Barr
Seconded by:	Leif Albertson
In favor:	None
Opposed:	Carole Jung-Jordan, Leif Albertson, Perry Barr, Fritz Charles, Mitchell Forbes, Fred Watson, Thor Williams
Results:	Motion Fails

Primary Amendment to insert under BMC 5.08.110 Subsection D "each premises licensed under AS 4.11.150, Package Store License shall employ at least one person who shall be on duty at least three hours prior to closing of the licensed premises"

Moved by:	Perry Barr
Seconded by:	Leif Albertson
In favor:	Carole Jung-Jordan, Leif Albertson, Perry Barr, Fritz Charles, Mitchell Forbes, Fred Watson, Thor Williams
Opposed:	None
Results:	Motion Carries

Amend to strike three hours and insert two hours prior to closing and one hour following the closing of the premises.

Moved by:	Thor Williams
Seconded by:	Leif Albertson
In favor:	Carole Jung-Jordan, Leif Albertson, Perry Barr, Fritz Charles, Mitchell Forbes, Fred Watson, Thor Williams
Opposed:	None
Results:	Motion Carries

10. NEW BUSINESS

Item 10.1. - *Introduction Of Ordinance 19-15: Submitting To The Qualified Voters Of The City Of Bethel, On October 1, 2019, A Ballot Proposition Initiated Through Alcohol Local Option Petition (Mayor Watson)

Main Motion: Introduce Ordinance 19-15.

Moved by:	Mitchell Forbes
Seconded by:	Leif Albertson
In favor:	Carole Jung-Jordan, Leif Albertson, Perry Barr, Fritz Charles, Mitchell Forbes, Fred Watson, Thor Williams
Opposed:	None
Results:	Motion Carries

Item 10.2. - *Introduction Of Ordinance 19-16: Submitting To The Qualified Voters Of The City Of Bethel, On October 1, 2019, A Ballot Proposition Initiated Through Marijuana Local Option Petition (Mayor Watson)

Main Motion: Introduce Ordinance 19-16.

Moved by:	Leif Albertson
Seconded by:	Perry Barr
In favor:	Carole Jung-Jordan, Leif Albertson, Perry Barr, Fritz Charles, Mitchell Forbes, Fred Watson, Thor Williams

Opposed: | None
Results: | Motion Carries

IMPARTIAL SUMMARY OF THE BALLOT QUESTION

~~A yes vote on this ballot question means you DO NOT support the operation of any marijuana businesses within the community of Bethel.~~

A yes vote on this ballot question means you want the community of Bethel to fall under local option, preventing the operation of any marijuana businesses within the community of Bethel.

Marijuana businesses are summarized below.

~~A no vote on this ballot question means you DO support the operation of any marijuana business within the community of Bethel.~~

A no vote on this ballot question means you want the community of Bethel to remain out of local option, allowing for the operation of marijuana businesses within the community of Bethel.

Marijuana businesses are summarized below.

Moved by: | Fritz Charles
Seconded by: | Carole Jung-Jordan
In favor: | Carole Jung-Jordan, Leif Albertson, Perry Barr, Fritz Charles, Mitchell Forbes, Fred Watson, Thor Williams
Opposed: | None
Results: | Motion Carries

Item 10.3. - *Introduction Of Budget Ordinance 19-11(b): Amending The Adopted Annual FY 2020 Budget-Landfill-Streets and Roads (Acting City Manager Howell)

Main Motion: Introduce Budget Ordinance 19-11(b).

Moved by: | Leif Albertson
Seconded by: | Perry Barr
In favor: | Carole Jung-Jordan, Leif Albertson, Perry Barr, Fritz Charles, Mitchell Forbes, Fred Watson, Thor Williams
Opposed: | None
Results: | Motion Carries

Item 10.4. - *Introduction Of Budget Ordinance 19-11(c): Amending The Adopted Annual FY 2020 Budget-Property Maintenance (Acting City Manager Howell)

Main Motion: Introduce Budget Ordinance 19-11(c).

Moved by:	Perry Barr
Seconded by:	Mitchell Forbes
In favor:	Carole Jung-Jordan, Leif Albertson, Perry Barr, Fritz Charles, Mitchell Forbes, Fred Watson
Opposed:	Thor Williams
Results:	Motion Carries

Suspend the rules to hear from Property Maintenance Foreman Corbin Ford.

Moved by:	Perry Barr
Seconded by:	Thor Williams
In favor:	Carole Jung-Jordan, Leif Albertson, Perry Barr, Fritz Charles, Mitchell Forbes, Fred Watson, Thor Williams
Opposed:	None
Results:	Motion Carries

Item 10.5. - *Resolution 19-08: A Resolution By The Bethel City Council Supporting The 2020 Census And Confirming The Participation In A Complete Count Committee (Council Member Forbes)

Main Motion: Adopt Resolution 19-08.

Moved by:	Mitchell Forbes
Seconded by:	Leif Albertson
In favor:	Carole Jung-Jordan, Leif Albertson, Perry Barr, Fritz Charles, Mitchell Forbes, Fred Watson, Thor Williams
Opposed:	None
Results:	Motion Carries

Item 10.6. - AM 19-43: Authorize The Administrative Profile And Job Announcement For The City Manager Recruitment Process (Mayor Watson)

Main Motion: Approve AM 19-43.

Moved by:	Perry Barr
Seconded by:	Mitchell Forbes
In favor:	Carole Jung-Jordan, Leif Albertson, Perry Barr, Fritz Charles, Mitchell Forbes, Fred Watson, Thor Williams
Opposed:	None
Results:	Motion Carries

Direct Gov HR to remove the Opportunities listing preventing the acting City Manager

to hire a Planner and/or Chief of Police.

Moved by:	Mitchell Forbes
Seconded by:	Leif Albertson
In favor:	Carole Jung-Jordan, Leif Albertson, Perry Barr, Fritz Charles, Mitchell Forbes, Fred Watson
Opposed:	Thor Williams
Results:	Motion Carries

Item 10.7. - AM 19-44: Negotiate And Execute Contract With KNIK Construction To Provide Hot Mix Asphalt Paving Services To The City Of Bethel During The Period July 1, 2019 To September 30, 2019 (Acting City Manager Howell)

Main Motion: Approve AM 19-44.

Moved by:	Leif Albertson
Seconded by:	Fritz Charles
In favor:	Carole Jung-Jordan, Leif Albertson, Perry Barr, Fritz Charles, Mitchell Forbes, Fred Watson, Thor Williams
Opposed:	None
Results:	Motion Carries

Item 10.8. - Review Administrative Report And Marijuana Retail Store Application For Alaska Grown Products, LLC. License Number 20439, Operation Location 230 Tundra Way, Bethel AK. 99559 (Mayor Watson)

11. REPORTS

Item 11.1. - Mayor's Report

Item 11.2. - City Manager's Report

Item 11.3. - Clerk's Report

12. COUNCIL MEMBER COMMENTS

Mayor Watson-
Encouraged people to use life vests when on the river.

Vice-Mayor Williams-
Wished his Wife a Happy Birthday and appreciates her support for him.
Great time to go fishing, remember to wear your PFDs.
Bethel Wrestling Camp Starts August 3rd.
Increases to PCE will cost our communities tremendously.
Shout out to Nick Phillips for his 30 years of service to the City.
Addressed the concerns brought up by members of the public, encouraged people to run for City Council.

Council Member Albertson-
No comment.

Council Member Forbes-
Encouraged people to consider running for the City Council.

Council Member Barr-
No Comment.

Council Member Jung-Jordan
No comment.

Council Member Charles-
No Comment.

13. EXECUTIVE SESSION

Item 13.1. - In Accordance with AS 44.62.310 (c)(1): Matters, The Immediate Knowledge Of Which Would Clearly Have An Adverse Effect Upon The Finances Of The Public Entity And AS 44.62.6310 (c)(4): Matters Involving Consideration Of Government Records That By Law Are Not Subject To Public Disclosure- Maczynski v. City of Bethel (4BE-18-I65-CI)

Main Motion: Move into Executive Session- In Accordance with AS 44.62.310 (c)(1): Matters, The Immediate Knowledge Of Which Would Clearly Have An Adverse Effect Upon The Finances Of The Public Entity And AS 44.62.6310 (c)(4): Matters Involving Consideration Of Government Records That By Law Are Not Subject To Public Disclosure- Maczynski v. City of Bethel (4BE-18-I65-CI)

Moved by: | Perry Barr

Seconded by:	Thor Williams
In favor:	Carole Jung-Jordan, Leif Albertson, Perry Barr, Fritz Charles, Mitchell Forbes, Fred Watson, Thor Williams
Opposed:	None
Results:	Motion Carries

Item 13.2. - Board Of Ethics Deliberative Session Case Number 19-03 (Mayor Watson Presiding Officer)

Mayor Fred Watson determined that Vice-Mayor Williams, Council Member Albertson, and Council Member Forbes have a Conflict of Interest and will not be participating in Board of Ethics Deliberative Session Case Number 19-03. After being dismissed, they departed the meeting.

Main Motion: Move into Executive Session for Board Of Ethics Deliberative Session Case Number 19-03.

Moved by:	Perry Barr
Seconded by:	Fritz Charles

In favor:	Carole Jung-Jordan, Perry Barr, Fritz Charles, Fred Watson
Opposed:	None
Results:	Motion Carries

14. ADJOURNMENT

Main Motion: Adjournment.

Moved by:	Fritz Charles
Seconded by:	Carole Jung-Jordan
In favor:	Carole Jung-Jordan, Perry Barr, Fritz Charles, Fred Watson
Opposed:	None
Results:	Motion Carries

Meeting ended at 11:51 p.m.

Fred Watson, Mayor

ATTEST:

Lori Strickler, City Clerk

1. CALL TO ORDER

A Special Meeting of the Bethel City Council was held on August 5, 2019 at 12:00 noon, in the Council chambers, Bethel, Alaska.

Mayor Watson called the meeting to order at 12:00 noon.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Comprising a quorum of the Council, the following members were present:
Council Member Leif Albertson Council Member Fritz Charles Council Member Mitchell Forbes Mayor Fred Watson Vice-Mayor Thor Williams
Members Absent:
Council Member Carole Jung-Jordan Council Member Perry Barr
Also in attendance were the following:
City Clerk Lori Strickler

4. PEOPLE TO BE HEARD – Five minutes per person

No one present to be heard.

5. APPROVAL OF AGENDA

Approval of the agenda.

Moved by:	Mitchell Forbes
Seconded by:	Fritz Charles
In favor:	Leif Albertson, Fritz Charles, Mitchell Forbes, Fred Watson, Thor Williams
Opposed:	None
Results:	Motion Carries

6. NEW BUSINESS

Item 6.1. - AM 19-46: Authorizing the City Attorney Profile for Recruitment Process (Mayor Watson)

Approve AM 19-46.

Moved by:	Thor Williams
Seconded by:	Mitchell Forbes
In favor:	Leif Albertson, Fritz Charles, Mitchell Forbes, Fred Watson, Thor Williams
Opposed:	None
Results:	Motion Carries

Amend to allow one year, from the date of hire, to become a barred attorney in the State.

Moved by:	Thor Williams
Seconded by:	Mitchell Forbes
In favor:	Leif Albertson, Fritz Charles, Mitchell Forbes, Fred Watson, Thor Williams
Opposed:	None
Results:	Motion Carries

Amend the primary amendment to strike "one year" and insert "four months".

Moved by:	Leif Albertson
Seconded by:	Mitchell Forbes
In favor:	Leif Albertson, Fritz Charles, Mitchell Forbes, Fred Watson, Thor Williams
Opposed:	None
Results:	Motion Carries

7. ADJOURNMENT

Main Motion: Adjournment.

Moved by:	Thor Williams
Seconded by:	Leif Albertson
In favor:	Leif Albertson, Fritz Charles, Mitchell Forbes, Fred Watson, Thor Williams
Opposed:	None

Results: | Motion Carries

Meeting Adjourned at 12:14 P.M

Fred Watson, Mayor

ATTEST:

Lori Strickler, City Clerk

CITY OF BETHEL

Letter to the Governing Board

Year Ended June 30, 2018

City of Bethel
Letter to the Governing Board
Year Ended June 30, 2018

July 1, 2019

Members of the City Council
City of Bethel
Bethel, Alaska

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining funds information of City of Bethel (the City) as of and for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards, Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the State of Alaska Audit Guide and Compliance Supplement for State Single Audits, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 6, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Accounting Policies and Transactions

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note I to the financial statements.

As discussed in Note I to the financial statements, the City of Bethel participates in the Alaska Public Employees' Retirement System (PERS). In 2018, the City of Bethel adopted the provisions of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which, among other accounting and reporting criteria, requires the City of Bethel to recognize its proportional share of the net other postemployment benefit plans (OPEB) liability (and related deferred inflow/outflow accounts), as of the beginning of the City of Bethel's fiscal year.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the government wide financial statements were:

Government-wide, Business-type Activities and Enterprise Funds Opinion Units

Management's estimate of the useful lives and depreciation is based upon the expected life of an asset. We evaluated the key factors and assumptions used to develop the useful lives and depreciation expense in determining that it is reasonable in relation to the financial statements as a whole.

Management's estimates of the City's proportionate share of the collective net pension liability and related deferred outflows and inflows of resources are based on information furnished by the State of Alaska and actuarial reports generated during the audit of the Public Employees' Retirement System. The amortization of these deferrals is based on guidance provided by the Governmental Accounting Standards Board. We evaluated the key factors and assumptions used to develop the estimates of the City's proportionate share of the collective net pension liability and deferred outflows and inflows of resources and related amortization in determining that it is reasonable in relation to the financial statements as a whole.

Business-type Activities and Enterprise Funds Opinion Units

Management's estimate of landfill usage to calculate the liability for the closure and post closure of the landfill. These estimates are based on engineering surveys. We evaluated the key factors and assumptions used to develop the estimated liability for the closure and post closure activities of the landfill to determine its reasonableness in relation to the financial statements taken as a whole.

All Opinion Units

Management's estimate of the collectability of accounts receivable is based on historical collections and analysis of individual balances. We evaluated the key factors and assumptions used to develop the estimated allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

The financial statements disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered significant delays in receiving required audit documentation, which resulted in significant delays in completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The following misstatements detected as a result of audit procedures were corrected by management:

- \$21,876 adjustment from the net of stale deposits and dated checks.
- \$17,457 adjustment from additional stale deposits.
- (\$14,496) adjustment from additional stale checks.
- (\$30,040) adjustment from over accrued AP at year end.

Disagreements with Management

For the purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of the audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 1, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Internal Controls

See the June 30, 2018 financial statements, compliance reports for the definition and description of deficiencies, significant deficiencies, material weaknesses and any reported findings.

Accounting Assistance

As part of our engagement we drafted the basic financial statements of the City from the City’s accounting records; however, management of the City was involved in the drafting process and retains responsibility for the basic financial statements.

Other Audit Findings or issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Supplementary Information Accompanying the Financial Statements

We applied certain limited procedures to the, Budgetary Comparison Schedules, and Schedules of the City’s Proportionate Share of Net Pension/OPEB Liability and the City’s Contributions to the Public Employees’ Retirement System, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the information listed in the table of contents as “Additional Supplementary Information”, which includes the Non-major Governmental Funds: Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances; General Fund: Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual; Non-major Special Revenue Funds: Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (where applicable); Proprietary Funds: Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, and Statements of Cash Flows; the Schedule of Expenditures of Federal Awards and Schedule of State Financial Assistance, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This communication is intended solely for the information and use of management, members of the governing board and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely

A handwritten signature in cursive script that reads "Altman, Rogers & Co.".

Anchorage, Alaska

CITY OF BETHEL

Basic Financial Statements, Required Supplementary
Information, Additional Supplementary Information
and Compliance Reports

Year Ended June 30, 2018

CITY OF BETHEL

Basic Financial Statements, Required Supplementary
Information, Additional Supplementary Information
and Compliance Reports

Year Ended June 30, 2018

CITY OF BETHEL

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Independent Auditor's Report

Members of the City Council
City of Bethel
Bethel, Alaska

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bethel as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Bethel's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bethel, Alaska, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note XVIII to the financial statements, in 2018 the City of Bethel adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of the City's Proportionate Share of the Net Pension Liability, Schedule of the City's Proportionate Share of the Net OPEB Liability, Schedule of the City's Contributions (Pensions), Schedule of the City's Contributions (OPEB), and the Schedule of Revenues, Expenditures and Changes in Fund Balance – Original and Final Budget and Actual for the General Fund and the Lagoon Upgrade Design Special Revenue Fund on pages 47-52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bethel, Alaska basic financial statements. The Information listed in the Table of Contents as “Additional Supplementary Information” including combining and individual major and non-major schedules and statements, budget to actual schedules, and the Schedule of Expenditures of Federal Awards and related notes, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Schedule of State Financial Assistance and related notes which is presented as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* are presented for purposes of additional analysis, and are not a required part of the basic financial statements.

The “Additional Supplementary Information” is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the “Additional Supplementary Information” is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2019, on our consideration of the City of Bethel’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Bethel’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bethel’s internal control over financial reporting and compliance.

Altman, Rogers & Co.

Anchorage, Alaska
July 1, 2019

City of Bethel, Alaska
Statement of Net Position
June 30, 2018

	Governmental Activities	Business-type Activities	Total
Assets and Deferred Outflows of Resources			
Current assets:			
Cash and cash equivalents	\$ 7,492,417	15,220,738	22,713,155
Accounts receivable (net)	1,565,740	1,170,606	2,736,346
Grants receivable	4,106,831	-	4,106,831
Inventory	382,859	166,456	549,315
Prepaid items	20,629	-	20,629
Internal balances	3,134,475	(3,134,475)	-
Investments	3,912,222	1,181,131	5,093,353
Total current assets	20,615,173	14,604,456	35,219,629
Long-term assets:			
Restricted cash	-	217,445	217,445
Capital assets not being depreciated	40,437,673	14,798,220	55,235,893
Depreciable capital assets	30,469,697	102,486,724	132,956,421
Accumulated depreciation	(20,072,293)	(46,227,755)	(66,300,048)
Net capital assets	50,835,077	71,057,189	121,892,266
Deferred outflows of resources:			
Pension and OPEB deferrals	793,705	588,499	1,382,204
Total long-term assets and deferred outflows of resources	51,628,782	71,863,133	123,491,915
Total assets and deferred outflows of resources	\$ 72,243,955	86,467,589	158,711,544
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 3,534,121	291,485	3,825,606
Accrued payroll	242,755	105,042	347,797
Accrued liabilities	15,156	-	15,156
Utility deposits	-	358,528	358,528
Unearned revenue	27,454	51,135	78,589
Accrued interest payable	-	7,754	7,754
Total current liabilities	3,819,486	813,944	4,633,430
Long-term liabilities:			
Due within one year:			
Accrued leave	402,369	205,732	608,101
Bonds payable	-	165,000	165,000
Note payable - current	40,862	-	40,862
Due in more than one year:			
Note payable	709,043	-	709,043
Bonds payable	-	1,835,000	1,835,000
Unamortized bond premium	-	268,280	268,280
Landfill closure costs	-	2,517,098	2,517,098
Net pension and OPEB liabilities	6,834,183	4,491,330	11,325,513
Total long-term liabilities	7,986,457	9,482,440	17,468,897
Deferred inflows of resources:			
Pension and OPEB deferrals	1,414,522	767,547	2,182,069
Total liabilities and deferred inflows of resources	13,220,465	11,063,931	24,284,396
Net position:			
Net investment in capital assets	50,085,172	68,788,909	118,874,081
Restricted	103,616	217,445	321,061
Unrestricted	8,834,702	6,397,304	15,232,006
Total net position	59,023,490	75,403,658	134,427,148
Total liabilities, deferred inflows of resources and net position	\$ 72,243,955	86,467,589	158,711,544

See accompanying notes to basic financial statements.

City of Bethel, Alaska

Statement of Activities

Year Ended June 30, 2018

	Expenses	Indirect Costs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business type Activities	Total
Governmental activities:								
General government	\$ 2,807,014	(760,371)	304,610	924,858	-	(817,175)	-	(817,175)
Public safety	4,723,846	-	179,728	64,173	91,342	(4,388,603)	-	(4,388,603)
Public works	2,695,266	-	-	63,442	9,642,953	7,011,129	-	7,011,129
Community services	208,400	-	-	232,613	-	24,213	-	24,213
Total governmental activities	<u>10,434,526</u>	<u>(760,371)</u>	<u>484,338</u>	<u>1,285,086</u>	<u>9,734,295</u>	<u>1,829,564</u>	<u>-</u>	<u>1,829,564</u>
Business-type activities:								
Water and sewer utility	5,826,591	588,218	6,958,047	-	-	-	543,238	543,238
Municipal dock	1,345,559	82,447	1,131,172	-	-	-	(296,834)	(296,834)
Rental property	665,587	-	724,026	-	-	-	58,439	58,439
Solid waste	727,650	89,706	1,189,349	-	-	-	371,993	371,993
Multi-use recreation facility	2,024,380	-	495,196	-	-	-	(1,529,184)	(1,529,184)
Public transit	440,955	-	32,513	191,193	-	-	(217,249)	(217,249)
Total business-type activities	<u>11,030,722</u>	<u>760,371</u>	<u>10,530,303</u>	<u>191,193</u>	<u>-</u>	<u>-</u>	<u>(1,069,597)</u>	<u>(1,069,597)</u>
Total primary government	<u>\$ 21,465,248</u>	<u>-</u>	<u>11,014,641</u>	<u>1,476,279</u>	<u>9,734,295</u>	<u>1,829,564</u>	<u>(1,069,597)</u>	<u>759,967</u>
General revenues:								
Taxes, including penalties and interest						8,161,802	-	8,161,802
Investment income						221,579	63,702	285,281
Permits, licenses and fees						677,402	-	677,402
State PERS relief						124,798	133,120	257,918
Other						442,719	13,884	456,603
Transfers						(534,789)	534,789	-
Transfer of capital assets						(9,057,572)	9,057,572	-
Total general revenues and transfers						<u>35,939</u>	<u>9,803,067</u>	<u>9,839,006</u>
Change in net position						<u>1,865,503</u>	<u>8,733,470</u>	<u>10,598,973</u>
Net position, beginning of year						58,665,563	67,478,397	126,143,960
Cumulative effect of a change in accounting principle						<u>(1,507,576)</u>	<u>(808,209)</u>	<u>(2,315,785)</u>
Net position, beginning of year, as restated						<u>57,157,987</u>	<u>66,670,188</u>	<u>123,828,175</u>
Net Position, end of year						<u>\$ 59,023,490</u>	<u>75,403,658</u>	<u>134,427,148</u>

See accompanying notes to basic financial statements.

City of Bethel, Alaska

Balance Sheet - Governmental Funds

June 30, 2018

	General Fund	Lagoon Upgrade Design Special Revenue Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 5,760,779	-	1,731,638	7,492,417
Receivables, net	1,565,740	-	-	1,565,740
Grants receivable	-	2,460,701	1,646,130	4,106,831
Inventory	126,163	-	-	126,163
Prepaid items	20,629	-	-	20,629
Investments	2,459,853	-	1,452,369	3,912,222
Due from other funds	1,249,545	-	-	1,249,545
Due from enterprise funds	923,581	-	-	923,581
Advances to enterprise funds	2,925,628	-	-	2,925,628
Total assets	\$ 15,031,918	2,460,701	4,830,137	22,322,756
Liabilities, Deferred Inflows and Fund Balances				
Liabilities				
Accounts payable	177,417	2,358,550	604,727	3,140,694
Accrued payroll	224,671	-	7,717	232,388
Accrued liabilities	15,156	-	-	15,156
Due to other funds	-	102,151	1,147,394	1,249,545
Unearned revenue	19,984	-	7,470	27,454
Total liabilities	\$ 437,228	2,460,701	1,767,308	4,665,237
Deferred inflows of resources				
Taxes	75,109	-	-	75,109
Fund balances				
Nonspendable	3,072,420	-	-	3,072,420
Restricted	-	-	103,616	103,616
Committed	-	-	1,880,328	1,880,328
Assigned	-	-	1,140,267	1,140,267
Unassigned	11,447,161	-	(61,382)	11,385,779
Total fund balances	14,519,581	-	3,062,829	17,582,410
Total liabilities, deferred inflows and fund balances	\$ 15,031,918	2,460,701	4,830,137	22,322,756

See accompanying notes to basic financial statements.

City of Bethel, Alaska

Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position

June 30, 2018

Total fund balances for governmental funds			\$ 17,582,410
Total net position reported for governmental activities in the Statement of Net Position is different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:			
Capital assets not being depreciated:			
Land	39,481,784		
Construction in progress	955,889		
Total capital assets not being depreciated		40,437,673	
Depreciable capital assets:			
Improvements	2,003,841		
Buildings	12,542,773		
Equipment	4,541,234		
Infrastructure	9,692,527		
Vehicles	1,689,322		
Total depreciable capital assets		30,469,697	
Accumulated depreciation		(20,072,293)	
Total capital assets			50,835,077
Sales taxes not collected within 60 days of year end are not deemed available and are reported as unearned revenues in the fund statements.			75,109
Long term liabilities are not deemed due and payable in the current period and are therefore not reported as governmental fund liabilities.			
Long-term debt		(749,905)	
Accrued leave		(387,704)	(1,137,609)
Changes in deferred inflows and outflows of resources are the results of timing difference in the actuarial report:			
Pension and OPEB related assets in the current fiscal year are presented as deferred outflows of resources			793,705
Pension and OPEB related liabilities in the current fiscal year are presented as deferred inflows of resources			(1,414,522)
Proportional share of the collective net pension and OPEB liabilities			(6,834,183)
Internal service funds are used by the City to charge the cost of health insurance, and vehicle and equipment maintenance to individual funds. Internal service fund assets and liabilities are included with governmental activities in the Statement of Net Position.			
Less amount reported for capital assets above		(874,270)	
		(2,227)	
			(876,497)
Total net position of governmental activities			\$ 59,023,490

See accompanying notes to basic financial statements.

City of Bethel, Alaska

Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds

Year Ended June 30, 2018

	General Fund	Lagoon Upgrade Design Special Revenue Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Intergovernmental:				
Federal sources	\$ 886,218	5,023,199	848,579	6,757,996
State of Alaska	429,408	1,674,400	2,471,596	4,575,404
Local Sources:				
Taxes	8,412,391	-	-	8,412,391
Charges for services	33,326	-	146,402	179,728
Rental income	2,675	-	-	2,675
Permits, licenses and fees	677,402	-	-	677,402
Income from investments	209,741	-	11,838	221,579
Miscellaneous	319,724	-	88,012	407,736
In-kind	-	-	32,308	32,308
Total revenues	10,970,885	6,697,599	3,598,735	21,267,219
Expenditures				
Current:				
General government	1,981,274	-	-	1,981,274
Public safety	3,920,097	-	622,950	4,543,047
Public works	2,499,571	365	11,000	2,510,936
Community services	207,900	-	500	208,400
Debt service:				
Interest expense	10,122	-	-	10,122
Debt service payments	61,095	-	-	61,095
Capital outlay	1,298,564	6,697,599	2,945,391	10,941,554
Total expenditures	9,978,623	6,697,964	3,579,841	20,256,428
Excess (deficiency) of revenues over expenditures	992,262	(365)	18,894	1,010,791
Other Financing Sources (Uses)				
Debt proceeds	811,000	-	-	811,000
Transfers to enterprise funds	(534,789)	-	-	(534,789)
Transfers in	17,618	365	25,708	43,691
Transfers (out)	(21,251)	-	(22,440)	(43,691)
Net other financing sources (uses)	272,578	365	3,268	276,211
Net change in fund balances	1,264,840	-	22,162	1,287,002
Fund Balances, beginning of year	13,254,741	-	3,040,667	16,295,408
Fund Balances, end of year	\$ 14,519,581	-	3,062,829	17,582,410

See accompanying notes to basic financial statements.

City of Bethel, Alaska

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended June 30, 2018

Net change in fund balances - total governmental funds		\$	1,287,002
The change in net position reported for governmental activities in the Statement of Activities is different because:			
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlay	10,941,862		
Depreciation	(849,245)		
			10,092,617
Transfer of capital assets to business type-activities			(9,057,572)
Loss on disposal of capital assets			(9,091)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the increase (decrease) in unavailable tax revenue.			(250,589)
The issuance of long-term debt (e.g. bonds, notes, and accrued leave) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Difference in the treatment of long-term debt and related items include:			
Accrued leave decrease	10,112		
Increase in the collective share of the net pension and OPEB liabilities	2,928,267		
Debt proceeds	(811,000)		
Debt payments	61,095		
			2,188,474
Changes in deferred outflows and inflows of resources are the result of timing differences in the actuarial report. Contributions to the pension and OPEB plan in the current fiscal year are expenditures in the fund financial statements but are presented as changes in deferred outflows of resources in the government-wide statements.			(2,349,840)
Internal service funds are used by management to charge the cost of certain activities to individual funds. The net loss of the internal service funds (excluding the portion allocated to business-type activities) is reported within the governmental activities	(32,642)		
Add change attributable to accrued leave above	(6,263)		
Less change attributable to depreciation above	3,407		
			(35,498)
Change in net position of governmental activities		\$	<u><u>1,865,503</u></u>

See accompanying notes to basic financial statements.

City of Bethel, Alaska

Statements of Net Position

Proprietary Funds

June 30, 2018

	Major Enterprise Funds							Internal Service Funds
	Water and Sewer Utility	Municipal Dock	Rental Property	Solid Waste	Multi-Use Recreation Center	Nonmajor Enterprise Fund	Total Enterprise Funds	
Assets and Deferred Outflows of Resources								
Current assets:								
Cash and cash equivalents	\$ 3,504,091	2,949,484	891,963	4,275,420	3,599,780	-	15,220,738	-
Accounts receivable (net)	704,238	346,556	3,235	116,577	-	-	1,170,606	-
Inventory	65,550	63,201	6,614	3,276	23,179	4,636	166,456	256,696
Investments	-	1,181,131	-	-	-	-	1,181,131	-
Total current assets	<u>4,273,879</u>	<u>4,540,372</u>	<u>901,812</u>	<u>4,395,273</u>	<u>3,622,959</u>	<u>4,636</u>	<u>17,738,931</u>	<u>256,696</u>
Long-term assets:								
Restricted cash - bond reserve	-	-	217,445	-	-	-	217,445	-
Capital assets:								
Land	-	2,237,356	43,000	18,252	-	-	2,298,608	-
Construction in progress	11,314,993	1,167,200	17,419	-	-	-	12,499,612	-
Depreciable assets	34,982,564	32,779,185	9,876,329	1,186,265	23,297,167	365,214	102,486,724	86,902
Less accumulated depreciation	<u>(26,151,767)</u>	<u>(10,727,190)</u>	<u>(5,376,069)</u>	<u>(712,219)</u>	<u>(2,990,940)</u>	<u>(269,570)</u>	<u>(46,227,755)</u>	<u>(84,675)</u>
Net capital assets	<u>20,145,790</u>	<u>25,456,551</u>	<u>4,560,679</u>	<u>492,298</u>	<u>20,306,227</u>	<u>95,644</u>	<u>71,057,189</u>	<u>2,227</u>
Total long-term assets	<u>20,145,790</u>	<u>25,456,551</u>	<u>4,778,124</u>	<u>492,298</u>	<u>20,306,227</u>	<u>95,644</u>	<u>71,274,634</u>	<u>2,227</u>
Deferred outflows of resources -								
Pension and OPEB deferrals	458,063	55,060	-	54,539	-	20,837	588,499	-
Total assets and deferred outflows of resources	<u>\$ 24,877,732</u>	<u>30,051,983</u>	<u>5,679,936</u>	<u>4,942,110</u>	<u>23,929,186</u>	<u>121,117</u>	<u>89,602,064</u>	<u>258,923</u>

(Continued)

City of Bethel, Alaska

Statements of Net Position , Continued

Proprietary Funds

	Major Enterprise Funds						Total Enterprise Funds	Internal Service Funds
	Water and Sewer Utility	Municipal Dock	Rental Property	Solid Waste	Multi-Use Recreation Center	Nonmajor Enterprise Fund		
Liabilities, Deferred Inflows of Resources and Net Position								
Liabilities:								
Current liabilities:								
Accounts and claims payable	138,405	13,356	21,943	7,447	106,670	3,664	291,485	393,427
Accrued payroll	74,828	13,764	-	9,933	-	6,517	105,042	10,367
Accrued leave	133,319	11,909	-	35,750	-	24,754	205,732	14,665
Deposits	358,528	-	-	-	-	-	358,528	-
Unearned revenue	-	-	51,135	-	-	-	51,135	-
Due to other funds	-	-	-	-	-	208,847	208,847	714,734
Current portion - bonds payable	-	-	165,000	-	-	-	165,000	-
Accrued interest payable	-	-	7,754	-	-	-	7,754	-
Total current liabilities	705,080	39,029	245,832	53,130	106,670	243,782	1,393,523	1,133,193
Long-term liabilities:								
Advances from other funds	1,996,668	-	928,960	-	-	-	2,925,628	-
Bonds payable, net of current portion	-	-	1,835,000	-	-	-	1,835,000	-
Unamortized bond premium	-	-	268,280	-	-	-	268,280	-
Landfill closure costs	-	-	-	2,517,098	-	-	2,517,098	-
Net pension and OPEB liabilities	3,445,694	374,317	-	449,216	-	222,103	4,491,330	-
Total long-term liabilities	5,442,362	374,317	3,032,240	2,966,314	-	222,103	12,037,336	-
Deferred inflows of resources -								
Pension and OPEB deferrals	572,924	49,400	-	87,240	-	57,983	767,547	-
Total liabilities and deferred inflows of resources	6,720,366	462,746	3,278,072	3,106,684	106,670	523,868	14,198,406	1,133,193
Net position:								
Net investment in capital assets	20,145,790	25,456,551	2,292,399	492,298	20,306,227	95,644	68,788,909	2,227
Restricted	-	-	217,445	-	-	-	217,445	-
Unrestricted	(1,988,424)	4,132,686	(107,980)	1,343,128	3,516,289	(498,395)	6,397,304	(876,497)
Total net position	18,157,366	29,589,237	2,401,864	1,835,426	23,822,516	(402,751)	75,403,658	(874,270)
Total liabilities and net position	\$ 24,877,732	30,051,983	5,679,936	4,942,110	23,929,186	121,117	89,602,064	258,923

See accompanying notes to basic financial statements.

City of Bethel, Alaska

Statements of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

Year Ended June 30, 2018

	Major Enterprise Funds							
	Water and Sewer Utility	Municipal Dock	Rental Property	Solid Waste	Multi-Use Recreation Center	Nonmajor Enterprise Fund	Total Enterprise Funds	Internal Service Funds
Operating revenues:								
Charges for services	\$ 6,958,047	1,131,172	724,026	1,189,349	495,196	32,513	10,530,303	3,207,381
Other	4,339	1,596	(4,896)	-	-	-	1,039	-
Total operating revenues	<u>6,962,386</u>	<u>1,132,768</u>	<u>719,130</u>	<u>1,189,349</u>	<u>495,196</u>	<u>32,513</u>	<u>10,531,342</u>	<u>3,207,381</u>
Operating expenses:								
Personnel	2,802,478	337,853	-	389,377	-	264,038	3,793,746	519,311
Travel and training	9,861	1,297	-	1,884	-	-	13,042	8,072
Materials and supplies	161,092	11,286	-	4,649	-	3,382	180,409	7,646
Utilities and fuel	757,552	48,104	127,198	36,299	307,003	36,564	1,312,720	84,157
Claims	-	-	-	-	-	-	-	1,768,074
Minor equipment and tools	84,882	20,950	-	12,644	3,393	1,936	123,805	7,231
Depreciation and amortization	1,098,612	798,558	340,702	68,223	815,218	31,424	3,152,737	3,407
Other purchased services	55,946	10,499	94,009	9,015	821,606	467	991,542	717,777
Insurance	109,980	21,077	28,307	7,322	31,773	6,059	204,518	16,963
Repairs and maintenance	649,835	89,653	7,755	130,953	7,787	21,886	907,869	792
Other expenses	60,204	6,282	-	7,353	37,600	64,476	175,915	140
Landfill closure costs	-	-	-	59,931	-	-	59,931	-
Bad debt expense	36,149	-	-	-	-	-	36,149	-
Indirect cost	588,218	82,447	-	89,706	-	-	760,371	106,453
Total operating expenses	<u>6,414,809</u>	<u>1,428,006</u>	<u>597,971</u>	<u>817,356</u>	<u>2,024,380</u>	<u>430,232</u>	<u>11,712,754</u>	<u>3,240,023</u>
Income (loss) from operations	<u>547,577</u>	<u>(295,238)</u>	<u>121,159</u>	<u>371,993</u>	<u>(1,529,184)</u>	<u>(397,719)</u>	<u>(1,181,412)</u>	<u>(32,642)</u>

(Continued)

City of Bethel, Alaska

Statements of Revenues, Expenses and Changes in Fund Net Position, Continued

Proprietary Funds

	Major Enterprise Funds						
	Water and Sewer Utility	Municipal Dock	Rental Property	Solid Waste	Multi-Use Recreation Center	Nonmajor Enterprise Fund	Total Enterprise Funds
Nonoperating revenues (expenses):							
Interest expense	-	-	(67,616)	-	-	-	(67,616)
Investment income	10,489	(3,981)	1,781	-	55,413	-	63,702
Loss and disposal	-	-	-	-	-	(10,723)	(10,723)
Federal sources	-	-	-	-	-	191,193	191,193
State PERS relief	99,490	8,744	-	15,416	-	9,470	133,120
Refunding costs	-	-	12,845	-	-	-	12,845
Net nonoperating revenues (expenses)	<u>109,979</u>	<u>4,763</u>	<u>(52,990)</u>	<u>15,416</u>	<u>55,413</u>	<u>189,940</u>	<u>322,521</u>
Income (loss) before capital contributions and transfers	<u>657,556</u>	<u>(290,475)</u>	<u>68,169</u>	<u>387,409</u>	<u>(1,473,771)</u>	<u>(207,779)</u>	<u>(858,891)</u>
Capital contributions	<u>9,057,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,057,572</u>
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>534,789</u>	<u>-</u>	<u>534,789</u>
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>534,789</u>	<u>-</u>	<u>534,789</u>
Change in net position	<u>9,715,128</u>	<u>(290,475)</u>	<u>68,169</u>	<u>387,409</u>	<u>(938,982)</u>	<u>(207,779)</u>	<u>8,733,470</u>
Net position, beginning of year, as previously stated	<u>9,044,343</u>	<u>29,930,659</u>	<u>2,333,695</u>	<u>1,540,648</u>	<u>24,761,498</u>	<u>(132,446)</u>	<u>67,478,397</u>
Cumulative effect of a change in accounting principle	<u>(602,105)</u>	<u>(50,947)</u>	<u>-</u>	<u>(92,631)</u>	<u>-</u>	<u>(62,526)</u>	<u>(808,209)</u>
Net position, beginning of year, as restated	<u>8,442,238</u>	<u>29,879,712</u>	<u>2,333,695</u>	<u>1,448,017</u>	<u>24,761,498</u>	<u>(194,972)</u>	<u>66,670,188</u>
Net Position, end of year	<u>\$ 18,157,366</u>	<u>29,589,237</u>	<u>2,401,864</u>	<u>1,835,426</u>	<u>23,822,516</u>	<u>(402,751)</u>	<u>75,403,658</u>

See accompanying notes to basic financial statements.

City of Bethel, Alaska

Statements of Cash Flows

Proprietary Funds

Year Ended June 30, 2018

	Major Enterprise Funds							
	Water and Sewer Utility	Municipal Dock	Rental Property	Solid Waste	Multi-Use Recreation Center	Nonmajor Enterprise Fund	Total Enterprise Funds	Internal Service Funds
Cash flows from (for) operating activities:								
Receipts from customers	\$ 6,930,689	1,289,225	769,849	1,172,522	575,483	32,513	10,770,281	-
Receipts from interfund services provided	-	-	-	-	-	-	-	3,208,184
Payment to suppliers	(2,445,428)	(514,866)	(248,482)	(302,198)	(1,132,381)	(136,006)	(4,779,361)	(2,474,837)
Payment to employees	(2,909,251)	(346,341)	-	(411,437)	-	(285,484)	(3,952,513)	(511,517)
Net cash flows from (for) operating activities	<u>1,576,010</u>	<u>428,018</u>	<u>521,367</u>	<u>458,887</u>	<u>(556,898)</u>	<u>(388,977)</u>	<u>2,038,407</u>	<u>221,830</u>
Cash flows from (for) noncapital financing activities:								
Operating and capital grants	-	-	-	-	-	228,774	228,774	-
Bad debt recovery	-	-	12,845	-	-	-	12,845	-
Transfers in	-	-	-	-	534,789	-	534,789	-
Increase (decrease) due to other funds	-	-	-	-	-	160,203	160,203	(221,830)
Net cash flows from (for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>12,845</u>	<u>-</u>	<u>534,789</u>	<u>388,977</u>	<u>936,611</u>	<u>(221,830)</u>
Cash flows from (for) capital and related financing activities:								
Acquisition and construction of capital assets	(102,273)	(1,894,471)	(17,419)	(32,000)	-	-	(2,046,163)	-
Principal paid on long-term debt	-	-	(175,000)	-	-	-	(175,000)	-
Interest paid on long-term debt	-	-	(97,425)	-	-	-	(97,425)	-
Net cash flows from (for) capital and related financing activities	<u>(102,273)</u>	<u>(1,894,471)</u>	<u>(289,844)</u>	<u>(32,000)</u>	<u>-</u>	<u>-</u>	<u>(2,318,588)</u>	<u>-</u>
Cash flows from investing activities -								
Investment income received	-	(3,981)	1,781	-	55,413	-	53,213	-
Redemption of investments	-	1,197,702	-	-	-	-	1,197,702	-
Net cash flows from investing activities	<u>-</u>	<u>1,193,721</u>	<u>1,781</u>	<u>-</u>	<u>55,413</u>	<u>-</u>	<u>1,250,915</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	1,473,737	(272,732)	246,149	426,887	33,304	-	1,907,345	-
Cash and cash equivalents, beginning of year	<u>2,030,354</u>	<u>3,222,216</u>	<u>863,259</u>	<u>3,848,533</u>	<u>3,566,476</u>	<u>-</u>	<u>13,530,838</u>	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ 3,504,091</u>	<u>2,949,484</u>	<u>1,109,408</u>	<u>4,275,420</u>	<u>3,599,780</u>	<u>-</u>	<u>15,438,183</u>	<u>-</u>
Composed of:								
Cash and cash equivalents	\$ 3,504,091	2,949,484	891,963	4,275,420	3,566,476	-	15,187,434	-
Restricted cash - bond reserve	-	-	217,445	-	-	-	217,445	-
Total cash and cash equivalents	<u>3,504,091</u>	<u>2,949,484</u>	<u>1,109,408</u>	<u>4,275,420</u>	<u>3,566,476</u>	<u>-</u>	<u>15,404,879</u>	<u>-</u>

(Continued)

City of Bethel, Alaska
Statements of Cash Flows, Continued
Proprietary Funds

	Major Enterprise Funds							
	Water and Sewer Utility	Municipal Dock	Rental Property	Solid Waste	Multi-Use Recreation Center	Nonmajor Enterprise Fund	Total Enterprise Funds	Internal Service Funds
Reconciliation of income (loss) from operations to net cash flows from (for) operating activities:								
Income (loss) from operations	\$ 547,577	(295,238)	121,159	371,993	(1,529,184)	(397,719)	(1,181,412)	(32,642)
Adjustments to reconcile income (loss) from operations to net cash from (for) operating activities:							-	
Depreciation and amortization	1,098,612	798,558	340,702	68,223	815,218	31,424	3,152,737	3,407
Pension and OPEB expense	942,253	(10,804)	-	52,441	-	19,205	1,003,095	-
(Increase) decrease in assets:								
Accounts receivable	(55,293)	156,457	(416)	(16,827)	80,287	-	164,208	803
Inventory	(15,452)	-	-	-	-	-	(15,452)	(14,166)
Increase (decrease) in liabilities:								
Accounts and claims payable	83,743	(223,271)	8,787	(2,373)	76,781	(1,236)	(57,569)	256,634
Accrued leave	13,961	878	-	(3,145)	-	7,442	19,136	6,263
Accrued payroll	10,793	1,438	-	1,209	-	889	14,329	1,531
Deposits/unearned revenue	23,596	-	51,135	-	-	-	74,731	-
Unfunded pension and OPEB liabilities	(1,073,780)	-	-	(72,565)	-	(48,982)	(1,195,327)	-
Landfill closure costs	-	-	-	59,931	-	-	59,931	-
Net cash flows from (for) operating activities	\$ 1,576,010	428,018	521,367	458,887	(556,898)	(388,977)	2,038,407	221,830
Noncash item -								
Capital assets transferred from governmental activities	\$ 9,057,572	-	-	-	-	-	9,057,572	-

See accompanying notes to basic financial statements.

CITY OF BETHEL, ALASKA
Notes to Basic Financial Statements

June 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Bethel, Alaska (City) was incorporated in 1957 as a second-class city and operates under a Council-Manager form of government. The City provides a variety of services including water, sewer, refuse, police and fire protection, street maintenance, public transit, municipal dock and community services.

The City of Bethel, Alaska is governed by an elected council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Bethel, Alaska only. There are no component units.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting principles of the government are described below.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the City. *Governmental activities*, which normally are supported by local and intergovernmental revenues, are reported separately from the *business-type activities*, which rely to a significant extent on user fees and charges for support. The effect of interfund activity, for the most part, has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who use, purchase, or directly benefit from the goods, services or privileges provided by a given segment or function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported as *general revenues*. Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements for governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible in the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, charges for services, intergovernmental revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measured and available only when received by the government.

The City reports the following major governmental fund:

The *General Fund* is the City's primary operating fund – it accounts for all financial resources of the City, except those required to be accounted for in another fund.

The *Lagoon Upgrades Design Special Revenue Fund* – it accounts for activity related to the Lagoon Upgrade Design federal and state grants.

The City reports the following major enterprise funds:

The *Water and Sewer Utility Fund* – accounts for the distribution of water and sewer services for the City of Bethel.

The *Municipal Dock Fund* – accounts for all activities of the dock.

The *Rental Property Fund* – accounts for activities related to rents and leases of the Court complex and owned properties of the City of Bethel.

The *Solid Waste Fund* – accounts for solid waste disposal and the municipal landfill.

The *Multi-Use Recreation Center Fund* – accounts for the activities related to the Yukon-Kuskokwim recreational facility located in Bethel.

Additionally, the City reports the following fund types:

Internal Service Funds – the funds account for the employee health insurance benefits and vehicle and maintenance activities of the City and provide this service to other departments and agencies of the City on a cost-reimbursement basis.

CITY OF BETHEL, ALASKA

Notes to Basic Financial Statements, Continued

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's enterprise functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating revenues* and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and the internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the allowance for doubtful accounts, the useful lives of assets and related accumulated depreciation, accrued landfill closure and post-closure care costs, and health benefit claims incurred but not reported.

D. Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Allowable investments include the following:

- a. U.S. Treasury bills, notes and bonds.
- b. Obligations of agencies of the United States.
- c. Commercial paper with quality rating not lower than A-1/P-1.
- d. Banks acceptances issued by banks with a long-term bond rating of not less than "A" or by branches of banks, whose parent is rated not less than "A".
- e. Insured or fully collateralized certificates of deposit of financial institutions.
- f. Money market mutual funds or other short-term investment funds which serve to insure full investment on a daily basis. The funds must meet the criteria set forth in a-e above.
- g. The Alaska Municipal League Investment Pool, Inc. as authorized under Alaska Statutes 37.23.010 through 37.23.900. The Finance Director is authorized to enter into the agreements and perform all acts required for the City's membership in the Pool.
- h. Repurchase agreements secured by Treasury, Agency and Instrumentality securities.

E. Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following financial instruments are recorded at fair value or at amounts that approximate fair value: (1) cash and cash equivalents, (2) receivables, net, (3) certain other current assets, (4) accounts payable, and (5) other current liabilities. The carrying amounts reported in the balance sheet and Statement of Net Position for the above financial instruments closely approximate their fair value due to the short-term nature of these assets and liabilities, except for the City's investments. The carrying amount of the City's investments are determined based on quoted market prices.

The carrying amount of notes receivable and notes payable approximates fair value for those financial instruments with interest at variable rates, as those rates approximate current market rates for notes with similar maturities and credit quality.

F. Receivables and Payables

Activity between funds representative of lending/borrowing arrangements that are outstanding at the end of the fiscal year are referred to as either "due from other funds" or "due to other funds" (i.e., the current portion of interfund loans) or "advances to other funds" or "advances from other funds" (i.e. the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All tax receivables and other receivables are shown net of an allowance for uncollectible receivables.

G. Inventories and Prepaid Items

Inventories are valued at cost using the first-in, first-out (FIFO) method. The cost of governmental and business-type activities inventories are recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

H. Unearned Revenues

Amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met are recorded as unearned revenue.

I. Restricted Assets

Monies or other resources, the use of which is restricted by legal or contractual requirements are recorded as restricted assets. Restricted assets include monies required by bond covenants.

CITY OF BETHEL, ALASKA

Notes to Basic Financial Statements, Continued

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost greater than or equal to \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment of the City, is depreciated using the straight-line method over the following estimated useful lives:

Dock, seawall, water and sewer line and improvements	20-70
Buildings and improvements	30-35
Motor vehicles and motorized equipment	5-10
Furniture, machinery and equipment	5-10

K. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and sick pay is recorded when earned in proprietary funds and is reported as a fund liability. Vacation and sick pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental-fund type that will pay it. Amounts related to governmental-fund types not expected to be liquidated with expendable available financial resources are reported as long-term liabilities.

L. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Interest on long-term obligations is recorded as an expenditure when due.

Pensions/OPEB. For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms, investments are reported at fair value.

The City follows *Governmental Accounting Standards Board (GASB) Codification P20*, Accounting for Pensions by State and Local Governmental Employees and *GASB Codification P50*, Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions. *GASB Codification P20* and *GASB Codification P50* establish uniform standards for the measurement, recognition and display of pension and other post-employment benefits other than pensions (healthcare) expenditures/expense and related liabilities, assets, note disclosure and applicable required supplementary information in the financial reports of state and local governmental employers.

M. Net Position

In the government-wide financial statements, net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position. Net position is reported as restricted when constraints placed are either externally imposed by creditors (such as through debt covenants), grantors, contributors, provisions or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

N. Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form—prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

Restricted fund balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal ordinances of the City Council—the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

CITY OF BETHEL, ALASKA

Notes to Basic Financial Statements, Continued

Assigned fund balance – This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. The City Council has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds. When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then committed, assigned, and unassigned—in order as needed.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and most Special Revenue Funds and Enterprise Funds. The Capital Project Funds adopt project-length budgets. All annual appropriations lapse at fiscal year-end.

The budget is prepared by fund, function and department. Budgetary control is exercised at the department or function level. The City Manager is authorized to transfer budget amounts up to \$5,000 between expenditure/expense categories within any department; however, any supplemental appropriations that amend the total expenditures/expenses of any department, or transfers exceeding \$5,000, require City Council approval.

Encumbrance accounting is employed in governmental fund types. Encumbrances, if any, (e.g., purchase orders, contracts) outstanding at year end are reported as appropriate constraints of fund balance if they meet the definitions described in the fund balance section of these notes.

B. Excess of Expenditures over Appropriations

For the year ended June 30, 2018, expenditures exceeded appropriations in the General Fund as follows:

	Amount of Over <u>Expenditure</u>
General government:	
Administration	\$ 47
City clerk	16,898
Finance	13,513
Technology	27,832
City attorney	19,285
Capital outlay	1,173,156

CITY OF BETHEL, ALASKA

Notes to Basic Financial Statements, Continued

C. Deficit Fund Balance/Unrestricted Net Position

The following funds reported a fund deficit as of June 30, 2018:

	<u>Deficit Balance</u>
Special Revenue Funds:	
Police Asset Forfeiture	\$ <u>61,382</u>
Internal Service Fund –	
Employee Health Insurance	<u>874,270</u>

In addition, the following Enterprise Funds are reporting deficits in the unrestricted net position category:

	<u>Unrestricted Deficit Balance</u>
Water and Sewer Utility	\$ 1,988,424
Rental Property	107,980
Public Transit	498,395

These deficits are expected to be covered by future operations or transfers from the General Fund, or in the case of the Health Insurance Fund, possible premium increases.

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Cash Equivalents, and Investments

All deposits are carried at cash value plus accrued interest. The City's deposit and investment policy requires all cash deposits to be fully insured or collateralized.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned. The City requires all deposits to be insured or collateralized. At June 30, 2018, the City's bank deposits are insured up to \$250,000 by the Federal Deposit Insurance Corporation. The remainder is collateralized by governmental securities held by the City's agent in the City's name.

Reconciliation of Deposit and Investment Balances

The following is a reconciliation of the City's deposit and investment balances to the financial statements as of June 30, 2018:

Bank deposits and money market funds	\$ 22,930,600
Investments	<u>5,093,353</u>
Total cash and investments	<u>\$ 28,023,953</u>

CITY OF BETHEL, ALASKA

Notes to Basic Financial Statements, Continued

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

		Investment Maturities in Years			
		Fair Value	Less than 1	1 – 5	More than 5
Investment subject to interest rate risk:					
Certificates of deposit	\$	4,845,768	2,702,070	2,143,698	-
U.S. government bonds		247,585	247,585	-	-
Total	\$	5,093,353	2,949,655	2,143,698	-

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2018:

		Total	Level 1	Level 2	Level 3
Investments by fair value level					
Certificates of deposit	\$	4,845,768	-	4,845,768	-
U.S. government bonds		247,585	-	247,585	-
Total investments	\$	5,093,353	-	5,093,353	-

Credit Risk

The City does not have a formal investment policy that restricts investments based on credit risk. At June 30, 2018 the City's investments in Certificates of Deposit were unrated and U.S. Government Bonds were rated AAA by Moody's Credit Rating.

CITY OF BETHEL, ALASKA

Notes to Basic Financial Statements, Continued

IV. ACCOUNTS RECEIVABLE

Receivables at June 30, 2018, for the City's individual major funds and other nonmajor funds, including applicable allowance for doubtful accounts, are as follows:

		General	Lagoon Upgrade Design Special Revenue Fund	Nonmajor Governmental Funds	Water and Sewer Utility Enterprise Fund
June 30, 2018		Fund	Fund	Funds	Fund
Grants receivable	\$	-	2,460,701	1,646,130	-
Accounts receivable		274,472	-	-	900,417
Taxes receivable		1,313,099	-	-	-
Less allowance for doubtful accounts		(21,831)	-	-	(196,179)
Net receivables	\$	<u>1,565,740</u>	<u>2,460,701</u>	<u>1,646,130</u>	<u>704,238</u>

		Municipal Dock Enterprise Fund	Rental Property	Solid Waste Enterprise Fund	Totals
June 30, 2018		Fund	Property	Fund	
Grants receivable	\$	-	-	-	4,106,831
Accounts receivable		366,407	4,141	172,709	1,718,146
Taxes receivable		-	-	-	1,313,099
Less allowance for doubtful accounts		(19,851)	(906)	(56,132)	(294,899)
Net receivables	\$	<u>346,556</u>	<u>3,235</u>	<u>116,577</u>	<u>6,843,177</u>

CITY OF BETHEL, ALASKA

Notes to Basic Financial Statements, Continued

V. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance July 1, 2017	Additions	(Deletions) and Reclassifications	Balance June 30, 2018
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 39,481,784	-	-	39,481,784
Construction in progress	209,629	9,812,923	(9,066,663)	955,889
Capital assets not being depreciated	39,691,413	9,812,923	(9,066,663)	40,437,673
Capital assets being depreciated:				
Improvements	2,003,841	-	-	2,003,841
Buildings	12,542,773	-	-	12,542,773
Machinery and equipment	4,166,916	906,000	(531,682)	4,541,234
Infrastructure	9,404,270	22,530	265,727	9,692,527
Vehicles	1,488,913	200,409	-	1,689,322
Total capital assets being depreciated	29,606,713	1,128,939	(265,955)	30,469,697
Less accumulated depreciation for:				
Improvements	277,484	115,743	-	393,227
Buildings	5,798,587	315,771	-	6,114,358
Machinery and equipment	3,272,449	206,896	(518,892)	2,960,453
Infrastructure	8,852,843	96,541	275,467	9,224,851
Vehicles	1,287,640	114,294	(22,530)	1,379,404
Total accumulated depreciation	19,489,003	849,245	(265,955)	20,072,293
Net capital assets being depreciated	10,117,710	279,694	-	10,397,404
Total governmental activities capital assets, net	\$ 49,809,123	10,092,617	(9,066,663)	50,835,077

*Governmental activities capital assets includes \$2,227 of capital assets, net of accumulated depreciation from internal service funds.

CITY OF BETHEL, ALASKA

Notes to Basic Financial Statements, Continued

	Balance July 1, 2017	Additions and Reclassifications	Deletions	Balance June 30, 2018
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 2,298,608	-	-	2,298,608
Construction in progress	3,544,784	10,571,366	(1,616,538)	12,499,612
Capital assets not being depreciated	5,843,392	10,571,366	(1,616,538)	14,798,220
Capital assets being depreciated:				
Seawall	22,716,641	-	-	22,716,641
Buildings, plants and lines	70,839,350	1,616,538	-	72,455,888
Machinery and equipment	3,436,638	-	(178,300)	3,258,338
Vehicles	5,103,447	542,364	(1,589,954)	4,055,857
Total capital assets being depreciated	102,096,076	2,158,902	(1,768,254)	102,486,724
Less accumulated depreciation for:				
Seawall	7,269,323	454,333	-	7,723,656
Buildings, plants and lines	31,933,399	2,213,703	-	34,147,102
Machinery and equipment	1,555,334	181,003	(178,796)	1,557,541
Vehicles	4,074,988	303,698	(1,579,230)	2,799,456
Total accumulated depreciation	44,833,044	3,152,737	(1,758,026)	46,227,755
Net capital assets being depreciated	57,263,032	(993,835)	(10,228)	56,258,969
Total business-type activities capital assets, net	\$ 63,106,424	9,577,531	(1,626,766)	71,057,189

Depreciation expense was charged to governmental functions as follows for the Year ended June 30, 2018:

Governmental Activities:

General government	\$ 194,549
Public safety	412,783
Public works	241,913
Total depreciation expense – governmental activities	\$ 849,245

Business-Type Activities:

Water and sewer	\$ 1,098,612
Municipal dock	798,558
Rental property	340,702
Solid waste	68,223
Multi-use recreation Center	815,218
Public transit	31,424
Total depreciation expense – business-type activities	\$ 3,152,737

CITY OF BETHEL, ALASKA

Notes to Basic Financial Statements, Continued

VI. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2018, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Non-major Governmental Funds	\$ 1,147,394
	Lagoon Upgrade Design	102,151
	Non-major Enterprise Fund	208,847
	Internal Service funds	714,734
		<u>\$ 2,173,126</u>

The outstanding balances between funds result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Certain interfund balances have been deemed long-term in nature. As a result these items have been classified as long-term advances to/from (receivable/payable) from other funds as follows as of June 30, 2018:

	Advances to (Receivable)	Advances From (Payable)
General Fund	\$ 2,925,628	-
Water and Sewer Utility Enterprise Fund	-	1,996,668
Rental Property Enterprise Fund	-	928,960
	<u>\$ 2,925,628</u>	<u>2,925,628</u>

Transfers In				
Transfers Out	General Fund	Other Governmental Funds	Multi-use Recreation Center	Total
General Fund	\$ -	21,251	534,789	556,040
Other Governmental Funds	17,618	4,822	-	22,440
Municipal Dock	-	-	-	-
Solid Waste	-	-	-	-
	<u>\$ 17,618</u>	<u>26,073</u>	<u>534,789</u>	<u>578,480</u>

VII. UNEARNED AND UNAVAILABLE REVENUES

Governmental funds report *unavailable revenues* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unearned and unavailable revenues* reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
General Fund	\$ 75,109	19,984	95,093
Nonmajor governmental funds	-	7,470	7,470
Total unearned and unavailable revenues for governmental funds	<u>\$ 75,109</u>	<u>27,454</u>	<u>102,563</u>

CITY OF BETHEL, ALASKA

Notes to Basic Financial Statements, Continued

VIII. LONG-TERM DEBT

During the year ended June 30, 2018, the following changes occurred in liabilities payable from governmental activities.

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Amount Due in One Year
Accrued leave	\$ 391,553	253,581	234,363	410,771	-

* Long-term liabilities reported here include \$8,402 in accrued leave from the Internal Service Funds.

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Note payable Community First National Bank, guaranteed by fire truck. 15 years, 4% interest per year.	\$ -	811,000	(61,095)	749,905

Fiscal Year Ended June 30,	Principal	Interest	Total
2019	\$ 40,862	30,356	71,218
2020	42,516	28,702	71,218
2021	44,237	26,981	71,218
2022	46,028	25,190	71,218
2023	47,891	23,327	71,218
2024-2028	270,151	85,939	356,090
2029-2032	258,220	26,652	284,872
	\$ 749,905	247,147	997,052

During the year ended June 30, 2018, the following changes occurred in long-term debt of business-type activities:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Amount Due in One Year
Bonds payable	\$ 2,175,000	-	175,000	2,000,000	165,000
Premium	298,089	-	29,809	268,280	29,809
Landfill closure	2,457,167	59,929	-	2,517,096	-
Accrued leave	186,596	205,732	186,596	205,732	205,732
Total business-type activities	\$ 5,116,852	265,661	391,405	4,991,108	400,541

CITY OF BETHEL, ALASKA

Notes to Basic Financial Statements, Continued

IX. LEASE REVENUE BONDS

In 2007, the City issued \$3,680,000 in 2007 Series Three General Obligation Bonds for the purpose of major renovations. The bonds were issued at a premium of \$145,048.

In November 2017, the City issued \$2,000,000 Series Three and Four General Obligation Bonds with an average interest rate of 4.82% to advance refund \$2,295,000 of outstanding 2007 Series Three bonds. The bonds were issued at a premium of \$327,897. The net proceeds of \$2,274,915 (after payments of \$52,982 in issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2007 Series Three bonds. As a result, the 2007 Series Three bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. As of June 30, 2018, the amount of defeased debt still outstanding was \$2,000,000.

The City advance refunded the 2007 Series One bonds to reduce its total debt service payments over the next 11 years by \$417,413, and to obtain an economic gain (difference of the present value of the debt service payments on the old and new debt) of \$377,924.

The bond premium is amortized over the life of the bond. \$29,808 is amortized each year through December 1, 2028.

Annual payments to maturity of the Lease Revenue Bonds is as follows:

Fiscal Year ended June 30,	Principal	Interest	Total
2019	\$ 165,000	89,750	254,750
2020	170,000	83,050	253,050
2021	175,000	76,150	251,150
2022	185,000	68,950	253,950
2023	190,000	61,500	251,500
2024-2028	1,115,000	144,625	1,259,625
	<u>\$ 2,000,000</u>	<u>524,025</u>	<u>2,524,025</u>

X. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Requirements come from the Environmental Protection Agency rule "Solid Waste Disposal Facility Criteria" parts 257 and 258. These requirements are being enforced by the United States Environmental Protection Agency and the State of Alaska Department of Environmental Conservation. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, accounting principles generally accepted in the United States of America require that the City report a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Based upon an engineering study updated in 2017, at present fill rates, the landfill is expected to reach capacity in 2042, or approximately 25 years. The cost of landfill closure and post closure is estimated to be \$3,955,440. The City accrued \$59,931 in landfill closure costs for the year ended June 30, 2018, and has accrued a total liability of \$2,517,098 at June 30, 2018. These amounts are based on what it would cost to perform all the closure and post-closure functions in 2018. Actual costs of closure and post-closure care may be higher due to inflation, changes in technology, or changes in laws and regulations.

CITY OF BETHEL

Notes to Basic Financial Statements, Continued

Currently, no assets of the City are restricted for payment of closure and post-closure care costs. Future inflation costs and additional costs that might arise from changes in closure and post-closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

XI. FUND BALANCES

Fund balances, reported for the major funds and the non-major funds in the aggregate on the governmental funds balance sheet are subject to the following constraints:

	General Fund	Nonmajor Funds	Totals
Non-spendable:			
Inventory	\$ 126,163	-	126,163
Prepaid items	20,629	-	20,629
Advances to other funds	2,925,628	-	2,925,628
Total nonspendable	3,072,420	-	3,072,420
Restricted:			
Rasmuson	-	4,430	4,430
Land Water Conservation	-	39,697	39,697
E-911 Surcharges	-	59,489	59,489
Total restricted	-	103,616	103,616
Committed:			
Endowment	-	1,880,328	1,880,328
Assigned:			
Land Planning Development	-	21,173	21,173
Park Development	-	103,550	103,550
Capital projects	-	1,015,544	1,015,544
		1,140,267	1,140,267
Unassigned:	11,447,161	(61,382)	11,385,779
Total Fund Balances	\$ 14,519,581	3,062,829	17,582,410

XII. NET POSITION

A. Designated Net Position

The City assesses a fee for the use for the petroleum dock facility. In 1997, the City Council authorized the designation of 50% of the fuel revenue for future maintenance of the seawall. Net position under this designation in the Municipal Dock Fund had a balance of \$3,882,592 at June 30, 2018.

In 2010, the City passed an ordinance establishing a bank account to hold cash associated with the designated net position for the seawall. At June 30, 2018, that account had a balance of \$1,581,013.

XIII. ENDOWMENT PERMANENT FUND

The city established an Endowment Permanent Fund to maximize income for the continuing operations of the general government. The Endowment Fund principal may not be spent by the City without approval of a majority of the voters at a general or special election. However, in accordance with the City Council's ordinance establishing the Endowment Fund, 70% of the Fund's prior year investment earnings are to be transferred to the General Fund on an annual basis to help offset operating costs. In 2018, the net contribution to the General Fund was \$17,539.

XIV. DEFINED BENEFIT PENSION PLAN

The City follows *Governmental Accounting Standards Board (GASB) Codification P20, Accounting for Pensions by State and Local Governmental Employees* and *GASB Codification P50, Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions*. *GASB Codification P20* and *GASB Codification P50* establish uniform standards for the measurement, recognition and display of pension and other post-employment benefits other than pensions (healthcare) expenditures/expense and related liabilities, assets, note disclosure and applicable required supplementary information in the financial reports of state and local governmental employers.

All full-time employees and certain permanent part-time employees of the City participate in either the State of Alaska Public Employees' Retirement System (PERS) or the State of Alaska Teachers' Retirement System (TRS). In addition to the pension plan both systems also administer other post-employment benefit (OPEB) plans.

The system is governed by the Alaska Retirement Management Board. The benefit and contribution provisions are established by State law and may be amended only by the State legislature. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee.

Summary of Significant Accounting Policies. The financial statements for PERS and TRS are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value.

PERS and TRS act as the common investment and administrative agencies for the following multiple-employer plans:

Plan Name	Type of Plan
Defined Benefit Pension Plan (DB)	Cost-sharing, Defined Benefit Pension
Defined Contribution Pension Plan (DC)	Defined Contribution Pension
Defined Benefit Other Postemployment Benefits (OPEB)	
Healthcare Reimbursement Arrangement Plan	Defined Benefit OPEB
Defined Contribution Other Postemployment Benefits (DC)	
Occupational Death and Disability Plan	Cost-sharing, Defined Contribution OPEB
Alaska Retiree Healthcare Trust Plan	Cost-sharing, Defined Contribution OPEB
Retiree Medical Plan	Cost-sharing, Defined Contribution OPEB

Other Postemployment Benefit Plans (OPEB)*Occupational Death and Disability Plan (ODD)*

The Occupational Death and Disability Plan provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within the System. Membership in the plan consisted of the following at June 30, 2017 (latest available report):

Membership	PERS	TRS
Active plan members	19,442	4,937
Participating employers	155	57

Alaska Retiree Healthcare Trust Plan (ARHCT)

Beginning July 1, 2007, the Alaska Retiree Healthcare Trust Plan (ARHCT), a Healthcare Trust Fund of the State, was established. The ARHCT is self-funded and provides major medical coverage to retirees of the System. The System retains the risk of loss of allowable claims for eligible members. The ARHCT began paying member healthcare claims on March 1, 2008. Prior to that, healthcare claims were paid for by the Retiree Health Fund (RHF). Membership in the plan consisted of the following at June 30, 2017 (latest report available):

Membership	PERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	34,310	12,701
Inactive plan members entitled to but not yet receiving benefits	5,799	2,846
Active plan members	14,956	4,937
Total plan membership	55,065	20,484

Retiree Medical Plan (RMP)

The retiree medical plan provides major medical coverage to retirees of the DC plan. The plan is self-insured. Members are not eligible to use this plan until they have at least 10 years of service and are Medicare age eligible. Membership in the plan consists of the following at June 30, 2017 (latest available report):

Membership	PERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	5	4
Inactive plan members entitled to but not yet receiving benefits	831	443
Inactive plan members not entitled to benefits	10,466	2,011
Active plan members	19,442	4,937
Total plan membership	30,744	7,395

CITY OF BETHEL, ALASKA

Notes to Basic Financial Statements, Continued

Healthcare Reimbursement Arrangement Plan

The Healthcare Reimbursement Arrangement Plan was established to allow medical expenses to be reimbursed from individual savings accounts established for eligible participants. Membership in the plan consists of the following at June 30, 2017 (latest available report):

Membership	PERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	7	3
Inactive plan members entitled to but not yet receiving benefits	829	444
Inactive plan members not entitled to benefits	10,466	2,011
Active plan members	19,442	4,937
Total plan membership	30,744	7,395

Investments

The Board is the investment oversight authority of the system's investments. As the fiduciary, the Board has the statutory authority to invest the assets under the Prudent Investor Rule. Fiduciary responsibility for the Board's invested assets is pursuant to AS 37.10.210.390.

Treasury provides staff for the Board. Treasury has created a pooled environment by which it manages investments of the Board. Additionally, Treasury manages a mix of Pooled Investment Funds and Collective Investment Funds for the DC Participant-directed Pension plans under the Board's fiduciary responsibility.

Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual weighted rate of return, net of investment expense for the year ended June 30, 2017 (latest available report) for the DB Plan for PERS and TRS is 12.99% and 13.04%, for the ARHCT is 12.69% and 12.58%, for the Occupational Death and Disability Plan is 11.97% and 12.03%, and for the Retiree Medical Plan is 11.93% and 11.80%, respectively.

For additional information on securities lending, interest rates, credit risks, foreign exchange, derivatives, fair value, and counterparty credit risks, see the separately issued report on the Invested Assets of the State of Alaska Retirement and Benefits Plans at:

<http://treasury.dor.alaska.gov/armb/Reports-and-Policies/Annual-Audited-Financial-Schedules.aspx>.

Alaska Public Employee Retirement System (PERS) – Defined Benefit Plan (DB)

Plan Description. The City participates in the Alaska Public Employees' Retirement System (PERS), a cost sharing multiple employer defined benefit pension plan. PERS provides retirement benefits, disability and death benefits, and post-employment healthcare to plan members and beneficiaries. The Plan was established and is administered by the State of Alaska, Department of Administration. The Public Employee's Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for PERS. This report may be obtained from the system at Pouch C, Juneau, Alaska 99811 or online at <http://doa.alaska.gov/dr/pers>.

CITY OF BETHEL, ALASKA

Notes to Basic Financial Statements, Continued

Pension Benefits. All tier employee benefits vest with five years of credited service. There are three tiers of employees based on entry date. Tier I employees enrolled prior to July 1, 1986 with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 55 or early retirement age 50. For tier II and III employees enrolled after June 30, 1986, but before July 1, 2006, the normal and early retirement ages are 60 and 55, respectively. All tier employees with 30 or more years of credited service may retire at any age and receive a normal benefit.

The PERS defined benefit is closed to new hires enrolled on or after July 1, 2006. New hires after this date participate in the PERS defined contribution plan (DC) described later in these notes.

Currently there are 155 employers participating in PERS, including the State of Alaska and 154 political subdivisions and public organizations.

The DB Plan's membership consisted of the following at June 30, 2017 (latest available report):

Inactive plan members or beneficiaries currently receiving benefits	34,310
Inactive plan members entitled to but not receiving benefits	5,799
Active plan members	<u>14,956</u>
Total DB plan membership	<u>55,065</u>

Retirement benefits are calculated by multiplying the average monthly compensation (AMC) times credited PERS service times the percentage multiplier. The AMC is determined by averaging the salaries earned during the five highest (three highest for Police/Fire members or members hired prior to July 1, 1996) consecutive payroll years. Members must earn at least 115 days of credit in the last year worked to include it in the AMC calculation. The PERS pays a minimum benefit of \$25 per month for each year of service when the calculated benefit is less.

The percentage multipliers for police/fire personnel are 2% for the first ten years of service and 2.5% for all service over 10 years. The percentage multipliers for all other participants are 2% for the first ten years, 2.25% for the next ten years, and 2.5% for all remaining service earned on or after July 1, 1986. All service before that date is calculated at 2%.

Post-employment healthcare benefits are provided without cost to all members first enrolled before July 1, 1986. Members first enrolled after June 30, 1986, but before July 1, 2006 and who have not reached age 60 may elect to pay for major medical benefits.

Post Retirement Pension Adjustments. Post retirement pension adjustments (PRPAs) are granted annually to eligible benefit recipients when the consumer price index (CPI) increases during the preceding calendar year. PRPAs are calculated by multiplying the recipient's base benefit, including past PRPAs, times:

- (a) 75% of the CPI increase in the preceding calendar year or 9%, whichever is less, if the recipient is at least 65 or on PERS disability; or
- (b) 50% of the CPI increase in the preceding calendar year or 6%, whichever is less, if the recipient is at least 60, or has been receiving benefits for at least five years.

CITY OF BETHEL, ALASKA

Notes to Basic Financial Statements, Continued

Ad hoc PRPAs, up to a maximum of 4%, may be granted to eligible recipients who first entered the PERS before July 1, 1986, if the CPI increases and the financial condition of the fund will permit an increase. In a year where an ad hoc PRPA is granted, eligible recipients will receive the higher of the two calculations.

Funding Policy. In April 2008 the Alaska Legislature passed legislation which statutorily capped the employer contribution, established a state funded "on-behalf" contribution, and required that employer contributions be calculated against all PERS eligible wages, including wages paid to participants of the PERS Tier IV defined contribution plan (DC) described later in these footnotes. The state legislature capped the rate at 22%, with the State contributing an on-behalf payment for the difference between the actuarial contribution and the cap.

Salary Floor. During the 25th legislation session, Senate Bill 125 passed, which established a June 30, 2008 salary floor under AS 39.35.255(a)(2). The salary floor is the total base salaries paid by an employer to active employees of the system as of the fiscal year ending June 30, 2008. The statute requires the Division of Retirement and Benefits (Division) to collect employer contributions at a minimum based on FY 2008 base salaries.

Termination Costs. If the City decides to terminate coverage for a department, group, or other classification of members, even if that termination results from the decision to divest of a particular City function, all affected employees in that department, group or other classification of members become immediately vested in the plan. The City must pay to have a termination study completed. The purpose of the study is to calculate the City's one-time termination costs. The costs represent the amount necessary to fully fund the costs of plan members who become vested through this process and for other changes in actuarial assumptions, such as, earlier than expected retirement, that arise from the act of termination of coverage. The City must pay a lump sum within 60 days of termination or arrange a payment plan that is acceptable to the PERS Administrator. For fiscal year 2018 the past service rate is 15.28%.

Employee Contribution Rate. The City PERS active members are required to contribute 6.75% (5.25% pension costs and 1.50% OPEB) and if elected, City employees are required to contribute 9.60% (7.47% pension and 2.13% OPEB) of their annual covered salary.

Employer and Other Contribution Rates. There are several contribution rates associated with the pension and healthcare contributions and related liabilities. These amounts are calculated on an annual basis.

Employer Effective Rate: This is the actual employer pay-in rate. Under current legislation, this rate is statutorily capped at 22% (17.12% pension costs and 4.88% OPEB) of eligible wages, subject to the salary floor, and other termination costs as described above. This 22% rate is calculated on all PERS participating wages, including those wages attributable to employees in the defined benefit plan.

ARM Board Adopted Rate: This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. This rate is 25.01% (19.46% pension and 5.55% OPEB). Prior to July 1, 2015, there were no constraints or restrictions on the actuarial cost method or other assumptions used in the ARM Board valuation. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25 year term which ends in 2039. This will result in lower ARM Board Rates in future years.

CITY OF BETHEL, ALASKA

Notes to Basic Financial Statements, Continued

On-behalf Contribution Rate: This is the rate paid in by the State as an on-behalf payment as mandated under current statute. Under state law, subject to annual appropriation, the state will contribute an on-behalf payment into the plan in an amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. As a result, the On-behalf Contribution Rate for 2018 is 3.01% (75.54% pension and 24.46% OPEB). On-behalf contribution amounts have been recognized in these financial statements as both revenue and expenditures.

GASB Rate: This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes. Certain actuarial methods and assumptions for this rate calculation are mandated by the *Governmental Accounting Standards Board* (GASB). Medicare Part D subsidies are not reflected in this rate. The rate uses an 8% pension discount rate.

Employer contributions for the year ended June 30, 2018, were:

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$	800,182	221,976	1,022,158

Public Employees Retirement Plans

For the year ended June 30, 2018 the State of Alaska contributed \$204,913 (75.54% pension cost and 24.46% OPEB cost) on-behalf of the City, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2017 to a total of \$382,162, to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

Pension and OPEB Liabilities, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB: At June 30, 2018, the City reported liabilities that reflected a reduction for State pension and OPEB support provided to the City. The amount recognized by the City as its proportionate share of net pension and OPEB liabilities, the related State support, and the total portion of the net pension and OPEB liabilities that was associated with the City were as follows:

Defined Benefit:		
		Pension
City's proportionate share of the net pension liability	\$	9,761,520
State's proportionate share of the net pension liability		3,636,551
Total	\$	13,398,071
		OPEB
City's proportionate share of the ARHCT OPEB liability	\$	1,595,287
State's proportionate share of the ARHCT OPEB liability		595,216
Total	\$	2,190,503
Defined Contribution:		
City's proportionate share of the ODD OPEB (asset) liability	\$	(49,480)
City's proportionate share of the RMP OPEB liability		18,186
Total	\$	(31,294)
Total City's share of net pension and OPEB liabilities	\$	11,325,513

CITY OF BETHEL, ALASKA

Notes to Basic Financial Statements, Continued

The net pension and OPEB liabilities were measured as of June 30, 2017, and the total pension and OPEB liabilities used to calculate the net pension and OPEB liabilities were determined by an actuarial valuation as of that date. The City's proportion of the net pension and OPEB liabilities were based on the present value of contributions for FY2019 through FY2039, as determined by projections based on the June 30, 2017 valuation. At June 30, 2018, the City's proportion of the pension liability was 0.1888%, which is an decrease of 0.0463% from June 30, 2017. At June 30, 2018, the City's proportion of the OPEB ARCHT, ODD and RMP OPEB liabilities were 0.1889%, 0.3487%, and 0.3487%, respectively, which represent an increase of 0.0463%, 0.0015%, and 0.0015%, respectively, from June 30, 2017.

Based on the measurement date of June 30, 2017, the City recognized pension and OPEB expense of \$335,302 and \$229,356 for the year ended June 30, 2018. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	\$ -	175,502
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	261,839	-
Changes in proportion and differences between City contributions and proportionate share of contributions	48,149	1,117,746
City contributions subsequent to the measurement date	800,182	-
Total	\$ <u>1,110,170</u>	<u>1,293,248</u>
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	86,029
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	499,575
Changes in proportion and differences between City contributions and proportionate share of contributions	-	289,564
City contributions subsequent to the measurement date	221,976	-
Total	\$ <u>221,976</u>	<u>875,168</u>

CITY OF BETHEL, ALASKA

Notes to Basic Financial Statements, Continued

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Contribution:		
Differences between expected and actual experience	\$ -	1,459
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	3,091
Changes in proportion and differences between City contributions and proportionate share of contributions	1,198	-
City contributions subsequent to the measurement date	8,353	-
Total	\$ 9,551	4,550

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	143
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	8,838
Changes in proportion and differences between City contributions and proportionate share of contributions	-	122
City contributions subsequent to the measurement date	40,507	-
Total	\$ 40,507	9,103

\$800,182 and \$270,836 are reported as deferred outflows of resources related to pension and OPEB resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liabilities in the year ended June 30, 2019, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be recognized in pension and OPEB expense as follows:

Year Ended June 30,	Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2018	\$ (1,226,832)	(333,557)	(805)	(2,242)
2019	272,653	(291,824)	(805)	(2,242)
2020	122,398	(124,894)	(805)	(2,242)
2021	(151,479)	(124,893)	(805)	(2,242)
2022	-	-	(32)	(33)
Thereafter	-	-	(100)	(102)
Total	\$ (983,258)	(875,168)	(3,352)	(9,103)

For the year ended June 30, 2018, the City recognized \$(160,869) and \$(160,736) of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

CITY OF BETHEL, ALASKA

Notes to Basic Financial Statements, Continued

Actuarial Assumptions: The total pension and OPEB liabilities in the June 30, 2017 (latest available) actuarial valuation was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. These assumptions were the result of an experience study performed as of June 30, 2013.

Investment return / discount rate	8% per year (geometric), compounded annually, net of expenses
Salary scale	Inflation – 3.12% per year Productivity – 0.50% per year
Payroll growth	3.62% per year (inflation + productivity)
Total inflation	Total inflation as measured by the Consumer Price Index for urban and clerical workers from Anchorage is assumed to increase 3.12% annually.
Mortality (Pre-termination)	Based upon 2010-2013 actual mortality experience, 60% of male rates and 65% of female rates of post termination mortality rates. Deaths are assumed to be occupational 70% of the time for peace officers, and firefighters, 50% of the time for others.
Mortality (Post-termination)	96% of all rates of the RP-2000 combined mortality table, 2000 base year projected to 2018.
Total turnover	Based upon the 2010-2013 actual withdrawal experience.
Disability	Incidence rates based on 2010-2013 actual experience. Post-disability mortality in accordance with the RP-2000 Disabled Retiree Mortality Table. Disabilities are assumed to be occupational 70% of the time for peace officers / firefighters, 50% of the time for others.
Retirement	Retirement rates based upon the 2010-2013 actual experience. Deferred vested members are assumed to retire at their earliest unreduced retirement date for others. For peace officers/firefighters, Tier 1 deferred vested members are assumed to retire at age 55 and Tiers 2 and 3 deferred vested members are assumed to retire at age 60.

CITY OF BETHEL, ALASKA

Notes to Basic Financial Statements, Continued

Marriage and age difference	Wives are assumed to be three years younger than husbands. For others, 75% of male members and 70% of female members are assumed to be married. For peace officers/firefighters, 85% of male members and 60% female members are assumed to be married.
Healthcare cost trend rates	Pre-65 medical: 8.8% grading down to 4.4% Post-65 Medical: 5.8% grading down to 4.0% Prescription drugs: 5.4% grading down to 4.0%

The long-term expected rate of return on pension and OPEB plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class are summarized below:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	8.83%
Global Ex- U.S. Equity	7.79%
Intermediate Treasuries	1.29%
Opportunistic	4.76%
Real Assets	4.94%
Absolute Return	4.76%
Private Equity	12.02%
Cash Equivalents	0.63%

Discount Rate: The discount rate used to measure the total pension and OPEB liabilities is 8.00%. The projection of the cash flows used to determine the discount rate assumed that Employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension and OPEB plans fiduciary net pension and OPEB were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments were applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities.

Sensitivity of the Net Pension and OPEB Liabilities to Changes in the Discount Rate: The following presents the net pension liability of the plan calculated using the discount rate of 8%, as well as what the Plans' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7%) or 1-percentage-point higher (9%) than the current rate:

	1% Decrease (7%)	Current Rate (8%)	1% Increase (9%)
Net pension liability	\$ 12,822,657	\$ 9,761,520	\$ 7,176,507
Net OPEB ARHCT liability	\$ 3,414,083	\$ 1,595,287	\$ 65,431
Net OPEB ODD (asset) liability	\$ (44,667)	\$ (49,480)	\$ (53,413)
Net OPEB RMP (asset) liability	\$ 85,195	\$ 18,186	\$ (34,139)

CITY OF BETHEL, ALASKA

Notes to Basic Financial Statements, Continued

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates. The following present the City's proportionate share of the net OPEB liability, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Rate	1% Increase
Net OPEB ARHCT (asset) liability	\$ (176,962)	1,595,287	3,725,956
Net OPEB ODD (asset) liability	\$ N/A	(49,480)	N/A
Net OPEB RMP (asset) liability	\$ (45,016)	18,186	102,865

Alaska Public Employee Retirement System (PERS) – Defined Contribution Plan (DC)

Plan Description and Funding Requirements. Cities and Public Employers in the State of Alaska have a defined contribution retirement plan (PERS Tier IV) for new hires first enrolled on or after July 1, 2006. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plan noted above. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee. Plan members make mandatory contributions of 8% of gross eligible compensation. This amount goes directly to the individual's account. State statutes require the employer to contribute 5% of employees' eligible compensation. Additionally, employers are required to contribute to OPEB (DB): 1.03% for the retiree medical plan (DB), 0.16% for occupational and death and disability benefits (DB) and 3% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The effective employer contribution is 22%.

Currently there are 155 employers participating in the defined contribution plan, including the State of Alaska. At June 30, 2017 (latest available report), membership in the DC plan consisted of 1,735 peace officers and firefighters and 19,532 of other members.

Plan members are 100% vested with their contributions.

Members become vested in employers' contributions as follows:

- 2 years of service – 25%
- 3 years of service – 50%
- 4 years of service – 75%
- 5 years of service – 100%

The City contributed \$374,670 for the year ended June 30, 2018.

CITY OF BETHEL, ALASKA

Notes to Basic Financial Statements, Continued

XV. RISK MANAGEMENT

The City is exposed to various risks of loss related to workers' compensation, torts, theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City participates in the Alaska Public Entity Insurance Association (APEI) which covers property and contents, torts, general and auto liability, public officials and employees' liability, and workers compensation. APEI is a public entity risk pool, which reinsures risk above certain levels, thereby relieving members of the need for additional assessments. APEI's bylaws provide for the assessment of supplemental contributions from members in the event that losses and expenses for any coverage year exceed the annual contributions and income earned on such contributions for the year. APEI made no supplemental assessments during the year ended June 30, 2018. Coverage limits and deductibles on policies have remained relatively constant for the last several years. No settlements in excess of insurance coverage have been realized over the past three years.

The City maintains a health and medical benefit program which covers all full time employees. The City has retained a major portion of the risk for this plan and, accordingly, is liable for any employee health claims that are approved for payment. Stop loss coverage limits were \$60,000 for individual claims and \$1,000,000 for aggregate claims. The amount of insurance settlements has not exceeded the amount of the stop-loss coverage limits for each of the past three fiscal years. Health insurance expense for the year ended June 30, 2018 consisted of paid claims, stop-loss premiums, and administrative costs.

Accruals were made based upon estimates of the health claims at year end including claims incurred but not reported and are included in "Accounts and Claims Payable" in the Employee Health Insurance Internal Service Fund. A schedule of the changes in the claims liability for the years ended June 30, 2018 follows:

		Balance at Beginning of Year	Claims Expense	Claims Paid	Balance at End of Year
2018	\$	<u>76,444</u>	<u>1,677,280</u>	<u>1,640,380</u>	<u>113,349</u>

XVI. LEASES

The City of Bethel leases various properties, including land, buildings, office and residential premises to the State of Alaska, local individuals, businesses and not-for-profit organizations. Lease terms vary from month to month for residential premises to 20 years for land and buildings. Rental rates are periodically adjusted to fair market value as determined by appraisal. All revenues and expenses associated with these activities are accounted for in the Rental Property Enterprise Fund.

The following is a summary of significant leases in effect at June 30, 2018:

Property	Monthly Rate	Lease Term
Courthouse – Office space	\$ 31,761	January 2018
Courthouse – Department of Law and Corrections	10,891	Month to month

XVII. CONTINGENCIES/SUBSEQUENT EVENTS

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal and State governments. Any disallowed claims, including amounts already collected, would become a liability of the General Fund.

The City of Bethel received notice on June 18, 2018, from the State of Alaska, Department of Administration, Division of Retirement and Benefits that forfeitures from the defined contribution plan for the Public Employees' Retirement System (PERS) can be offset against future contributions effective July 1, 2018. The District has \$402,155 in PERS to be used against future contributions.

The City, from time to time, may be a participant in legal proceedings related to the conduct of its business. In the normal course of business, it also has various commitments and contingent liabilities, which are not reflected in the accompanying financial statements. In the opinion of management, any current legal proceedings, commitments or contingent liabilities will not materially affect the financial position of the City.

In 2017, the City entered into an agreement with the United States Department of Agriculture (USDA) for the rehabilitation of the Bethel Sewer Lagoon jetty at a total cost of approximately \$3,700,000. The USDA agreement contains several components, including a City match composed of City funds (\$206,000), non-USDA federal and state grant funding (\$950,000), a USDA loan (\$913,000) and a USDA grant (approximately \$1,700,000). Due to the size of the project and USDA requirements, the City was required to issue a utility revenue bond (bridge loan), which was completed in November 2018; the specific terms, including interest rate and maturity will be determined once the City makes the first draw on the bond, which is expected in fiscal year 2019. Once the project is completed the bridge loan will be paid off the USDA loan, which will require monthly principal and interest payments of \$2,895 over a 40-year period.

The agreement requires the City to establish a debt service reserve in an amount equivalent to the required annual debt service, \$34,740. The City is allowed to accumulate the reserve over a 10-year period in an amount of approximately \$300 per month. However, the City determined it was more prudent to fully fund the reserve at the time the agreement was signed. This amount is included in restricted net position in the Water/Sewer Fund at June 30, 2018.

The agreement requires the City to establish a short-lived asset reserve, as outlined in a preliminary engineering report, estimating 5-year, 10-year, and 15-year asset replacements. The City must reserve \$365,650 annually in a separate account for replacement of assets included in the preliminary engineering report. This amount is included as restricted net position in the Water/Sewer Fund at June 30, 2018.

At June 30, 2018, the project had yet to begin with the estimated cost to completion to be approximately \$3,700,000.

In the 1980's, the City of Bethel's waterfront suffered extensive storm damage. The City partnered with the Army Corp of Engineers to stabilize the seawall and shoreline shortly thereafter and has improved the seawall. The project has been ongoing and completion has been recognized in phases. Through June 30, 2018, the total project costs are estimated at \$35,000,000, of which 75% was funded federally and 25% locally. The project is ongoing and the cost to complete has yet to be determined.

CITY OF BETHEL, ALASKA

Notes to Basic Financial Statements, Continued

In a prior year, the City received \$7,000,000 grant from the State of Alaska to construct a water well at the City Subdivision Water Treatment Plant as well as designing and constructing piping and infrastructure to support three of the project beneficiaries. The City has hired a contract to complete the major construction portion of the project. At June 30, 2018, the estimated cost to complete the project is \$5,075,000 with an estimated completion date of October 2018.

XVIII. CHANGE IN ACCOUNTING PRINCIPLE

As discussed in Note I to the financial statements, the City of Bethel participates in the Alaska Public Employees' Retirement System (PERS). In 2018, the City of Bethel adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which, among other accounting and reporting criteria, requires the City of Bethel to recognize its proportional share of the net other postemployment benefit (OPEB) plans liability (and related deferred inflow/outflow accounts), as of the beginning of the City of Bethel's fiscal year. As a result of the implementation of these statements, the City of Bethel has recorded an opening balance adjustment to increase liabilities and to decrease opening net position as follows:

Governmental Activities:

Opening net position, as originally presented	\$ 58,665,563
Change in accounting principle adjustment	<u>(1,507,577)</u>
Opening net position, as restated	<u>\$ 57,157,986</u>

Business-type Activities:

Opening net position, as originally presented	\$ 67,478,397
Change in accounting principle adjustment	<u>(808,209)</u>
Opening net position, as restated	<u>\$ 66,670,188</u>

XIX. NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates covering several topics as follows:

- GASB 81 – *Irrevocable Split –Interest Agreements*. Effective for fiscal years beginning after December 15, 2017.
- GASB 82 – *Pension Issues* – an Amendment of GASB Statement No. 67, No. 68, and No. 73
- GASB 83 – *Certain Retirement Obligations*. Effective for fiscal years beginning after June 15, 2018.
- GASB 84 – *Fiduciary Activities*. Effective for fiscal years beginning after December 15, 2018.
- GASB 87 – *Leases*. Effective for fiscal years beginning after December 15, 2019.
- GASB 88 – *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. Effective for fiscal years beginning after June 15, 2018.
- GASB 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*. Effective for fiscal years beginning after December 15, 2019.
- GASB 90 – *Majority Equity Interests*. Effective for fiscal years beginning after December 15, 2018.

CITY OF BETHEL, ALASKA

Notes to Basic Financial Statements, Continued

Statement 81 is not expected to have any significant impact on the financial statements of the City.

GASB Statements No. 74 and 75, the objective of these Statements is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. For defined benefit OPEB plans that are administered through trusts that meet the specified criteria, this Statement requires two financial statements—a statement of fiduciary net position and a statement of changes in fiduciary net position. Note disclosures and required supplemental information are addressed in these statements. GASB Statement 75 establishes standards for measuring liabilities, deferred inflow and outflows of resources, and expenses/expenditures.

GASB Statement No. 82 – The objective of this statement is to address certain pension issues. This statement defines covered payroll in required supplementary information as “the payroll on which contributions to a pension plan are based, and the ratios that use that measure”. This statement also addresses classification of employer paid member contributions as being member contributions. Finally this statement addresses selection of assumptions and clarifies that a deviation is not considered in conformity with the requirements of GASB Statements No. 67, No.68, or No.73.

GASB Statement No. 87, the objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 88, the objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct payments. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt and requires enhanced footnote disclosures.

GASB Statement No. 89 requires interest costs incurred before the end of a construction period to be recognized as an expenditure or expense in the period in which the cost is incurred for financial statements prepared under the current financial resources measurement focus or the economic resource measurement focus.

GASB Statement No. 90 requires a majority equity interest in a legally separate entity should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment or permanent fund. Those governments and funds should measure the majority interests at fair value. For all other holdings of majority interests in a legally separate entity, a government should report the legal separate entity as a component unit.

REQUIRED SUPPLEMENTARY INFORMATION

City of Bethel, Alaska

Schedule of the City's Proportionate Share of the Net Pension Liability

Public Employees' Retirement System (PERS)

June 30, 2018

Year	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.1582%	\$ 7,379,341	\$ 6,839,395	\$ 14,218,736	\$ 5,703,334	129%	62.37%
2016	0.2095%	\$ 10,160,037	\$ 2,721,922	\$ 12,881,959	\$ 6,158,985	165%	63.96%
2017	0.2351%	\$ 13,139,649	\$ 1,656,986	\$ 14,796,635	\$ 7,779,335	169%	59.55%
2018	0.1888%	\$ 9,761,520	\$ 3,636,551	\$ 13,398,071	\$ 8,126,472	120%	63.37%

Notes to Schedule:

1. Information presented for 2018 is based upon Plan measurement date June 30, 2017.
2. Measurement is one year prior to fiscal year end for all years presented.
3. In fiscal year 2017 the District implemented GASB 82, which required a retroactive change in covered payroll.
4. This schedule is intended to present 10 years of information. Additional years' information will be included as it becomes available.

City of Bethel, Alaska

Schedule of the City's Proportionate Share of the Net OPEB Liability

Public Employees' Retirement System (PERS)

June 30, 2018

Year	City's Proportion of the Net OPEB Liability (Asset)	City's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
Alaska Retiree Healthcare Trust Plan (ARHCT):							
2018	0.1889%	\$ 1,595,287	\$ 595,216	\$ 2,190,503	\$ 8,126,472	19.63%	89.68%
Occupational Death and Disability (ODD):							
2018	0.3487%	\$ 49,480	\$ -	\$ 49,480	\$ 3,630,095	1.36%	212.97%
Retiree Medical Plan (RMP):							
2018	0.3487%	\$ 18,186	\$ -	\$ 18,186	\$ 3,630,095	0.50%	93.98%

Notes to Schedule:

1. Information presented for 2018 is based upon Plan measurement date June 30, 2017.
2. Measurement is one year prior to fiscal year end for all years presented.
3. This schedule is intended to present 10 years of information. Additional years' information will be included as it becomes available.

City of Bethel Alaska
Schedule of the City's Contributions (Pensions)
Public Employees' Retirement System (PERS)

June 30, 2018

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 580,937	\$ (580,937)	\$ -	\$ 6,158,985	9.43%
2016	\$ 583,637	\$ (583,637)	\$ -	\$ 7,779,335	7.50%
2017	\$ 672,658	\$ (672,658)	\$ -	\$ 8,126,472	8.28%
2018	\$ 800,182	\$ (800,182)	\$ -	\$ 9,256,532	8.64%

Notes to schedule

1. Valuation date: June 30, 2017, which was rolled forward to June 30, 2018.
2. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

3. Actuarial cost method: Entry Age Normal - level percentage of payroll.
4. Amortization method: Level dollar, closed.
5. Amortization period: 25 years, as a level of percentage of payroll.
6. Equivalent single amortization period: 17 years.
7. Asset valuation method: The actuarial asset value was reinitialized to equal fair value of assets as of June 30, 2014. Beginning in FY2015, the assets value method recognizes 20% of the gain or loss each year, for a period of 5 years, all assets are valued at fair value.
8. Inflation: 3.12% per annum.
9. Salary increases: Ranges from 9.66% to 4.92% based on service for Peace Officer/Firefighter. Ranges from 8.55% to 4.34% based on age and service for All Others.
10. Investment rate of return: 8%, net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
11. Retirement age: An age-related assumption is used for participants not yet receiving payments.
12. Mortality: Pre-termination mortality rates were based upon the 2010-2013 actual mortality experience, 60% of male and 65% of female post-termination rates. Deaths are assumed to be occupational 70% of the time for Peace Officers / Firefighters, 50% of the time for Others, 96% of all rates of the RP - 2000 Table Base Year projected to 2018 with projected scale BB.
13. In fiscal year 2017 the District implemented GASB 82, which required a retroactive change in covered payroll.
14. This schedule is intended to present 10 years of information. Additional years' information will be included as it becomes available.
15. In fiscal year 2018 the District included pension DBUL into the contractually required contribution. This will be a prospective change.

City of Bethel, Alaska

Schedule of the City's Contributions (OPEB)

Public Employees' Retirement System (PERS)

June 30, 2018

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
Alaska Retiree Healthcare Trust Plan (ARHCT):					
2018	\$ 221,976	\$ (221,976)	\$ -	\$ 9,256,532	2.40%
Occupational Death and Disability (ODD):					
2018	\$ 8,354	\$ (8,354)	\$ -	\$ 6,877,245	0.12%
Retiree Medical Plan (RMP):					
2018	\$ 40,507	\$ (40,507)	\$ -	\$ 6,877,245	0.59%

Notes to schedule

- Valuation date: June 30, 2017, which was rolled forward to June 30, 2018.
- Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry Age Normal - level percentage of payroll.
- Amortization method: Level dollar, closed.
- Amortization period: 25 years, as a level of percentage of payroll.
- Equivalent single amortization period: 17 years.
- Asset valuation method: The actuarial asset value was reinitialized to equal fair value of assets as of June 30, 2014. Beginning in FY2015, the assets value method recognizes 20% of the gain or loss each year, for a period of 5 years, all assets are valued at fair value.
- Inflation: 3.12% per annum.
- Salary increases: Ranges from 9.66% to 4.92% based on service for Peace Officer/Firefighter. Ranges from 8.55% to 4.34% based on age and service for All Others.
- Investment rate of return: 8%, net of OPEB plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
- Retirement age: An age-related assumption is used for participants not yet receiving payments.
- Mortality: Pre-termination mortality rates were based upon the 2010-2013 actual mortality experience, 60% of male and 65% of female post-termination rates. Deaths are assumed to be occupational 70% of the time for Peace Officers / Firefighters, 50% of the time for Others, 96% of all rates of the RP - 2000 Table Base Year projected to 2018 with projected scale BB.
- This schedule is intended to present 10 years of information. Additional years' information will be included as it becomes available.

City of Bethel, Alaska

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Original and Final Budget and Actual

Year Ended June 30, 2018

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Intergovernmental:				
Federal sources	\$ 645,067	645,067	886,218	241,151
State of Alaska	217,176	217,176	429,408	212,232
Local sources:				
Taxes	8,484,934	8,484,934	8,412,391	(72,543)
Charges for services	298,928	298,928	33,326	(265,602)
Rental income	2,776	2,776	2,675	(101)
Permits, licenses and fees	552,960	552,960	677,402	124,442
Income from investments	95,594	95,594	209,741	114,147
Miscellaneous	67,469	67,469	319,724	252,255
Total revenues	<u>10,364,904</u>	<u>10,364,904</u>	<u>10,970,885</u>	<u>605,981</u>
Expenditures:				
General government:				
Administration	423,817	472,471	472,518	(47)
City clerk	131,510	131,510	148,408	(16,898)
Finance	543,142	518,002	531,515	(13,513)
Planning	343,376	344,719	311,280	33,439
Technology	230,424	270,425	298,257	(27,832)
City attorney	200,011	200,011	219,296	(19,285)
Public safety:				
Fire department	1,341,918	1,697,019	1,230,405	466,614
Police department	3,001,295	3,037,894	2,689,692	348,202
Public works:				
Administration	181,236	181,480	137,633	43,847
Operations	1,556,571	1,810,357	1,684,935	125,422
Property maintenance	897,305	868,632	677,003	191,629
Capital outlay	125,408	125,408	1,298,564	(1,173,156)
Debt service:				
Interest	10,122	10,122	10,122	-
Principal	61,095	61,095	61,095	-
Community services:				
Parks and recreation	-	-	-	-
Special projects	177,700	216,156	207,900	8,256
Total expenditures	<u>9,224,930</u>	<u>9,945,301</u>	<u>9,978,623</u>	<u>(33,322)</u>
Excess of revenues over expenditures	1,139,974	419,603	992,262	572,659
Other Financing Sources (Uses)				
Debt proceeds	-	-	811,000	-
Transfers in	9,475	9,475	17,618	8,143
Transfers out	(668,975)	(668,975)	(556,040)	112,935
Net Other Financing Sources (Uses)	<u>(659,500)</u>	<u>(659,500)</u>	<u>272,578</u>	<u>121,078</u>
Net change in fund balance	\$ <u>480,474</u>	<u>(239,897)</u>	1,264,840	1,504,737
Fund Balance , beginning of year			13,254,741	
Fund Balance , end of year			\$ <u>14,519,581</u>	

City of Bethel, Alaska

Lagoon Upgrade Design Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance -Original and Final Budget and Actual

Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
Revenues -				
Intergovernmental:				
Federal sources	\$ 6,176,758	6,176,758	5,023,199	(1,153,559)
State of Alaska	<u>2,058,919</u>	<u>2,058,919</u>	<u>1,674,400</u>	<u>(384,519)</u>
Total revenues	<u>8,235,677</u>	<u>8,235,677</u>	<u>6,697,599</u>	<u>(1,538,078)</u>
Expenditures				
Public works	-	-	365	(365)
Capital outlay	<u>8,235,677</u>	<u>8,235,677</u>	<u>6,697,599</u>	<u>1,538,078</u>
Total expenditures	<u>8,235,677</u>	<u>8,235,677</u>	<u>6,697,964</u>	<u>1,537,713</u>
(Deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(365)</u>	<u>-</u>
Other financing sources:				
Transfer in	<u>-</u>	<u>-</u>	<u>365</u>	<u>365</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>365</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

ADDITIONAL SUPPLEMENTARY INFORMATION

City of Bethel, Alaska

General Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

Year Ended June 30, 2018

	Budget	Actual	Variance
Revenues:			
Intergovernmental -			
Federal sources - payment in lieu of taxes	\$ 645,067	886,218	241,151
State of Alaska:			
State PERS relief	-	124,798	124,798
Community revenue sharing	160,089	231,991	71,902
Motor vehicle registration tax	57,087	49,443	(7,644)
Electric and telephone cooperative tax	-	19,576	19,576
Liquor license	-	3,600	3,600
Total State of Alaska	217,176	429,408	212,232
Local sources:			
Taxes, including penalty and interest	8,484,934	8,412,391	(72,543)
Charges for services:			
Public safety	298,928	33,326	(265,602)
Rental income	2,776	2,675	(101)
Permits, licenses and fees:			
Gaming fees	365,340	440,606	75,266
Taxi permits	145,948	165,870	19,922
Business licenses	30,000	38,217	8,217
Animal control licenses/fees	2,216	3,415	1,199
Planning fees	1,343	1,075	(268)
Plat and recording fees	100	915	815
Site reviews	4,888	22,525	17,637
Parks and recreation	2,125	(300)	(2,425)
Other	1,000	5,079	4,079
Total permits, licenses and fees	552,960	677,402	124,442
Income from investments	95,594	209,741	114,147
Miscellaneous:			
Donations	-	189,834	189,834
Police department	16,793	4,661	(12,132)
Restitution payments	7,815	(320)	(8,135)
Other	42,861	125,549	82,688
Total miscellaneous	67,469	319,724	252,255
Total local sources	9,502,661	9,655,259	152,598
Total revenues	10,364,904	10,970,885	605,981

(Continued)

City of Bethel, Alaska

General Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual, Continued

	Budget	Actual	Variance
Expenditures:			
General government:			
Administration:			
Personnel	\$ 554,624	553,261	1,363
Travel and training	8,786	8,686	100
Supplies	10,200	3,046	7,154
Utilities and fuel	41,906	63,498	(21,592)
Special events	10,000	5,664	4,336
Repairs and maintenance	2,052	2,853	(801)
Other purchased services	64,667	56,297	8,370
Minor equipment	1,607	2,161	(554)
Insurance	9,652	8,483	1,169
Other expenditures	51,521	40,335	11,186
Indirect cost recovery	(282,544)	(271,766)	(10,778)
Total administration	472,471	472,518	(47)
City clerk:			
Personnel	171,359	185,300	(13,941)
Travel and training	17,241	13,892	3,349
Supplies	2,500	941	1,559
Utilities and fuel	1,047	661	386
Other purchased services	41,709	41,628	81
Insurance	1,530	1,555	(25)
Other expenditures	27,633	24,003	3,630
Indirect cost recovery	(131,509)	(119,572)	(11,937)
Total city clerk	131,510	148,408	(16,898)
Finance:			
Personnel	668,978	550,485	118,493
Travel and training	29,200	29,322	(122)
Supplies	33,921	38,449	(4,528)
Utilities and fuel	1,102	1,431	(329)
Repairs and maintenance	1,519	1,168	351
Other purchased services	240,743	231,292	9,451
Insurance	5,300	3,279	2,021
Other expenditures	80,381	78,475	1,906
Indirect cost recovery	(543,142)	(402,386)	(140,756)
Total finance	518,002	531,515	(13,513)

(Continued)

City of Bethel, Alaska

General Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual, Continued

	Budget	Actual	Variance
Expenditures, continued:			
General government, continued:			
Planning:			
Personnel	\$ 229,484	228,761	723
Travel and training	8,420	3,503	4,917
Supplies	3,900	3,537	363
Utilities and fuel	16,346	7,230	9,116
Repairs and maintenance	256	2,840	(2,584)
Other purchased services	62,666	46,814	15,852
Insurance	2,050	1,610	440
Other expenditures	21,597	16,985	4,612
Total planning	344,719	311,280	33,439
Technology:			
Personnel	138,076	128,643	9,433
Supplies	4,500	1,857	2,643
Utilities and fuel	7,899	4,549	3,350
Repairs and maintenance	1,519	1,269	250
Other purchased services	410,000	396,332	13,668
Equipment	42,500	-	42,500
Insurance	(1,452)	1,231	(2,683)
Other expenditures	157,815	179,017	(21,202)
Indirect cost recovery	(490,432)	(414,641)	(75,791)
Total technology	270,425	298,257	(27,832)
City attorney:			
Personnel	196,268	191,087	5,181
Travel and training	8,400	5,262	3,138
Utilities and fuel	772	481	291
Supplies	500	1,023	(523)
Other purchased services	26,000	45,319	(19,319)
Insurance	200	1,050	(850)
Other expenditures	17,874	20,135	(2,261)
Indirect cost recovery	(50,003)	(45,061)	(4,942)
Total city attorney	200,011	219,296	(19,285)
Total general government	1,937,138	1,981,274	(44,136)

(Continued)

City of Bethel, Alaska

General Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual, Continued

	Budget	Actual	Variance
Expenditures, continued:			
Public safety:			
Fire department:			
Personnel	\$ 1,051,108	968,390	82,718
Travel and training	11,697	11,347	350
Supplies	31,696	31,014	682
Utilities and fuel	57,286	61,159	(3,873)
Repairs and maintenance	57,974	53,798	4,176
Other purchased services	24,340	24,199	141
Equipment	289,834	-	289,834
Insurance	51,700	41,081	10,619
Other expenditures	121,384	39,417	81,967
Total fire department	1,697,019	1,230,405	466,614
Police department:			
Personnel	2,543,043	2,254,004	289,039
Travel and training	31,818	29,677	2,141
Supplies	49,359	41,104	8,255
Utilities and fuel	110,317	127,143	(16,826)
Repairs and maintenance	29,193	20,513	8,680
Other purchased services	24,884	15,762	9,122
Insurance	142,000	110,454	31,546
Other expenditures	107,280	91,035	16,245
Total police department	3,037,894	2,689,692	348,202
Total public safety	4,734,913	3,920,097	814,816
Public works:			
Administration:			
Personnel	122,449	116,984	5,465
Travel and training	4,500	7,211	(2,711)
Supplies	2,500	867	1,633
Utilities and fuel	21,881	8,415	13,466
Repairs and maintenance	3,037	2,349	688
Other purchased services	(123)	544	(667)
Insurance	7,983	1,263	6,720
Other expenditures	19,253	-	19,253
Total administration	181,480	137,633	43,847

(Continued)

City of Bethel, Alaska

General Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual, Continued

	Budget	Actual	Variance
Expenditures, continued			
Public works, continued:			
Operations:			
Personnel	\$ 685,745	677,929	7,816
Travel and training	1,000	100	900
Supplies	498,800	457,677	41,123
Utilities and fuel	131,494	140,096	(8,602)
Repairs and maintenance	169,922	184,922	(15,000)
Other purchased services	1,500	2,102	(602)
Equipment	303,788	205,151	98,637
Insurance	18,108	16,958	1,150
Total operations	1,810,357	1,684,935	125,422
Property maintenance:			
Personnel	615,739	501,123	114,616
Travel and training	3,547	264	3,283
Supplies	60,649	47,030	13,619
Utilities and fuel	81,734	72,282	9,452
Repairs and maintenance	37,845	20,693	17,152
Other purchased services	30,000	18,274	11,726
Insurance	8,550	6,131	2,419
Other expenditures	30,568	11,206	19,362
Total property maintenance	868,632	677,003	191,629
Total public works	2,860,469	2,499,571	360,898
Capital outlay:			
Equipment	125,408	1,298,564	(1,173,156)
Debt services:			
Interest	10,122	10,122	-
Principal	61,095	61,095	-
Total debt service	71,217	71,217	-
Community services:			
Library contribution	67,600	67,600	-
UAF 4-H contribution	112,000	112,000	-
Other expenditures	36,556	28,300	8,256
Total community services	216,156	207,900	8,256
Total expenditures	9,945,301	9,978,623	(33,322)
Excess of revenues over expenditures	\$ 419,603	992,262	572,659

(Continued)

City of Bethel, Alaska

General Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual, Continued

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Other financing sources (uses)			
Debt proceeds	-	811,000	811,000
Transfers in:			
Other governmental funds	<u>9,475</u>	<u>17,618</u>	<u>8,143</u>
Transfers out:			
Other governmental funds	-	(21,251)	(21,251)
Multi-use recreation center enterprise fund	<u>(668,975)</u>	<u>(534,789)</u>	<u>134,186</u>
Total transfers out	<u>(668,975)</u>	<u>(556,040)</u>	<u>112,935</u>
Net other financing sources (uses)	<u>(659,500)</u>	<u>272,578</u>	<u>121,078</u>
Net change in fund balance	\$ <u>(239,897)</u>	1,264,840	<u>693,737</u>
Fund Balance, beginning of year		<u>13,254,741</u>	
Fund Balance, end of year		\$ <u>14,519,581</u>	

City of Bethel, Alaska

Lagoon Upgrade Design Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

Year Ended June 30, 2018

	Budget	Actual	Variance
Revenues -			
Intergovernmental:			
Federal sources	\$ 6,176,758	5,023,199	(1,153,559)
State of Alaska	2,058,919	1,674,400	(384,519)
Total revenues	<u>8,235,677</u>	<u>6,697,599</u>	<u>(1,538,078)</u>
Expenditures:			
Public works -			
Advertising	-	365	365
Capital outlay	8,235,677	6,697,599	1,538,078
	<u>8,235,677</u>	<u>6,697,964</u>	<u>1,538,443</u>
(Deficiency) of revenues over expenditures	-	(365)	(365)
Other financing sources:			
Transfer in	-	365	365
Net change in fund balance	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		<u>\$ -</u>	

City of Bethel, Alaska
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2018

	Special Revenue Funds							
	Police Asset Forfeiture	Rasmuson	Community Service Patrol	Homeland Security	USDA-RA Sewer Lagoon Jetty	911 Surcharges	Volunteer Fire Assistance	Land Water Conservation Grant
Assets:								
Cash and cash equivalents	\$ 5,397	4,430	-	-	-	61,325	14,923	43,981
Accounts receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	26,225	88,015	239,420	-	-	3,716
Investments	-	-	-	-	-	-	-	-
Total Assets	<u>5,397</u>	<u>4,430</u>	<u>26,225</u>	<u>88,015</u>	<u>239,420</u>	<u>61,325</u>	<u>14,923</u>	<u>47,697</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	-	-	341	-	183,433	-	7,453	8,000
Accrued payroll	-	-	5,809	-	-	1,836	-	-
Due to other funds	66,779	-	20,075	88,015	55,987	-	-	-
Unearned revenue	-	-	-	-	-	-	7,470	-
Total liabilities	<u>66,779</u>	<u>-</u>	<u>26,225</u>	<u>88,015</u>	<u>239,420</u>	<u>1,836</u>	<u>14,923</u>	<u>8,000</u>
Fund balances:								
Restricted	-	4,430	-	-	-	59,489	-	39,697
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	(61,382)	-	-	-	-	-	-	-
Total fund balances	<u>(61,382)</u>	<u>4,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,489</u>	<u>-</u>	<u>39,697</u>
Total liabilities and fund balances	\$ <u>5,397</u>	<u>4,430</u>	<u>26,225</u>	<u>88,015</u>	<u>239,420</u>	<u>61,325</u>	<u>14,923</u>	<u>47,697</u>

(Continued)

City of Bethel, Alaska
Nonmajor Governmental Funds
Combining Balance Sheet, Continued

	Permanent Fund	Capital Project Funds						Total Nonmajor Governmental Funds
	Endowment	Institutional Corridor	Land Planning Development	Park Development	Sewage Lagoon	Fleet Replacement	Public Safety Building	
Assets:								
Cash and cash equivalents	\$ 461,315	-	21,173	103,550	-	1,015,544	-	1,731,638
Accounts receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	857,161	-	-	374,559	-	57,034	1,646,130
Investments	1,452,369	-	-	-	-	-	-	1,452,369
Total Assets	<u>1,913,684</u>	<u>857,161</u>	<u>21,173</u>	<u>103,550</u>	<u>374,559</u>	<u>1,015,544</u>	<u>57,034</u>	<u>4,830,137</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	-	31,388	-	-	374,112	-	-	604,727
Accrued payroll	-	9	-	-	48	-	15	7,717
Due to other funds	33,356	825,764	-	-	399	-	57,019	1,147,394
Unearned revenue	-	-	-	-	-	-	-	7,470
Total Liabilities	<u>33,356</u>	<u>857,161</u>	<u>-</u>	<u>-</u>	<u>374,559</u>	<u>-</u>	<u>57,034</u>	<u>1,767,308</u>
Fund Balances:								
Restricted	-	-	-	-	-	-	-	103,616
Committed	1,880,328	-	-	-	-	-	-	1,880,328
Assigned	-	-	21,173	103,550	-	1,015,544	-	1,140,267
Unassigned	-	-	-	-	-	-	-	(61,382)
Total Fund Balances	<u>1,880,328</u>	<u>-</u>	<u>21,173</u>	<u>103,550</u>	<u>-</u>	<u>1,015,544</u>	<u>-</u>	<u>3,062,829</u>
Total Liabilities and Fund Balances	<u>\$ 1,913,684</u>	<u>857,161</u>	<u>21,173</u>	<u>103,550</u>	<u>374,559</u>	<u>1,015,544</u>	<u>57,034</u>	<u>4,830,137</u>

City of Bethel, Alaska

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Year Ended June 30, 2018

	Special Revenue Funds							
	Police Asset Forfeiture	Rasmuson	Community Service Patrol	Homeland Security	USDA-RA Sewer Lagoon Jetty	911 Surcharges	Volunteer Firefighter Assistance	Land Water Conservation Grant
Revenues:								
Intergovernmental:								
Federal sources	\$ -	-	-	91,342	239,420	-	7,453	-
State of Alaska	-	-	232,613	-	-	-	-	43,413
Local sources:								
Charges for services	-	-	-	-	-	146,402	-	-
Income from investments	2	-	-	-	-	-	-	-
Miscellaneous	-	500	-	-	-	-	-	-
In-kind	-	-	32,308	-	-	-	-	-
Total revenues	<u>2</u>	<u>500</u>	<u>264,921</u>	<u>91,342</u>	<u>239,420</u>	<u>146,402</u>	<u>7,453</u>	<u>43,413</u>
Expenditures:								
Current:								
Public safety	-	-	286,209	88,042	-	241,246	7,453	-
Public works	-	-	-	-	-	-	-	8,000
Community services	-	500	-	-	-	-	-	-
Capital outlay	-	-	-	-	239,420	-	-	-
Total expenditures	<u>-</u>	<u>500</u>	<u>286,209</u>	<u>88,042</u>	<u>239,420</u>	<u>241,246</u>	<u>7,453</u>	<u>8,000</u>
Excess of revenues over (under) expenditures	<u>2</u>	<u>-</u>	<u>(21,288)</u>	<u>3,300</u>	<u>-</u>	<u>(94,844)</u>	<u>-</u>	<u>35,413</u>
Other financing sources (uses):								
Transfers in	-	-	21,288	-	-	-	10	4,284
Transfers (out)	-	-	-	(3,300)	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>21,288</u>	<u>(3,300)</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>4,284</u>
Net change in fund balances	2	-	-	-	-	(94,844)	10	39,697
Fund balances, beginning of year	<u>(61,384)</u>	<u>4,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,333</u>	<u>(10)</u>	<u>-</u>
Fund balances, end of year	<u>\$ (61,382)</u>	<u>4,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,489</u>	<u>-</u>	<u>39,697</u>

(Continued)

City of Bethel, Alaska

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances, Continued

	Special Revenue Funds	Permanent Fund	Capital Project Funds		
	APEI	Endowment	Institutional Corridor	Land Planning Development	Park Development
Revenues:					
Intergovernmental:					
Federal sources	\$ -	-	-	-	-
State of Alaska	-	-	1,609,970	-	-
Locals sources:					
Charges for services	-	-	-	-	-
Income from investments	-	11,836	-	-	-
Miscellaneous	4,512	-	-	-	83,000
In-kind	-	-	-	-	-
Total revenues	<u>4,512</u>	<u>11,836</u>	<u>1,609,970</u>	<u>-</u>	<u>83,000</u>
Expenditures:					
Current:					
Public safety	-	-	-	-	-
Public works	3,000	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	1,609,881	-	-
Total expenditures	<u>3,000</u>	<u>-</u>	<u>1,609,881</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>1,512</u>	<u>11,836</u>	<u>89</u>	<u>-</u>	<u>83,000</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	(1,512)	(17,539)	(89)	-	-
Net other financing sources (uses)	<u>(1,512)</u>	<u>(17,539)</u>	<u>(89)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(5,703)	-	-	83,000
Fund balances, beginning of year	<u>-</u>	<u>1,886,031</u>	<u>-</u>	<u>21,173</u>	<u>20,550</u>
Fund balances, end of year	<u>\$ -</u>	<u>1,880,328</u>	<u>-</u>	<u>21,173</u>	<u>103,550</u>

(Continued)

City of Bethel, Alaska

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances, Continued

	Capital Project Funds				Total Nonmajor Governmental Funds
	Sewage Lagoon	Fleet Replacement	Public Safety Building	Sanitation Deficiency	
Revenues:					
Intergovernmental:					
Federal sources	\$ -	-	-	510,364	848,579
State of Alaska	519,278	-	66,322	-	2,471,596
Local sources;					
Charges for services	-	-	-	-	146,402
Income from investments	-	-	-	-	11,838
Miscellaneous	-	-	-	-	88,012
In-kind	-	-	-	-	32,308
Total revenues	<u>519,278</u>	<u>-</u>	<u>66,322</u>	<u>510,364</u>	<u>3,598,735</u>
Expenditures:					
Current:					
Public safety	-	-	-	-	622,950
Public works	-	-	-	-	11,000
Community services	-	-	-	-	500
Capital outlay	519,404	-	66,322	510,364	2,945,391
Total expenditures	<u>519,404</u>	<u>-</u>	<u>66,322</u>	<u>510,364</u>	<u>3,579,841</u>
Excess of revenues over (under) expenditures	<u>(126)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,894</u>
Other financing sources (uses):					
Transfers in	126	-	-	-	25,708
Transfers (out)	-	-	-	-	(22,440)
Net other financing sources (uses)	<u>126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,268</u>
Net change in fund balances	-	-	-	-	22,162
Fund balances, beginning of year	<u>-</u>	<u>1,015,544</u>	<u>-</u>	<u>-</u>	<u>3,040,667</u>
Fund balances, end of year	<u>\$ -</u>	<u>1,015,544</u>	<u>-</u>	<u>-</u>	<u>3,062,829</u>

City of Bethel, Alaska

Police Asset Forfeiture Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2018

	Budget	Actual	Variance
Revenues -			
Local sources - Income from investments	\$ -	2	2
Expenditures	-	-	-
Excess of revenues over expenditures	\$ -	2	2
Fund balance, beginning of year		(61,384)	
Fund balance, end of year		\$ (61,382)	

City of Bethel, Alaska

Rasmuson Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues - local sources - other	\$ <u>-</u>	<u>500</u>	<u>(500)</u>
Expenditures:			
Community services -			
Other purchased services	<u>-</u>	<u>500</u>	<u>500</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	<u>-</u>	<u><u>-</u></u>
Fund Balance, beginning of year		<u>4,430</u>	
Fund Balance, end of year		\$ <u><u>4,430</u></u>	

City of Bethel, Alaska

Community Service Patrol Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

Year Ended June 30, 2018

	Budget	Actual	Variance
Revenues:			
Intergovernmental -			
State of Alaska	\$ 323,081	232,613	(90,468)
Local sources - in-kind	32,308	32,308	-
Total revenues	<u>355,389</u>	<u>264,921</u>	<u>(90,468)</u>
Expenditures:			
Public safety:			
Personnel	290,356	218,282	72,074
Travel and training	14,624	-	14,624
Supplies	9,813	8,373	1,440
Utilities and fuel	17,684	3,785	13,899
Minor equipment	6,000	21,948	(15,948)
Insurance	-	1,513	(1,513)
In-kind expenditures	16,912	32,308	(15,396)
Total expenditures	<u>355,389</u>	<u>286,209</u>	<u>69,180</u>
(Deficiency) of revenues over expenditures	-	(21,288)	(21,288)
Other financing sources:			
Transfer in	-	21,288	21,288
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		<u>\$ -</u>	

City of Bethel, Alaska
Homeland Security Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues -			
Intergovernmental -			
Federal sources	\$ <u>103,987</u>	<u>91,342</u>	<u>(12,645)</u>
Expenditures -			
Public safety - equipment	<u>103,987</u>	<u>88,042</u>	<u>15,945</u>
Excess of revenues over expenditures	-	3,300	3,300
Other financing sources:			
Transfer out	<u>-</u>	<u>(3,300)</u>	<u>(3,300)</u>
Net change in fund balance	\$ <u><u>-</u></u>	<u>-</u>	<u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

City of Bethel, Alaska

USDA-RA Sewer Lagoon Jetty Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues -			
Intergovernmental -			
Federal sources	\$ <u>1,669,358</u>	<u>239,420</u>	<u>(1,429,938)</u>
Expenditures -			
Capital outlay - professional services	<u>1,669,358</u>	<u>239,420</u>	<u>1,429,938</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	<u>-</u>	<u><u>-</u></u>
Fund balance , beginning of year		<u>-</u>	
Fund balance , end of year		\$ <u><u>-</u></u>	

City of Bethel, Alaska

911 Surcharges Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues -			
Local sources - charges for services	\$ <u>155,000</u>	<u>146,402</u>	<u>(8,598)</u>
Expenditures:			
Public safety:			
Personnel	105,387	192,665	(87,278)
Utilities and fuel	-	229	(229)
Supplies	-	1,087	(1,087)
Other purchased services	40,500	41,342	(842)
Rents and leases	4,800	4,806	(6)
Insurance	<u>1,000</u>	<u>1,117</u>	<u>(117)</u>
Total expenditures	<u>151,687</u>	<u>241,246</u>	<u>(89,559)</u>
(Deficiency) revenues over expenditures	\$ <u><u>3,313</u></u>	<u>(94,844)</u>	<u><u>(98,157)</u></u>
Fund balance , beginning of year		<u>154,333</u>	
Fund balance , end of year		\$ <u><u>59,489</u></u>	

City of Bethel, Alaska

Volunteer Fire Assistance Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues -			
Intergovernmental -			
Federal sources	\$ <u>7,453</u>	<u>7,453</u>	<u>-</u>
Expenditures			
Public safety - minor equipment	<u>7,453</u>	<u>7,453</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:			
Transfer in	<u>-</u>	<u>10</u>	<u>10</u>
Net change in fund balance	\$ <u>-</u>	<u>10</u>	<u>10</u>
Fund balance , beginning of year		<u>(10)</u>	
Fund balance , end of year		\$ <u>-</u>	

City of Bethel, Alaska

APEI Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

Year Ended June 30, 2018

	Budget	Actual	Variance
Revenues -			
Local sources - miscellaneous	\$ -	4,512	4,512
Expenditures			
Public works - supplies	-	3,000	(3,000)
Excess of revenues over expenditures	-	1,512	1,512
Other financing uses -			
Transfers out	-	(1,512)	(1,512)
Net change in fund balance	\$ -	-	-
Fund balance , beginning of year		-	
Fund balance , end of year		\$ -	

City of Bethel, Alaska

Land Water Conservation Grant Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

Year Ended June 30, 2018

	Budget	Actual	Variance
Revenues -			
Intergovernmental - State of Alaska	\$ -	43,413	43,413
Expenditures:			
Public works:			
Supplies	-	787	787
Minor equipment	-	7,213	7,213
Total expenditures	-	8,000	8,000
Excess of revenues over expenditures	-	35,413	35,413
Other financing uses -			
Transfers in	-	4,284	4,284
Net change in fund balance	\$ -	39,697	39,697
Fund balance , beginning of year		-	
Fund balance , end of year		\$ 39,697	

City of Bethel, Alaska

Endowment Permanent Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual

Year Ended June 30, 2018

	Budget	Actual	Variance
Revenues -			
Local sources - investment income	\$ -	11,836	11,836
Expenditures	-	-	-
Excess of revenues over expenditures	-	11,836	(11,836)
Other financing uses -			
Transfers out	-	(17,539)	17,539
Net change in fund balance	\$ -	(5,703)	5,703
Fund balance , beginning of year		1,886,031	
Fund balance , end of year		\$ 1,880,328	

City of Bethel, Alaska
Water and Sewer Utility Enterprise Fund
Statement of Net Position
June 30, 2018

Assets and Deferred Outflows of Resources

Current assets:

Cash and cash equivalents	\$ 3,504,091
Accounts receivable (net of allowance)	704,238
Inventory	65,550
Total current assets	<u>4,273,879</u>

Capital assets:

Construction in progress	11,314,993
Depreciable assets	34,982,564
Less accumulated depreciation	<u>(26,151,767)</u>
Net capital assets	<u>20,145,790</u>

Deferred outflows of resources -

Pension and OPEB deferrals	<u>458,063</u>
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Total assets and deferred outflows of resources	\$ <u>24,877,732</u>
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Liabilities, Deferred Inflows of Resources and Net Position

Liabilities:

Current liabilities:

Accounts payable	138,405
Accrued payroll	74,828
Accrued leave	133,319
Security deposits	358,528
Total current liabilities	<u>705,080</u>

Long-term Liabilities:

Advances from other funds	1,996,668
Net pension and OPEB liabilities	3,445,694
Total long-term liabilities	<u>5,442,362</u>

Total liabilities	<u>6,147,442</u>
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Deferred inflows of resources -

Pension and OPEB deferrals	<u>572,924</u>
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Net position:

Net investment in capital assets	20,145,790
Unrestricted	<u>(1,988,424)</u>
Total net position	<u>18,157,366</u>

Total liabilities, deferred inflows of resources and net position	\$ <u>24,877,732</u>
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City of Bethel, Alaska
Water and Sewer Utility Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2018

Operating revenues:	
Charges for services	\$ 6,958,047
Other	4,339
Total operating revenues	<u>6,962,386</u>
Operating expenses:	
Personnel	2,802,478
Travel and training	9,861
Materials and supplies	161,092
Utilities and fuel	757,552
Minor equipment and tools	84,882
Depreciation	1,098,612
Other purchased services	55,946
Insurance	109,980
Repairs and maintenance	649,835
Other expenses	60,204
Bad debt expense	36,149
Indirect cost	588,218
Total operating expenses	<u>6,414,809</u>
Income from operations	547,577
Nonoperating revenues -	
Investment income	10,489
State PERS relief	99,490
Income before transfers and contributions	657,556
Capital contributions	<u>9,057,572</u>
Change in net position	<u>9,715,128</u>
Net position, beginning of year, as previously stated	9,044,343
Cumulative effect of a change in accounting principle	<u>(602,105)</u>
Net position, beginning of year, as restated	<u>8,442,238</u>
Net position, end of year	<u><u>\$ 18,157,366</u></u>

City of Bethel, Alaska
Water and Sewer Utility Enterprise Fund
Statement of Cash Flows
Year Ended June 30, 2018

Cash flows from (for) operating activities:

Receipts from customers	\$ 6,930,689
Payment to suppliers	(2,445,428)
Payment to employees	<u>(2,909,251)</u>

Net cash flows from operating activities	<u>1,576,010</u>
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Cash Flows from (for) Capital and Related Financing Activities:

Acquisition of capital assets	<u>(102,273)</u>
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Net increase in cash and cash equivalents	<u>1,473,737</u>
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Cash and cash equivalents, beginning of year	<u>2,030,354</u>
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Cash and cash equivalents, end of year	<u><u>\$ 3,504,091</u></u>
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**Reconciliation of loss from operations
to net cash flows from operating activities:**

Income from operations	\$ 547,577
Adjustments to reconcile loss from operations to net cash flows from operating activities:	
Depreciation	1,098,612
Pension and OPEB expense	942,253
(Increase) decrease in assets:	
Accounts receivable	(55,293)
Inventory	(15,452)
Increase (decrease) in liabilities:	
Accounts payable	83,743
Accrued payroll	10,793
Accrued leave	13,961
Deposits	23,596
Unfunded pension and OPEB liabilities	<u>(1,073,780)</u>
Net cash flows from operating activities	<u><u>\$ 1,576,010</u></u>

Noncash items:

Capital assets transferred from governmental funds	<u><u>\$ 9,057,572</u></u>
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City of Bethel, Alaska
Municipal Dock Enterprise Fund
Statement of Net Position
June 30, 2018

Assets and Deferred Outflows of Resources

Current assets:

Cash and cash equivalents	\$ 2,949,484
Accounts receivable (net of allowance)	346,556
Inventory	63,201
Investments	1,181,131
Total current assets	<u>4,540,372</u>

Capital assets:

Land	2,237,356
Construction in progress	1,167,200
Depreciable assets	32,779,185
Less accumulated depreciation	<u>(10,727,190)</u>
Net capital assets	<u>25,456,551</u>

Deferred outflows of resources -

Pension and OPEB deferrals	<u>55,060</u>
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Total assets and deferred outflows of resources	<u><u>\$ 30,051,983</u></u>
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Liabilities, Deferred Inflows of Resources and Net Position

Current liabilities:

Accounts payable	13,356
Accrued payroll	13,764
Accrued leave	11,909
Total current liabilities	<u>39,029</u>

Long-term liabilities -

Net pension and OPEB liabilities	<u>374,317</u>
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Total liabilities	<u>413,346</u>
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Deferred inflows of resources -

Pension and OPEB deferrals	<u>49,400</u>
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Net position:

Net investment in capital assets	25,456,551
Unrestricted	4,132,686
Total net position	<u>29,589,237</u>

Total liabilities, deferred inflows of resources and net position	<u><u>\$ 30,051,983</u></u>
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City of Bethel, Alaska
Municipal Dock Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2018

Operating revenues:	
Charges for services	\$ 1,131,172
Other	1,596
Total operating revenues	<u>1,132,768</u>
Operating expenses:	
Personnel	337,853
Travel and training	1,297
Materials and supplies	11,286
Utilities and fuel	48,104
Minor equipment and tools	20,950
Depreciation	798,558
Other purchased services	10,499
Insurance	21,077
Repairs and maintenance	89,653
Other expenses	6,282
Indirect cost	82,447
Total operating expenses	<u>1,428,006</u>
Loss from operations	<u>(295,238)</u>
Nonoperating revenues:	
State PERS relief	8,744
Investment income	(3,981)
Total nonoperating revenues	<u>4,763</u>
Change in net position	<u>(290,475)</u>
Net position, beginning of year, as previously stated	29,930,659
Cumulative effect of a change in accounting principle	<u>(50,947)</u>
Net position, beginning of year, as restated	<u>29,879,712</u>
Net position, end of year	<u><u>\$ 29,589,237</u></u>

City of Bethel, Alaska
Municipal Dock Enterprise Fund
Statement of Cash Flows
Year Ended June 30, 2018

Cash flows from (for) operating activities:

Receipts from customers	\$ 1,289,225
Payment to suppliers	(514,866)
Payment to employees	(346,341)
Net cash flows from operating activities	<u>428,018</u>

Cash flows (for) investing activities:

Redemption of investments	1,197,702
Investment income	(3,981)
Net cash flows from investing activities	<u>1,193,721</u>

Cash flows (for) capital and related financing activities:

Acquisition of capital assets	<u>(1,894,471)</u>
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Net (decrease) in cash and cash equivalents (272,732)

Cash and cash equivalents, beginning of year 3,222,216

Cash and cash equivalents, end of year \$ 2,949,484

Reconciliation of income from (for) operations**to net cash flows from operating activities:**

Loss from operations	\$ (295,238)
Adjustments to reconcile income from operations to net cash flows from operating activities:	
Depreciation and amortization	798,558
Pension and OPEB expense	(10,804)
(Increase) decrease in assets:	
Accounts receivable	156,457
Increase (decrease) in liabilities:	
Accounts payable	(223,271)
Accrued payroll	1,438
Accrued leave	878
Net cash flows from operating activities	<u><u>\$ 428,018</u></u>

City of Bethel, Alaska
Rental Property Enterprise Fund

Statements of Net Position

June 30, 2018

Assets

Current assets:

Cash and cash equivalents	\$ 891,963
Accounts receivable (net of allowance)	3,235
Inventory	6,614
Total current assets	<u>901,812</u>

Long-term assets -

Restricted cash - bond reserve	<u>217,445</u>
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Capital assets:

Construction in progress	17,419
Land	43,000
Depreciable assets	9,876,329
Less accumulated depreciation	<u>(5,376,069)</u>
Net capital assets	<u>4,560,679</u>

Total long-term assets	<u>4,778,124</u>
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Total assets	<u><u>\$ 5,679,936</u></u>
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Liabilities and Net Position

Liabilities

Current liabilities:

Accounts payable	21,943
Current portion - bonds payable	165,000
Accrued interest payable	7,754
Unearned revenue	<u>51,135</u>
Total current liabilities	<u>245,832</u>

Long-term Liabilities:

Advances from other funds	928,960
Bonds payable, net of current portion	1,835,000
Unamortized bond premium	<u>268,280</u>
Total long-term liabilities	<u>3,032,240</u>

Total liabilities	<u>3,278,072</u>
--------------------------	------------------

Net position:

Net investment in capital assets	2,292,399
Restricted - bond reserve	217,445
Unrestricted	<u>(107,980)</u>
Total net position	<u>2,401,864</u>

Total liabilities and net position	<u><u>\$ 5,679,936</u></u>
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City of Bethel, Alaska
Rental Property Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2018

Operating revenues:	
Charges for services	\$ 724,026
Other	(4,896)
Total operating revenues	<u>719,130</u>
Operating expenses:	
Utilities and fuel	127,198
Depreciation and amortization	340,702
Other purchased services	94,009
Insurance	28,307
Repairs and maintenance	7,755
Total operating expenses	<u>597,971</u>
Income from operations	121,159
Nonoperating revenues (expenses):	
Investment income	1,781
Interest expense	(67,616)
Refunding costs	12,845
Net nonoperating revenues (expenses)	<u>(52,990)</u>
Change in net position	68,169
Net position, beginning of year	<u>2,333,695</u>
Net position, end of year	<u>\$ 2,401,864</u>

City of Bethel, Alaska
Rental Property Enterprise Fund
Statement of Cash Flows
Year Ended June 30, 2018

Cash flows from (for) operating activities:

Receipts from customers	\$ 769,849
Payment to suppliers	(248,482)
Net cash flows from operating activities	<u>521,367</u>

Cash Flows from Noncapital Financing Activities

Bad debt recovery	<u>12,845</u>
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Cash flows (for) capital and related financing activities:

Acquisition of capital assets	(17,419)
Payments on long-term debt	(175,000)
Interest paid on long-term debt	(97,425)
Net cash flows (for) capital and related financing activities	<u>(289,844)</u>

Cash flows from investing activities -

Investment income	<u>1,781</u>
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Net increase in cash and cash equivalents 246,149

Cash and cash equivalents, beginning of year 863,259

Cash and cash equivalents, end of year \$ 1,109,408

**Reconciliation of income from operations
to net cash flows from operating activities:**

Income from operations	\$ 121,159
Adjustments to reconcile income from operations to net cash flows from operating activities:	
Depreciation and amortization	340,702
(Increase) decrease in assets:	
Accounts receivable	(416)
Increase (decrease) in liabilities:	
Accounts payable	8,787
Unearned revenue	51,135
Net cash flows from operating activities	<u>\$ 521,367</u>

**Reconciliation of cash and cash equivalents to the
Statement of Net Position:**

Cash and cash equivalents	\$ 891,963
Restricted cash - bond reserve	217,445
	<u>\$ 1,109,408</u>

City of Bethel, Alaska
Solid Waste Enterprise Fund
Statement of Net Position
June 30, 2018

Assets and Deferred Outflows of Resources

Current assets:

Cash and cash equivalents	\$ 4,275,420
Accounts receivable, net of allowance	116,577
Inventory	3,276
Total current assets	<u>4,395,273</u>

Capital assets:

Land	18,252
Depreciable assets	1,186,265
Less accumulated depreciation	<u>(712,219)</u>
Net capital assets	<u>492,298</u>

Deferred outflows of resources -

Pension and OPEB deferrals	<u>54,539</u>
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Total assets and deferred outflows of resources	\$ <u>4,942,110</u>
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Liabilities, deferred inflows of resources and net position

Liabilities:

Current liabilities:

Accounts payable	7,447
Accrued payroll	9,933
Accrued leave	35,750
Total current liabilities	<u>53,130</u>

Long-term liabilities:

Landfill closure costs	2,517,098
Net pension and OPEB liabilities	449,216
Total long-term liabilities	<u>2,966,314</u>

Total liabilities	<u>3,019,444</u>
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Deferred inflows of resources -

Pension and OPEB deferrals	<u>87,240</u>
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Net position:

Net investment in capital assets	492,298
Unrestricted	1,343,128
Total net position	<u>1,835,426</u>

Total liabilities, deferred inflows of resources and net position	\$ <u>4,942,110</u>
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City of Bethel, Alaska
Solid Waste Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2018

Operating revenues:	
Charges for services	\$ 1,189,349
Operating expenses:	
Personnel	389,377
Travel and training	1,884
Materials and supplies	4,649
Utilities and fuel	36,299
Minor equipment and tools	12,644
Depreciation	68,223
Other purchased services	9,015
Insurance	7,322
Repairs and maintenance	130,953
Landfill closure costs	59,931
Other expenses	7,353
Indirect cost	89,706
Total operating expenses	<u>817,356</u>
Income from operations	<u>371,993</u>
Nonoperating revenues -	
State PERS relief	<u>15,416</u>
Change in net position	<u>387,409</u>
Net position, beginning of year, as previously stated	1,540,648
Cumulative effect of a change in accounting principle	<u>(92,631)</u>
Net position, beginning of year, as restated	<u>1,448,017</u>
Net position, end of year	<u><u>\$ 1,835,426</u></u>

City of Bethel, Alaska
Solid Waste Enterprise Fund
Statement of Cash Flows
Year Ended June 30, 2018

Cash flows from (for) operating activities:

Receipts from customers	\$ 1,172,522
Payment to suppliers	(302,198)
Payment to employees	(411,437)
Net cash flows from operating activities	<u>458,887</u>

Cash flows (for) capital related financing activities:

Acquisition of capital assets	<u>(32,000)</u>
Net increase in cash and cash equivalents	426,887

Cash and cash equivalents, beginning of year3,848,533**Cash and cash equivalents**, end of year\$ 4,275,420**Reconciliation of income from operations
to net cash flows from operating activities:**

Income from operations	371,993
Adjustments to reconcile income from operations to net cash flows from operating activities:	
Depreciation	68,223
Pension and OPEB expense	52,441
(Increase) decrease in assets:	
Accounts receivable	(16,827)
Increase (decrease) in liabilities:	
Accounts payable	(2,373)
Accrued payroll	1,209
Accrued leave	(3,145)
Landfill closure costs	59,931
Unfunded pension and OPEB liabilities	(72,565)
Net cash flows from operating activities	<u>\$ 458,887</u>

City of Bethel, Alaska
Multi-Use Recreation Center Enterprise Fund
Statement of Net Position
June 30, 2018

Assets**Current assets:**

Cash and cash equivalents	\$ 3,599,780
Inventory	23,179
Total current assets	<u>3,622,959</u>

Capital assets:

Depreciable assets	23,297,167
Less accumulated depreciation	<u>(2,990,940)</u>
Net capital assets	<u>20,306,227</u>

Total assets	\$ <u>23,929,186</u>
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Liabilities and Net Position**Liabilities -**

Current liabilities -	
Accounts payable	<u>106,670</u>

Net position:

Net investment in capital assets	20,306,227
Unrestricted	<u>3,516,289</u>
Total net position	<u>23,822,516</u>

Total liabilities and net position	\$ <u>23,929,186</u>
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City of Bethel, Alaska

Multi-Use Recreation Center Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2018

Operating Revenues:

Charges for services:

Pro-shop and concession revenue	\$	113,941
Facility rental income		11,897
Public donations		5,000
Permits, licenses and fees		364,358
Total operating revenues		<u>495,196</u>

Operating expenses:

Repairs and maintenance	7,787
Other purchased services	821,606
Depreciation	815,218
Insurance	31,773
Utilities and fuel	307,003
Other expenses	3,393
Indirect cost	37,600
Total operating expenses	<u>2,024,380</u>

Loss from operations	(1,529,184)
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Nonoperating revenues:

Investment income	<u>55,413</u>
Total nonoperating revenues	<u>55,413</u>

Loss before contributions and transfers	(1,473,771)
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Transfers in - General fund	<u>534,789</u>
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Change in net position	(938,982)
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Net position, beginning of year	<u>24,761,498</u>
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Net position, end of year	<u>\$ 23,822,516</u>
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City of Bethel, Alaska
Multi-Use Recreation Center Enterprise Fund
Statement of Cash Flows
Year Ended June 30, 2018

Cash flows from (for) operating activities:	
Receipts from customers	\$ 575,483
Payment to suppliers	(1,132,381)
Net cash flows (for) operating activities	<u>(556,898)</u>
Cash flows from noncapital financing activities:	
Transfers in - General Fund	<u>534,789</u>
Cash flows from investing activities -	
Investment income received	<u>55,413</u>
Net in cash and cash equivalents	33,304
Cash and cash equivalents, beginning of year	<u>3,566,476</u>
Cash and cash equivalents, end of year	<u><u>\$ 3,599,780</u></u>
Reconciliation of loss from (for) operations	
to net cash flows for operating activities:	
Loss from operations	\$ (1,529,184)
Adjustments to reconcile loss from operations to	
net cash flows from (for) operating activities:	
Depreciation	815,218
(Increase) decrease in assets:	
Accounts receivable	80,287
Increase (decrease) in liabilities:	
Accounts payable	76,781
Net cash flows (for) operating activities	<u><u>\$ (556,898)</u></u>

City of Bethel, Alaska
Public Transit Nonmajor Enterprise Fund
Statement of Net Position
June 30, 2018

Assets and Deferred Outflows of Resources

Current assets:

Inventory	\$ 4,636
Total current assets	<u>4,636</u>

Capital assets:

Depreciable assets	365,214
Less accumulated depreciation	<u>(269,570)</u>
Net capital assets	<u>95,644</u>

Deferred outflows of resources -

Pension and OPEB deferrals	<u>20,837</u>
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Total assets and deferred outflows of resources	<u><u>\$ 121,117</u></u>
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Liabilities, Deferred Inflows of Resources and Net Position

Current liabilities:

Accounts payable	3,664
Accrued payroll	6,517
Accrued leave	24,754
Due to other funds	<u>208,847</u>
Total current liabilities	<u>243,782</u>

Long-term-

Net pension and OPEB liabilities	<u>222,103</u>
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Total liabilities	<u>465,885</u>
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Deferred inflows of resources -

Pension and OPEB deferrals	<u>57,983</u>
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Total liabilities and deferred inflows of resources	<u>523,868</u>
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Net position:

Net investment in capital assets	95,644
Unrestricted	<u>(498,395)</u>
Total net position	<u>(402,751)</u>

Total liabilities, deferred inflows of resources and net position	<u><u>\$ 121,117</u></u>
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City of Bethel, Alaska
Public Transit Nonmajor Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2018

Operating revenues -	
Charges for services	\$ <u>32,513</u>
Operating expenses:	
Personnel	264,038
Materials and supplies	3,382
Utilities and fuel	36,564
Minor equipment and tools	1,936
Depreciation and amortization	31,424
Other purchased services	467
Insurance	6,059
Repairs and maintenance	21,886
Other expenses	64,476
Total operating expenses	<u>430,232</u>
Loss from operations	<u>(397,719)</u>
Nonoperating revenues:	
Federal sources	191,193
State PERS relief	9,470
Loss on disposal of assets	(10,723)
Total nonoperating revenues	<u>189,940</u>
Change in net position	<u>(207,779)</u>
Net position, beginning of year, as previously stated	(132,446)
Cumulative effect of a change in accounting principle	<u>(62,526)</u>
Net position, beginning of year, as restated	<u>(194,972)</u>
Net position, end of year	\$ <u><u>(402,751)</u></u>

City of Bethel, Alaska
Public Transit Nonmajor Enterprise Fund
Statement of Cash Flows
Year Ended June 30, 2018

Cash flows from (for) operating activities:

Receipts from customers	\$ 32,513
Payment to suppliers	(136,006)
Payment to employees	(285,484)
Net cash flows (for) operating activities	<u>(388,977)</u>

Cash flows from (for) noncapital financing activities:

Operating grants received	228,774
Increase (decrease) in due to central treasury	160,203
Net cash flows from noncapital financing activities	<u>388,977</u>

Net increase in cash and cash equivalents -

Cash and cash equivalents, beginning of year -

Cash and cash equivalents, end of year \$ -

**Reconciliation of loss from (for) operations
to net cash flows (for) operating activities:**

Loss from operations	\$ (397,719)
Adjustments to reconcile loss from operations to net cash flows (for) operating activities:	
Depreciation and amortization	31,424
Pension and OPEB expense	19,205
(Increase) decrease in assets:	
Increase (decrease) in liabilities:	
Accounts payable	(1,236)
Accrued payroll	889
Accrued leave	7,442
Unfunded pension and OPEB liabilities	(48,982)
Net cash flows (for) operating activities	<u><u>\$ (388,977)</u></u>

City of Bethel, Alaska
Internal Service Funds
Combining Statement of Net Position
June 30, 2018

	Employee Health Insurance	Vehicle and Equipment	Total Internal Service Funds
Assets			
Current assets -			
Inventory	\$ -	256,696	256,696
Total current assets	-	256,696	256,696
Capital assets:			
Depreciable assets	-	86,902	86,902
Less accumulated depreciation	-	(84,675)	(84,675)
Net capital assets	-	2,227	2,227
Total assets	\$ -	258,923	258,923
Liabilities and net position:			
Current liabilities:			
Accounts and claims payable	377,062	16,365	393,427
Accrued payroll	-	10,367	10,367
Accrued leave	-	14,665	14,665
Due to other funds	551,024	163,710	714,734
Total current liabilities	928,086	205,107	1,133,193
Net position:			
Net investment in capital assets	-	2,227	2,227
Unrestricted	(928,086)	51,589	(876,497)
Total net position	(928,086)	53,816	(874,270)
Total liabilities and net position	\$ -	258,923	258,923

City of Bethel, Alaska

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2018

	Employee Health Insurance	Vehicle and Equipment	Total Internal Service Funds
Operating revenues -			
Interfund charges for services	\$ 2,473,613	733,768	3,207,381
Operating expenses:			
Personnel	-	519,311	519,311
Claims	1,768,074	-	1,768,074
Travel and training	-	8,072	8,072
Materials and supplies	-	7,646	7,646
Utilities and fuel	-	84,157	84,157
Minor equipment and tools	-	7,231	7,231
Depreciation	-	3,407	3,407
Other purchased services	708,508	9,269	717,777
Insurance	-	16,963	16,963
Repairs and maintenance	-	792	792
Other expenses	-	140	140
Indirect costs	-	106,453	106,453
Total operating expenses	2,476,582	763,441	3,240,023
Loss from operations	(2,969)	(29,673)	(32,642)
Net position, beginning of year	(925,117)	83,489	(841,628)
Net position, end of year	\$ (928,086)	53,816	(874,270)

City of Bethel, Alaska
Internal Service Funds
Combining Statement of Cash Flows
Year Ended June 30, 2018

	Employee Health Insurance	Vehicle and Equipment	Total Internal Service Funds
Cash flows from (for) operating activities:			
Receipts from interfund services provided	\$ 2,474,416	733,768	3,208,184
Payment to suppliers	(2,212,869)	(261,968)	(2,474,837)
Payment to employees	-	(511,517)	(511,517)
Net cash flows from (for) operating activities	<u>261,547</u>	<u>(39,717)</u>	<u>221,830</u>
Cash flows from noncapital financing activities -			
Increase in due to other funds	<u>(261,547)</u>	<u>39,717</u>	<u>(221,830)</u>
Net increase in cash and cash equivalents	-	-	-
Cash and cash equivalents, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents, end of year	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Reconciliation of loss from operations to net cash flows (for) operating activities:			
Loss from operations	(2,969)	(29,673)	(32,642)
Adjustments to reconcile loss from operations to net cash flows (for) operating activities:			
Depreciation	-	3,407	3,407
(Increase) decrease in assets:			
Accounts receivable	803	-	803
Inventory	-	(14,166)	(14,166)
Increase (decrease) in liabilities:			
Accounts and claims payable	263,713	(7,079)	256,634
Accrued payroll	-	1,531	1,531
Accrued leave	-	6,263	6,263
Net Cash Flows (for) Operating Activities	<u><u>\$ 261,547</u></u>	<u><u>(39,717)</u></u>	<u><u>221,830</u></u>

City of Bethel, Alaska
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

<u>Federal Grant Title</u>	<u>Grant Number</u>	<u>Catalog of Federal Domestic Assistance</u>	<u>Total Grant Award</u>	<u>Federal Share of Expenditures</u>
U.S. Department of Agriculture				
Direct - Water and Waste System	None	10.unknown	\$ 1,669,358	239,420
Passed through the State of Alaska Department of Natural Resources:				
Volunteer Firefighter Assistance	None	10.664	7,453	7,453
Total Department of Agriculture			<u>1,676,811</u>	<u>246,873</u>
U.S. Department of the Interior				
Passed through the State of Alaska Department of Commerce, Community and Economic Development - Payment in Lieu of Taxes	None	15.226	886,218	886,218
Passed through the State of Alaska Department of Military and Veteran Affairs:				
State Homeland Security - 2015	EMW-2015-SS-00026-S01	97.067	103,987	91,342
Total Department of the Interior			<u>990,205</u>	<u>977,560</u>
U.S. Department of Transportation				
Passed through the State of Alaska Department of Transportation and Public Facilities - Rural Public Transit	2512-18-0100	20.509	<u>250,597</u>	<u>191,193</u>
U.S. Environmental Protection Agency				
Passed through the State of Alaska Department of Environmental Conservation				
Village Safe Water Program	14EP70	66.202	1,674,987	1,644,986
Village Safe Water Program	15EQ92	66.202	1,530,000	1,539,925
Village Safe Water Program	16EP29	66.202	1,651,358	1,470,788
Village Safe Water Program	18EQ57	66.202	375,000	367,500
Total CFDA 66.202			<u>5,231,345</u>	<u>5,023,199</u>
Village Safe Water Program	17AP66	93.210	266,401	266,401
Village Safe Water Program	17AP67	66.458	266,000	243,963
Total Environmental Protection Agency			<u>5,763,746</u>	<u>5,533,563</u>
Total Expenditures of Federal Awards			<u>\$ 8,681,359</u>	<u>6,949,189</u>
Reconciliation to statement of revenues, expenditures and changes in fund balances - governmental funds				
Less: federal sources per exhibit C-2				(191,193)
Total sources per exhibit B-3			\$	<u>6,757,996</u>

CITY OF BETHEL, ALASKA

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2018

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Bethel under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the City of Bethel, it is not intended to and does not present the basic financial statements of the City of Bethel.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City of Bethel has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform guidance.

Note 3. Passed Through Awards

No amounts were passed through to subrecipients.

City of Bethel, Alaska

Schedule of State Financial Assistance

Year Ended June 30, 2018

<u>State Grant Title</u>	<u>Grant Number</u>	<u>Total Grant Award</u>	<u>State Share of Expenditures</u>
Department of Commerce, Community and Economic Development			
* Community Revenue Sharing	None	\$ 231,991	231,991
* Sewer and Water Project Institutional Corridor	14-DC-042	7,000,000	1,609,970
Police Dispatch System	12-DC-334	328,800	66,322
* Sewage Lagoon	15-DC-038	700,000	519,278
Total Department of Commerce, Community and Economic Development		<u>8,260,791</u>	<u>2,427,561</u>
Department of Administration			
Motor Vehicle Registration Tax	None	49,443	49,443
Electric Cooperative Revenue Sharing	None	19,576	19,576
Liquor License	None	7,500	3,600
* PERS on Behalf	None	257,918	293,380
Total Department of Administration		<u>334,437</u>	<u>365,999</u>
Department of Health and Social Services			
* Community Service Patrol	602-203-1702	<u>323,081</u>	<u>232,613</u>
Division of Parks and Outdoor Recreation			
Land and Water Conservation Fund Grant	02-00411	<u>125,000</u>	<u>43,413</u>
Department of Environmental Conservation			
* Village Safe Water Program	14EP70	558,329	548,329
* Village Safe Water Program	15EQ92	510,000	513,308
* Village Safe Water Program	16EP29	550,453	490,263
Village Safe Water Program	18EQ57	125,000	122,500
Total Department of Environmental Conservation		<u>1,743,782</u>	<u>1,674,400</u>
Total State Financial Assistance			\$ <u><u>4,743,986</u></u>
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds			
State Financial Assistance per Schedule			\$ <u>4,743,986</u>
Adjustments:			
State financial assistance recorded in proprietary funds			(150,851)
PERS on-behalf adjustment for full accrual pension expense under GASB 68			<u>(17,731)</u>
Total State of Alaska revenues per exhibit B-3		\$	<u><u>4,575,404</u></u>

City of Bethel

Notes to Schedule of State Financial Assistance

Year Ended June 30, 2018

Note 1. Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of the City of Bethel under programs of the State of Alaska for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of the City of Bethel, it is not intended to and does not present the basic financial statements of the City of Bethel.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the City of Bethel's basic financial statements.

Note 3. Subrecipients

No state funds were passed through to Subrecipients.

Note 4. Major Programs

* denotes a major program for compliance audit purposes.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Independent Auditor's Report

Members of the Council
City of Bethel, Alaska
Bethel, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bethel, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Bethel's basic financial statements and have issued our report thereon dated July 1, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Bethel's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Bethel's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Bethel's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the federal accompanying schedule of findings and questioned costs that we consider to be material weaknesses as items 2018-001, 2018-002, and 2018-003.

Members of the Council
City of Bethel, Alaska

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Bethel's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Bethel's Response to Findings

City of Bethel's response to the findings identified in our audit is described in the accompanying federal schedule of findings and questioned costs and corrective action plan. City of Bethel's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Altman, Rogers & Co.

Anchorage, Alaska
July 1, 2019

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance as Required by the *Uniform Guidance*

Independent Auditor's Report

Members of the Council
City of Bethel, Alaska
Bethel, Alaska

Report on Compliance for Each Major Federal Program

We have audited City of Bethel, Alaska's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Bethel, Alaska's major federal programs for the year ended June 30, 2018. City of Bethel, Alaska's major federal program is identified in the summary of auditor's results section of the accompanying Federal Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Bethel, Alaska's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal programs. However, our audit does not provide a legal determination of the City of Bethel, Alaska's compliance.

Basis for Qualified Opinion on CFDA #15.226 Payment in Lieu of Taxes and CFDA #66.202 Village Safe Water

As described in the accompanying Federal Schedule of Findings and Questioned Costs, the City of Bethel, Alaska did not comply with requirements regarding CFDA #15.226 Payment in Lieu of Taxes and CFDA #66.202 Village Safe Water as described in Finding 2018-004 for reporting. Compliance with such requirements is necessary, in our opinion, for the City of Bethel, Alaska to comply with requirements applicable to those programs.

Qualified Opinion on CFDA #15.226 Payment in Lieu of Taxes and CFDA #66.202 Village Safe Water

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City of Bethel, Alaska complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Payment in Lieu of Taxes and Village Safe Water Programs for the year ended June 30, 2018.

Other Matters

City of Bethel, Alaska's response to the noncompliance finding identified in our audit described in the accompanying Federal Schedule of Findings and Questioned Costs and the Corrective Action Plan. City of Bethel, Alaska's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no such opinion on the response.

Report on Internal Control Over Compliance

Management of the City of Bethel, Alaska is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Bethel, Alaska's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Bethel, Alaska's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Members of the Council
City of Bethel, Alaska

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as Finding 2018-004 that we consider to be a material weakness.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Altman, Rogers & Co.

Anchorage, Alaska
July 1, 2019

CITY OF BETHEL, ALASKA

Federal Schedule of Findings and Questioned Costs

Year Ended June 30, 2018

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements were prepared in accordance with GAAP:

Unmodified

Is a going concern emphasis-of-matter paragraph
Included in the audit report?

_____ Yes x No

Internal control over financial reporting:

Material weakness(es) identified?

x Yes _____ No

Significant deficiency(ies) identified?

_____ Yes x None reported

Noncompliance material to financial statements noted?

_____ Yes x No

Federal Awards

Internal Control over major programs:

Material weakness(es) identified

(2 CFR 200.516 (a)(1))?

x Yes _____ No

Significant deficiency(ies) identified

(2 CFR 200.516 (a)(1))?

_____ Yes x None reported

Any material noncompliance with provisions of laws,
regulations, contracts, or grant agreements related
to a major program (2 CFR 200.516 (a)(2))?

x Yes _____ No

Type of auditor’s report issued on compliance
for major programs:

Qualified

Any audit findings disclosed that are required to
be reported in accordance with 2 CFR 200,
Section .516(a) (3) or (4)?

_____ Yes x No

Identification of major program:

CFDA Number

15.226

66.202

Name of Federal Program

Payment in Lieu of Taxes

Village Safe Water

Dollar threshold used to distinguish
between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ Yes x No

Federal Schedule of Findings and Questioned Costs, Continued

Section II – Financial Statement Findings**Finding 2018-001**
Material Weakness**Internal Controls Over Harbor Billing**

- Condition:** During internal control testwork over Harbor Billing we found three errors of the City failing to follow policies and procedures, and miscalculation of valuation for charges, and lack of support for transactions. This is a repeat finding of 2017-002.
- Criteria:** The City should follow its policies and procedures for all Harbor billing transactions to ensure they are recorded correctly and for the correct amount.
- Context:** We attempted to test 40 transactions out of the Harbor billing, but abandoned testwork after finding three errors within the first few transactions reviewed. The errors related to incorrect rate charges for services rendered and clerical calculation errors of total charges when re-calculating supporting documentation compared to total invoiced and in some instances, lacking any form of support for the transaction.
- Cause:** Policies and procedures were not followed for updated 2018 billing rates, lack of adequate review resulted in miscalculation of charges, as well as lacking adequate supporting documentation.
- Effect:** Could result in misstatements to the Harbor revenue.
- Recommendation:** Greater oversight and review of the Harbor billing process.
- Management Response:** Management agrees with this finding, see corrective action plan.

Finding 2018-002
Material Weakness**Internal Control over P-cards**

- Condition:** There is a lack of internal controls over the P-cards at the City. There was no list of open P-cards maintained and documentation of reconciliation or review of the charges could not be provided. This is a repeat of finding 2017-004.
- Criteria:** The City should maintain adequate supporting documentation for all transactions.
- Context:** We haphazardly selected 2 of the master P-card statements to test. The first cardholder on the November statement that we tested had 23 transactions. None of these transactions had any sort of approval over the transactions. Also, only 4 of the transactions out of 23 had supporting receipts. Due to the failure to meet our audit objectives, we were unable to rely on controls over P-card transactions and had to abandon testwork.

CITY OF BETHEL, ALASKA

Federal Schedule of Findings and Questioned Costs, Continued

Cause: Insufficient document retention and review over P-card transactions.

Effect: Could result in unapproved charges and miscoding of expenditures.

Recommendation: The City should review all P-card transactions and statements and document approval over those transactions.

Management Response: Management agrees with the finding, see corrective action plan.

Finding 2018-003
Material Weakness

Internal Control over Material Journal Entries

Condition: Internal controls over Material Journal entries failed due to a lack of approval process and support over journal entries. There were three correcting material journal entries throughout the year that were made without support, review, or approval.

Criteria: The City's policies and procedures must be followed. Specifically, review and supporting documentation must be kept for material journal entries.

Context: We reviewed all general journal entries made during FY18 that were greater than or equal to \$50,000 based upon our calculated materiality. We reviewed the journal entries for documented support of the approval of the entry as well as for reasonableness and if they were reoccurring entries. We found 3 entries made during the year without support, one with a material amount of \$807,000.

Cause: Insufficient review over material journal entries.

Effect: This could result in materially misstated account balances that would affect the presentation of the financial statements.

Recommendation: The City should review all material journal entries and document the approval of each entry.

Management Response: Management agrees with the finding, see corrective action plan.

Federal Schedule of Findings and Questioned Costs, Continued

Section III – Federal Award Findings and Questioned Costs

Finding 2018-004 Material Weakness/ Material Noncompliance	<u>Internal Control Over Reporting – U.S. Department of Interior and U.S.– CFDA #15.226 Passed through the State of Alaska Department of Commerce, Community and Economic Development – Payment in Lieu of Taxes – Award Year 2017 and U.S. Environmental Protection Agency – CFDA #62.202 Passed through the State of Alaska Department of Environmental Conservation – Village Safe Water Program – Grant numbers 14EP70, 15EQ92, 16EP29 and 18EQ57</u>
Condition:	The Organization did not adhere to the OMB Uniform Guidance requirement of submitting the reporting package within the earlier of 30 days after receipt of the audit report, or nine months after the end of the audit period. This finding is repeated from Finding 2017-007.
Criteria:	Title 2 U.S. <i>Code of Federal Regulations</i> Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance), requires that single audit reports be submitted to the federal audit clearinghouse within earlier of 30 days after the report is issued or nine months of year end.
Context:	The organization did not retain an audit firm with sufficient time to complete the audit before the reporting deadline.
Cause:	Management failed to retain and schedule the annual audit with sufficient time to complete the audit before nine months after the end of the fiscal year.
Effect:	The City is not in compliance with Uniform Guidance reporting requirements.
Questioned Costs:	None
Recommendation:	We recommend the City to reconcile general ledger accounts in a timely manner, and schedule the audit with sufficient time to meet the deadline.
Management Response:	Management agrees with the finding, see corrective action plan.

Report on Compliance for Each Major State Program and Report on Internal Control over Compliance Required by the State of Alaska Audit Guide and Compliance Supplement for State Single Audits

Independent Auditor's Report

Members of the Council
City of Bethel, Alaska
Bethel, Alaska

Report on Compliance for Each Major State Program

We have audited the City of Bethel, Alaska's compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of the City of Bethel, Alaska's major state programs for the year ended June 30, 2018. The City of Bethel, Alaska's major state programs are identified in the accompanying Schedule of State Financial Assistance.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Bethel, Alaska's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City of Bethel, Alaska's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However our audit does not provide a legal determination of the City of Bethel, Alaska's compliance.

Basis for Qualified Opinion on Major State Programs

As described in Finding 2018-005 in the accompanying State Schedule of Findings and Questioned Costs, the City of Bethel, Alaska did not comply with requirements regarding reporting for each Major State Program. Compliance with such requirements is necessary in our opinion, for the City of Bethel, Alaska to comply with the requirements applicable to those programs.

Qualified Opinion on Major State Programs

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City of Bethel, Alaska complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its Major state programs for the year ended June 30, 2018.

Other Matters

City of Bethel, Alaska's response to the noncompliance finding identified in our audit is described in the accompanying State Schedule of Findings and Questioned Costs and the Corrective Action Plan. City of Bethel, Alaska's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the City of Bethel, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Bethel's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Bethel's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Members of the Council
City of Bethel, Alaska

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control over compliance as described in the accompanying State Schedule of Findings and Questioned Costs as Finding 2018-005 that we consider to be a material weakness.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Altman, Rogers & Co.".

Anchorage, Alaska
July 1, 2019

City of Bethel, Alaska

State Schedule of Findings and Questioned Costs

Year Ended June 30, 2018

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

X Yes No

Significant deficiency(ies) identified?

Yes X None reported

Is a material noncompliance disclosed?

Yes X No

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified?

X Yes No

Significant deficiency(ies) identified?

Yes X None reported

Type of auditor's report issued on compliance
for major programs:

Qualified

Dollar threshold used to distinguish
a state major program:

\$ 150,000

Section II – Financial Statement Findings

See Federal Schedule of Findings and Questioned Costs

State Schedule of Findings and Questioned Costs, Continued

Section III – State Award Findings and Questioned Costs

Finding 2018-005

Internal Control over Reporting – All Major State Programs

Material Weakness/

Material Non Compliance

Condition:	The Organization did not adhere to the State of Alaska Audit Guide requirement of submitting the reporting package within the earlier of 30 days after receipt of the audit report, or nine months after the end of the audit period.
Criteria:	The State of Alaska Audit Guide and Compliance Supplement for State Single Audits requires that single audit reports be submitted to the State within earlier of 30 days after the report is issued or nine months of year end.
Context:	The Organization was not prepared for the annual audit which resulted in significant delays.
Cause:	Management failed to retain and schedule the annual audit with sufficient time to complete the audit before nine months after the end of the fiscal year.
Effect:	Late reporting could jeopardize grant funding.
Questioned costs:	None
Recommendation:	We recommend the City to reconcile general ledger accounts in a timely manner and schedule the annual audit with sufficient time to meet the deadline.
Management's Response:	Management concurs with finding. See corrective action plan.



City of Bethel
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(907) 543-1373 / (907) 543-1394 (fax)
www.cityofbethel.org

Summary of Prior Audit Findings

June 30, 2018

Section III – Summary of Prior Audit Findings

Financial Statement Findings

Finding 2017-001

Material Weakness

Condition:

The City moved funds out of the designated endowment fund account into a separate financial institution account recorded in the General Fund.

Status:

Finding resolved.

Finding 2017-002

Material Weakness

Condition:

During internal control testwork over Harbor Billing we found three errors of the City failing to follow policies and procedures, and miscalculation of valuation for charges.

Status:

Finding repeated as 2018-001.

Finding 2017-003

Significant Deficiency

Condition:

Several cash receipts lacked proper supporting documentation or approval.

Status:

Finding resolved.

Finding 2017-004

Material Weakness

Condition:

There is a lack of internal controls over the P-cards at the City. There was no list of open P-cards maintained and documentation of reconciliation or review of the charges could not be provided. This is a repeat of finding 2016-006.

Status:

Finding repeated as 2018-002.

CITY OF BETHEL, ALASKA

Summary of Prior Audit Findings, Continued

Finding 2017-005
Material Weakness

Internal Control over the Multi-Use Recreation Center Operations

Condition: Revenue had not been recorded in the Multi-use Recreation Center Enterprise fund during the year.

Status: Finding resolved.

Finding 2017-006

Internal Control over Water-Sewer Subscription Fee Revenue- Prior Period Adjustment

Material Weakness

Condition: Water-Sewer subscription fee deferred revenue was overstated in prior years by \$441,503.

Status: Finding Resolved.

Federal Award Findings

Finding 2017-007

**Material Weakness/
Material Noncompliance**

Internal Control over Reporting – U.S. Department of Interior - CFDA #15.226 Passed through the State of Alaska Department of Commerce, Community, and Economic Development – Payment in Lieu of Taxes – Award Year 2017

Condition: The Organization did not adhere to the OMB Uniform Guidance requirement of submitting the reporting package within the earlier of 30 days after receipt of the audit report, or nine months after the end of the audit period. This finding is repeated from Finding 2016-007.

Status: Finding repeated as 2018-004.

State Award Findings

Finding 2017-008

**Material Weakness/
Material Noncompliance**

Internal Control over Reporting – All Major State Programs

Condition: The Organization did not adhere to the State of Alaska Audit Guide requirement of submitting the reporting package within the earlier of 30 days after receipt of the audit report, or nine months after the end of the audit period.

Status: Finding repeated as 2018-005.



City of Bethel
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Corrective Action Plan

June 30, 2018

Financial Statement Findings

Finding 2018-001

Internal Controls Over Harbor Billing

Name of Contact Person: Christine Blake, Finance Director

Corrective Action Plan: The Finance Department will review Harbor billing policies and procedures with Port staff and establish adequate internal controls designed to ensure compliance with the policies and procedures. Training of Port Staff on billing policies and procedures will be provided by the Finance Department. Ongoing monitoring of Port billing activities and compliance with established procedures will be performed by the Finance Department.

Proposed Completion Date: September 30, 2019

Finding 2018-002

Internal Controls Over P-cards

Name of Contact Person: Christine Blake, Finance Director

Corrective Action Plan: The Finance Department will develop and implement Citywide P-card policies and procedures. These policies and procedures will consider the recommendations made in the Government Finance Officers Association "Best Practice for Purchasing Card Programs" and will include required documentation of supervisory approval of all P-card purchases and receipts. The Finance Department will ensure P-card agreements are signed by every cardholder and will conduct ongoing monitoring of P-card activity for compliance with established policies and procedures.

Proposed Completion Date: October 31, 2019

Finding 2018-003

Internal Controls Over Material Journal Entries

Name of Contact Person: Christine Blake, Finance Director

Corrective Action Plan: The Finance Director will review all material journal entries for accuracy, reasonableness, compliance with applicable accounting standards, and adequate supporting documentation.

Proposed Completion Date: Currently in place.

CITY OF BETHEL, ALASKA

Corrective Action Plan, Continued

Federal Award Findings

Finding 2018-004

Internal Control Over Reporting – U.S. Department of Interior and U.S.–CFDA #15.226 Passed through the State of Alaska Department of Commerce, Community and Economic Development – Payment in Lieu of Taxes – Award Year 2017 and U.S. Environmental Protection Agency – CFDA #62.202 Passed through the State of Alaska Department of Environmental Conservation – Village Safe Water Program – Grant numbers 14EP70, 15EQ92, 16EP29 and 18EQ57

Name of Contact Person: Christine Blake, Finance Director

Corrective Action Plan: The City improved its financial reporting processes during FY18 by implementing a financial close and reporting process intended to allow more timely review and reconciliation of account balances. These changes are in now place, but were not fully implemented for the FY18 audit. We expect the audit report for FY19 to be completed prior to the statutory deadline of 9 months following our fiscal year end.

Proposed Completion Date: Currently in place.

State Award Findings

Finding 2018-005

Internal Control over Reporting – All Major State Programs

Name of Contact Person: Christine Blake, Finance Director

Corrective Action Plan: The City improved its financial reporting processes during FY18 by implementing a financial close and reporting process intended to allow more timely review and reconciliation of account balances. These changes are in now place, but were not fully implemented for the FY18 audit. We expect the audit report for FY19 to be completed prior to the statutory deadline of 9 months following our fiscal year end.

Proposed Completion Date: Currently in place.

Introduced by: Mayor Watson
Date: July 23, 2019
Public Hearing: August 13, 2019
Action:
Vote:

CITY OF BETHEL, ALASKA

Ordinance #19-15

AN ORDINANCE BY THE BETHEL CITY COUNCIL SUBMITTING TO THE QUALIFIED VOTERS OF THE CITY OF BETHEL, ON OCTOBER 1, 2019, A BALLOT PROPOSITION INITIATED THROUGH ALCOHOL LOCAL OPTION PETITION

- WHEREAS;** Alaska Statute 04.11.507, Procedure for Local Option Election, states: Upon receipt of a petition of a number of registered voters equal to 35 percent or more of the number of votes cast at the last regular municipal election, the local governing body of a municipality shall place upon a separate ballot at the next regular election, or at a special election, whichever local option, change in local option, or removal of local option constitutes the subject of the petition;
- WHEREAS;** the City Clerk's Office certified a petition application for an alcohol local option question on June 3, 2019, the petition booklets were issued to the petitioners on June 10, 2019;
- WHEREAS;** the petition sponsors had 90 days from June 10, to secure 418 qualifying signatures from registered Bethel voters;
- WHEREAS;** on July 4, 2019 the petition sponsors submitted to the City Clerk's Office the petition booklets for certification review;
- WHEREAS;** on July 8, 2019 the City Clerk certified the petition, the petition sponsors obtained the minimum 418 qualifying signatures from Bethel registered voters (35% of the number of votes casts at the City's last regular election);
- WHEREAS;** pursuant to Alaska Statutes 04.11.507 b, Upon receipt of a petition of a number of registered voters equal to 35 percent or more of the number of votes cast at the last regular municipal election, the local governing body of a municipality shall place upon a separate ballot at the next regular election, or at a special election, whichever local option, change in local option, or removal of local option constitutes the subject of the petition;

Introduced by: Mayor Watson
Date: July 23, 2019
Public Hearing: August 13, 2019
Action:
Vote:

WHEREAS; pursuant to Bethel Municipal Code 7.10.070, an ordinance placing propositions and questioned before the voters must be adopted by the council not later than forty-five calendar days before a regular or special election which is August 17, 2019;

SECTION 1. ELECTION An election is to be held October 1, 2019 in and for the City of Bethel for the purpose of submitting questions and a ballot proposition to the qualified voters of the City of Bethel for approval or rejection.

SECTION 2. PROPOSITION The proposition must receive a majority vote of the qualified voters in the City of Bethel voting on the question to be approved. The Proposition shall be substantially in the following form:

Shall the City of Bethel adopt local option (4.11.491 (a) (2) (A)), to prohibit the sale of alcoholic beverages except through a restaurant or eating place license?

☐ Yes ☐ No

IMPARTIAL SUMMARY OF THE CHANGE IN LOCAL OPTION BEING PROPOSED:

A yes vote on this ballot question means you want the community of Bethel to fall under local option, preventing the sale of alcoholic beverages in the community of Bethel anywhere other than a restaurant, which would only be licensed to sell beer and wine for onsite consumption.

A no vote on this ballot question means you want the community of Bethel to remain out of local option, allowing for the sale of alcoholic beverages through all license types.

SECTION 4. Classification. This ordinance is of permanent nature and shall not become a part of the Bethel Municipal Code.

SECTION 5. Effective Date. This Ordinance shall become effective upon the approval by the Bethel City Council.

BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF BETHEL ALASKA, THIS __ DAY OF AUGUST 2019, BY A VOTE OF _ IN FAVOR AND _ OPPOSED.

Fred Watson, Mayor

ATTEST:

City of Bethel, Alaska

Ordinance #19-15
2 of 3

Introduced by: Mayor Watson
Date: July 23, 2019
Public Hearing: August 13, 2019
Action:
Vote:

Lori Strickler, City Clerk

REQUIRED AMENDMENT FOR ORDINANCE 19-15.

If local option (4.11.491 (a) (2) (A)) is adopted, shall the City of Bethel opt to not apply a class C felony to violations of Alaska Statutes 04.16.051, Furnishing or Delivery of Alcoholic Beverages to Persons Under the Age of 21 (As 04.11.491 (g) (3)).

IMPARTIAL SUMMARY OF THE CHANGE IN LOCAL OPTION BEING PROPOSED:

A yes vote on this question means if the community of Bethel adopts Local Option as provided in Question 1, you want the penalties for furnishing or delivery of alcoholic beverages to a person under the age of 21 to be a misdemeanor.

A no vote on this question means if the community of Bethel adopts Local Option as provided in Question 1, you want the penalties for furnishing or delivery of alcoholic beverages to a person under the age of 21 to be a class C felony.

Introduced by: Mayor Watson
Date: July 23, 2019
Public Hearing: August 13, 2019
Action:
Vote:

CITY OF BETHEL, ALASKA

Ordinance #19-16

AN ORDINANCE BY THE BETHEL CITY COUNCIL SUBMITTING TO THE QUALIFIED VOTERS OF THE CITY OF BETHEL, ON OCTOBER 1, 2019, A BALLOT PROPOSITION INITIATED THROUGH MARIJUANA LOCAL OPTION PETITION

- WHEREAS;** Alaska Statute 17.38.210, Marijuana, Local Control states, a local government may prohibit the operation of marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities, or retail marijuana stores through the enactment of an ordinance or by a voter initiative;
- WHEREAS;** Alaska Administrative Code 306.230 states, when it receives a petition to adopt, change, or remove a local option under 3 AAC 306.200 – 3AAC 306.22, the local government shall conduct the election in compliance with the initiative process under the local government’s election ordinance and regulations and the applicable provisions of AS 29;
- WHEREAS;** the City’s local government initiative process is found in Bethel Municipal Code 7.100.060 which states, if the municipality has fewer than 7,500 people, the petitioners will be required to obtain 25% of the votes cast at the last regular election;
- WHEREAS;** the City Clerk’s Office certified a petition application for a marijuana local option question on June 18, 2019, the petition booklets were issued to the petitioners on June 19, 2019;
- WHEREAS;** the petition sponsors had 90 days from June 19, to secure 299 signatures from qualified Bethel voters;
- WHEREAS;** on July 09, 2019, the City Clerk’s Office received the petition booklets, the petition was certified by the City Clerk’s Office on July 16, 2019;
- WHEREAS;** pursuant to BMC 7.100.060, the petition sponsors obtained the minimum 299 qualifying signatures from Bethel registered voters (25% of the number of votes cast at the City’s last regular election);

Introduced by: Mayor Watson
Date: July 23, 2019
Public Hearing: August 13, 2019
Action:
Vote:

WHEREAS; pursuant to Bethel Municipal Code 7.10.070, an ordinance placing propositions and questioned before the voters must be adopted by the council not later than forty-five calendar days before a regular or special election which is August 17, 2019;

SECTION 1. ELECTION An election is to be held October 1, 2019 in and for the City of Bethel for the purpose of submitting questions and a ballot proposition to the qualified voters of the City of Bethel for approval or rejection.

SECTION 2. PROPOSITION The proposition must receive a majority vote of the qualified voters in the City of Bethel voting on the question to be approved. The Proposition shall be substantially in the following form:

Shall the City of Bethel adopt a local option to prohibit the sale or importation for sale of marijuana and any marijuana product and to prohibit the operation of any marijuana establishment, which includes the following license or endorsement types:

- a) A retail marijuana store (both with and without an onsite consumption endorsement);
- b) A marijuana cultivation facility;
- c) A marijuana manufacturing facility;
- d) A marijuana testing facility;

☐ Yes

☐ No

IMPATIAL SUMMARY OF THE BALLOT QUESTION

~~A yes vote on this ballot question means you DO NOT support the operation of any marijuana businesses within the community of Bethel.~~

A yes vote on this ballot question means you want the community of Bethel to fall under local option, preventing the operation of any marijuana businesses within the community of Bethel.

Marijuana businesses are summarized below.

~~A no vote on this ballot question means you DO support the operation of any marijuana business within the community of Bethel.~~

Introduced by: Mayor Watson
Date: July 23, 2019
Public Hearing: August 13, 2019
Action:
Vote:

A no vote on this ballot question means you want the community of Bethel to remain out of local option, allowing for the operation of marijuana businesses within the community of Bethel.

Marijuana businesses are summarized below.

Marijuana Businesses Include:

1. Retail Marijuana Store is allowed to sell marijuana and marijuana products which include concentrated marijuana products, marijuana products that contain marijuana and other ingredients and are intended for use or consumption, such as, but not limited to edible products, vaping concentrates, ointments, and tinctures.
2. Marijuana Cultivation Facility is allowed to cultivate, harvest, prepare, cure, package, store, and label marijuana to be sold to retail marijuana stores.
3. Marijuana Product Manufacturing Facility is authorized to manufacture, refine, process, cook, package, label and store marijuana manufacture any product intended for consumption or use on the body that is made up of marijuana and other ingredients including, edible products, ointments, salves, patches, or tinctures.
4. Marijuana Testing Facility is authorized to test and analyze marijuana to certify potency, check for moisture content, pesticides or solvent residue, mold, mildew, bacteria, or other contaminants in marijuana or marijuana products.
5. Retail License with Onsite consumption endorsement authorizes the retail marijuana store to allow their customers to consume marijuana, marijuana edibles products.

SECTION 4. Classification. This ordinance is of permanent nature and shall not become a part of the Bethel Municipal Code.

SECTION 5. Effective Date. This Ordinance shall become effective upon the approval by the Bethel City Council.

BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF BETHEL ALASKA, THIS __ DAY OF JULY 2019, BY A VOTE OF _ IN FAVOR AND _ OPPOSED.

Fred Watson, Mayor

ATTEST:

Lori Strickler, City Clerk

Introduced by: Acting City Manager Howell
Introduction Date: July 23, 2019
Public Hearing: August 13, 2019
Action:
Vote:

CITY OF BETHEL, ALASKA

ORDINANCE # 19-11 (b)

An Ordinance of the Bethel City Council Amending the Adopted Annual FY 2020 Budget

Be it Enacted by the Bethel City Council that the FY 2019 Annual Budget be amended as follows:

Section 1. The following sums of money may be needed or deemed necessary to provide for increased expenses and liabilities of the City of Bethel are hereby appropriated for the corporate purposes and objects of the City hereinafter specified for Fiscal Year 2020 (July 1, 2019 to June 30, 2020).

Section 2. The following is a summary of the changes by fund and department:

- WHEREAS,** the price of one end dump truck increased since receiving the original quote for the budget eight months ago;
- WHEREAS,** the Public Works Department anticipates the introduction of an AM to make Kenworth heavy equipment a sole source vendor and use it for this purchase;
- WHEREAS,** the Public Works Department found a 950M Wheel Loader on a pre-bid government contract at a less expensive price than originally budgeted, so the budgeted amount can be reduced;
- WHEREAS,** the Solid Waste Fund balance is \$1,835,425 and represents an appropriate source for the additional \$1,433 for this capital purchase.

LANDFILL (50-71)

Budget modification (a)

Account #	Increases	Budgeted Amount	Amended to
50-71-690	CAPITAL EXPENSE-END DUMP	170,000	190,889
	Total Increases		20,889
	Decreases		
50-71-693	CAPITAL EXPENSE-950M WHEEL LOADER	285,000	265,534
50-39900	SOLID WASTE FUND BALANCE	0	1,433
	Total Decreases		266,967
TOTAL	Net Change to Landfill		1,433
TOTAL	Net Change to Solid Waste Fund Balance		(1,433)

- WHEREAS,** the City of Bethel nominated the Ridgecrest Drive Pavement Project to the Statewide Improvement Plan that was adopted by DOT&PF;
- WHEREAS,** the City signed an agreement with DOT&PF in 2013 that pledged cash match funds for the project, including the payment of the ICAP fee or Indirect Cost Allocation Plan (overhead);
- WHEREAS,** the State ICAP rate increase from 5.2% to 10% means the City must now contribute an additional \$7,398;

- WHEREAS,** the DOT&PF is overseeing improvements to Chief Eddit Hoffman Highway, which also require cash match from the City;
- WHEREAS,** the State ICAP rate increase from 5.2% to 10% means the City must now contribute an additional \$7,197 for the highway project;

STREETS & ROADS (10-66)

Budget modification (b)

Account #	Increases	Budgeted Amount	Amended to
10-66-776	PROJECT EXPENSE-RIDGECREST DRIVE PAVEMENT (MATCH TO DOT&PF)	0	7,398
10-66-777	PROJECT EXPENSE-CHIEF EDDIE HOFFMAN HWY (MATCH TO DOT&PF)	0	7,197
	Total Increases		14,595
	Decreases		
	NONE		0
	Total Decreases		0
TOTAL	Net Change to Streets and Roads		14,595
TOTAL	Net Change to Undesignated Fund Balance		(14,595)

Section 3. Effective Date. This ordinance becomes effective immediately upon adoption.

PASSED AND APPROVED THIS 13TH DAY OF AUGUST 2019 BY A VOTE OF ___ IN FAVOR AND ___ OPPOSED.

ATTEST:

Lori Strickler, City Clerk

Fred Watson, Mayor

Introduced by: Acting City Manager Howell
Introduction Date: July 23, 2019
Public Hearing: August 13, 2019
Action:
Vote:

CITY OF BETHEL, ALASKA **ORDINANCE # 19-11 (c)**

An Ordinance of the Bethel City Council Amending the Adopted Annual FY 2020 Budget

Be it Enacted by the Bethel City Council that the FY 2020 Annual Budget be amended as follows:

Section 1. The following sums of money may be needed or deemed necessary to provide for increased expenses and liabilities of the City of Bethel are hereby appropriated for the corporate purposes and objects of the City hereinafter specified for Fiscal Year 2020 (July 1, 2019 to June 30, 2020).

Section 2. The following is a summary of the changes by fund and department:

- Whereas; the City of Bethel believes that boardwalk lighting is critical to the safety and security of Bethel citizens and visitors;
- Whereas; the City of Bethel partnered with ONC to use Tribal Transportation funds totaling \$89,000 for illumination of the Pinky's Park boardwalk;
- Whereas; ONC and the City of Bethel Administration determined that the Pinky's Park boardwalk section between Akiak Drive and Akakeek Street is the highest priority for lighting;
- Whereas; the total cost of the project is \$245,200, which includes a 10% contingency allowance;
- Whereas; it is in the City's best interest to complete the entire project at once this year in order to achieve economies in construction at the best price;
- Whereas; the total project cost of \$245,200, less ONC's contribution of \$89,000, leaves a gap of \$156,200 that the City can provide;

Property Maintenance

Budget modification (a)

Account #	Increases	Budgeted Amount	Amended To
10-70-681	Project Expense-Boardwalk Lighting Project	0	156,200
	Total Increases		156,200
	Decreases		
10-39900	Undesignated Fund Balance		156,200
	Total Decreases		156,200
TOTAL	Net Change to Property Maintenance		156,000
TOTAL	Net Change to Undesignated Fund Balance		(156,000)

Section 3. Effective Date. This ordinance become effective immediately upon adoption.

PASSED AND APPROVED THIS 13TH DAY OF AUGUST 2019 BY A VOTE OF ___ IN FAVOR AND ___ OPPOSED.

ATTEST:

Lori Strickler, City Clerk

Fred Watson, Mayor

Introduced by: Vice-Mayor Williams
Date: August 13, 2019
Public Hearing: August 27, 2019
Action:
Vote:

CITY OF BETHEL, ALASKA

Ordinance #19-17

AN ORDINANCE BY THE BETHEL CITY COUNCIL REPEALING CHAPTER 2.23, PARKS AND RECREATION DEPARTMENT OF THE BETHEL MUNICIPAL CODE

WHEREAS, the City of Bethel has not funded the operation of a Parks and Recreation Department since July 1, 2017;

WHEREAS, the organization continues to struggle in creating an annual operating budget that does not represent a budget deficit;

WHEREAS, the Council does not foresee a financial opportunity to bring the Parks and Recreation Department back to the City fiscal and operational plan and therefor removes the reference of the department from the Municipal Code;

THEREFORE BE IT ORDAINED by the City Council of Bethel, Alaska, that the Bethel Municipal Code shall be amended and revised as follows:

SECTION 1. Classification. This ordinance is permanent and general in nature and shall be placed in the Bethel Municipal Code

SECTION 2. Amendment The Bethel Municipal Code Section , is amended as follows (new language is underlined and old language is stricken out):

Chapter ~~2.23~~

~~PARKS AND RECREATION DEPARTMENT~~

Sections:

~~2.23.010 Established.~~

~~2.23.020 Functions.~~

~~2.23.030 Supervision.~~

~~**2.23.010 Established.**~~

~~There is established the parks and recreation department.~~

~~**2.23.020 Functions.**~~

~~The functions of the parks and recreation department shall include:~~

City of Bethel, Alaska

Ordinance #19-17

1 of 2

Introduced by: Vice-Mayor Williams
Date: August 13, 2019
Public Hearing: August 27, 2019
Action:
Vote:

- ~~A. Identifying existing and future recreation demands including the development and maintenance of a parks and recreation plan and a capital improvement plan and program for parks and recreation facilities;~~
- ~~B. Evaluating existing and future needs for parks and recreation facilities and programs;~~
- ~~C. Implementing parks and recreation programs and activities;~~
- ~~D. Providing oversight of parks and recreation facilities and coordinating with other departments, agencies, organizations and contractors to provide for maintenance and operation of existing facilities and the development and construction of new facilities;~~
- ~~E. Carrying out other related activities as the city manager may assign.~~

~~2.23.030 Supervision.~~

~~A. The parks and recreation department shall be headed by the parks and recreation director. The parks and recreations director shall be appointed by, report to, and be supervised by the city manager, and may be removed by the city manager; the parks and recreations director shall be entitled to all rights and privileges afforded other employees under the city's personnel rules and procedures. The position of parks and recreations director is a managerial and confidential position and is exempt from the classified services.~~

~~B. The parks and recreation director shall hire and supervise the employees of the department and shall manage the department subject to the city manager's authorization and consent.~~

SECTION 3. Effective Date. This ordinance shall become effective upon passage by the Bethel City Council.

ENACTED THIS _ DAY OF AUGUST 2019, BY A VOTE OF _ IN FAVOR AND _ OPPOSED.

ATTEST:

Fred Watson, Mayor

Lori Strickler, City Clerk

CITY OF BETHEL, ALASKA

Resolution #19-09

A RESOLUTION BY THE BETHEL CITY COUNCIL PROTESTING THE ISSUANCE OF A RETAIL MARIJUANA LICENSE TO ALASKAN GROWN CANNABIS LICENSE NO. 20439, ALASKAN GROWN PRODUCTS, LLC PROPOSING TO OPERATION AT 230 TUNDRA WAY, BETHEL

WHEREAS, Alaskan Grown Products, LLC submitted an application for a Retail Marijuana Facility to the State of Alaska Alcohol Marijuana Control Office (AMCO), License #20439, notice of the application was received by the City Clerk's Office on June 27, 2019, deadline for Council's Protest on the Application is August 26, 2019;

WHEREAS, the proposed location of the retail marijuana license is 230 Tundra Way;

WHEREAS, on July 17, City Administration submitted a report to the City Council;

WHEREAS, this administrative report identified that as of July 17, the applicant had not yet applied for a conditional use permit with the City's Planning Department;

WHEREAS, Bethel Municipal Code Chapter 5.10.070 requires each operator of a marijuana establishment obtain a conditional use permit;

WHEREAS, Alaskan Grown Cannabis is not in compliance with our zoning regulation;

WHEREAS, the Administrative Report also identified concerns as the proposed location is connected to a premises identified by the State Deputy Fire Marshal to have fire and life safety hazards which were discovered after a Fire and Life Safety Inspection conducted on May 11, 2018;

WHEREAS, 240 Tundra Way is an apartment complex which is physically attached to the proposed location for the Retail Marijuana License,

WHEREAS, due to this proximity and the type of hazards identified, the Council does not feel the property would be safe for any type of occupancy,

WHEREAS, the inspection of 240 Tundra Way identified 15 points of concern and correction and required the immediate vacation of the property and the implementation on a fire watch on the building while it is occupied;

Introduced by: Council Member Jung-Jordan
Date: August 13, 2019
Action:
Vote:

WHEREAS, the license should not be issued unless the occupancy meets all applicable fire and life safety code requirements, as confirmed with a code compliance inspection by the State of Alaska Division of Fire and Life Safety;

NOW, THEREFORE, BE IT RESOLVED with the information provided and all relevant facts considered the Council finds the issuance of a Retail Marijuana License to Alaskan Grown Products due to the lack of a Conditional Use Permit and the life health safety concerns associated with the proposed location.

ENACTED THIS __ DAY OF AUGUST 2019 BY A VOTE OF _ IN FAVOR AND _ OPPOSED.

ATTEST:

Fred Watson, Mayor

Lori Strickler, City Clerk



Alaska Marijuana Control Board

Form MJ-00: Application Certifications

What is this form?

This application certifications form is required for all marijuana establishment license applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306.

This form must be completed and submitted to AMCO's main office by each proposed licensee (as defined in 3 AAC 306.020(b)(2)) before any license application will be considered complete.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Alaskan Grown Products, LLC	License Number:	20439		
License Type:	Retail Marijuana Facility				
Doing Business As:	Alaskan Grown Cannabis				
Premises Address:	230 Tundra Way				
City:	Bethel	State:	Alaska	ZIP:	99559

Section 2 – Individual Information

Enter information for the individual licensee.

Name:	Kalla Peacock
Title:	Member, Manager

Section 3 – Other Licenses

Ownership and financial interest in other licenses:

Yes No

Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license?

☒☐

If "Yes", which license numbers (for existing licenses) and license types do you own or plan to own?

Retail #17764, Cultivation #17766, Manufacturing #17768, Retail #21084, Retail #17769, Retail #20440, Retail #20666, Retail #11119



Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-00: Application Certifications

Section 4 – Certifications

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that I have not been convicted of a felony in any state or the United States, including a suspended imposition of sentence, for which less than five years have elapsed from the time of the conviction to the date of this application.

LP

I certify that I am not currently on felony probation or felony parole.

LP

I certify that I have not been found guilty of selling alcohol without a license in violation of AS 04.11.010.

LP

I certify that I have not been found guilty of selling alcohol to an individual under 21 years of age in violation of 04.16.051 or AS 04.16.052.

LP

I certify that I have not been convicted of a misdemeanor crime involving a controlled substance, violence against a person, use of a weapon, or dishonesty within the five years preceding this application.

LP

I certify that I have not been convicted of a class A misdemeanor relating to selling, furnishing, or distributing marijuana or operating an establishment where marijuana is consumed within the two years preceding this application.

LP

I certify that my proposed premises is not within 500 feet of a school ground, recreation or youth center, a building in which religious services are regularly conducted, or a correctional facility, as set forth in 3 AAC 306.010(a).

LP

I certify that my proposed premises is not located in a liquor licensed premises.

LP

I certify that I meet the residency requirement under AS 43.23 for a permanent fund dividend in the calendar year in which I am initiating this application.

LP

I certify that all proposed licensees (as defined in 3 AAC 306.020(b)(2)) have been listed on my online marijuana establishment license application. Additionally, if applicable, all proposed licensees have been listed on my application with the Division of Corporations.

LP

I certify that I understand that providing a false statement on this form, the online application, or any other form provided by AMCO is grounds for denial of my application.

LP



Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-00: Application Certifications

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify and understand that I must operate in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.

[Handwritten initials]

I certify and understand that I must operate in compliance with each applicable public health, fire, safety, and tax code and ordinance of this state and the local government in which my premises is located.

[Handwritten initials]

Read each line below, and then sign your initials in the box to the right of only the applicable statement:

Initials

Only initial next to the following statement if this form is accompanying an application for a marijuana testing facility license:

I certify that I do not have an ownership in, or a direct or indirect financial interest in a retail marijuana store, a marijuana cultivation facility, or a marijuana products manufacturing facility.

☐

Only initial next to the following statement if this form is accompanying an application for a retail marijuana store, a marijuana cultivation facility, or a marijuana products manufacturing facility license:

I certify that I do not have an ownership in, or a direct or indirect financial interest in a marijuana testing facility license.

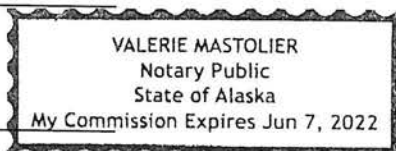
[Handwritten initials]

All marijuana establishment license applicants:

As an applicant for a marijuana establishment license, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that the online application and this form, including all accompanying schedules and statements, is true, correct, and complete.

[Handwritten signature]
Signature of licensee

Kalla Peacock
Printed name of licensee



[Handwritten signature]
Notary Public in and for the State of Alaska

My commission expires: 4/7/22

Subscribed and sworn to before me this 14 day of May, 2019.



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

What is this form?

An operating plan is required for all marijuana establishment license applications. Applicants should review Title 17.38 of Alaska Statutes and Chapter 306 of the Alaska Administrative Code. This form will be used to document how an applicant intends to meet the requirements of those statutes and regulations. If your business has a formal operating plan, you may include a copy of that operating plan with your application, but all fields of this form must still be completed per 3 AAC 306.020(c).

What must be covered in an operating plan?

Applicants must identify how the proposed premises will comply with applicable statutes and regulations regarding the following:

- Control plan for persons under the age of 21
- Security
- Business records
- Inventory tracking of all marijuana and marijuana product on the premises
- Employee qualification and training
- Health and safety standards
- Transportation and delivery of marijuana and marijuana products
- Signage and advertising

Applicants must also complete the corresponding operating plan supplemental forms (Form MJ-03, Form MJ-04, Form MJ-05, or Form MJ-06) to meet the additional operating plan requirements for each license type.

Section 1 – Establishment & Contact Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Alaskan Grown Products, LLC	MJ License #:	20439		
License Type:	Retail Marijuana Facility				
Doing Business As:	Alaskan Grown Cannabis				
Premises Address:	230 Tundra Way				
City:	Bethel	State:	Alaska	ZIP:	99559
Mailing Address:	HC89 Box 255				
City:	Willow	State:	Alaska	ZIP:	99688
Designated Licensee:	Kalla Peacock				
Main Phone:	907-312-8521	Cell Phone:			
Email:	kpeacock1@hotmail.com				



Form MJ-01: Marijuana Establishment Operating Plan

Section 2 – Control Plan for Persons Under the Age of 21

2.1. Describe how the marijuana establishment will prevent persons under the age of 21 from gaining access to any portion of the licensed premises and marijuana items:

Alaskan Grown Cannabis will refuse entrance to any person who does not produce a form of valid photo identification showing that person is twenty-one (21) years of age or older. A valid form of identification includes: (1) an unexpired, unaltered passport; (2) an unexpired, unaltered driver's license; instruction permit, or identification card of any state or territory of the United States, the District of Columbia, or a province of Canada; and (3) an identification card issued by a federal or state agency authorized to issue a driver's license or identification card. At no time will a person under the age of twenty-one (21) be permitted to remain on the premises. If at any time an employee suspects that a person is a minor, the employee will refuse access and have the individual escorted off the premises. A designated employee will request from all customers for government-issued, photo identification and will thoroughly examine the ID before allowing entrance into the retail store. Continued on Page 11..

Section 3 – Security

Restricted Access Areas (3 AAC 306.710):

3.1. Describe how you will prevent unescorted members of the public from entering restricted access areas:

The retail store will be equipped with 24 hour monitoring alarm system, exterior lighting, and video surveillance. To maintain the security of the facility and all marijuana products, restricted access areas of the store will be monitored and restricted at all times. Access will only be granted to employees and Kalla, with the limited exception of scheduled pre-approved visitors (not to include AMCO enforcement, law enforcement and other duly authorized agents). Each entry point to a restricted access area will have signs prominently posted stating that the area is restricted, for employees only. Distinct and apparent cameras will be placed throughout and around the store to discourage the public from attempting access. At least one employee will be behind the point of sale counter at all times to help deter unauthorized access. All members of the public who are allowed access to the restricted access areas of the facility must check in at the front entrance door and obtain a visitor badge, and are to be worn and clearly displayed at all times while on the premises.

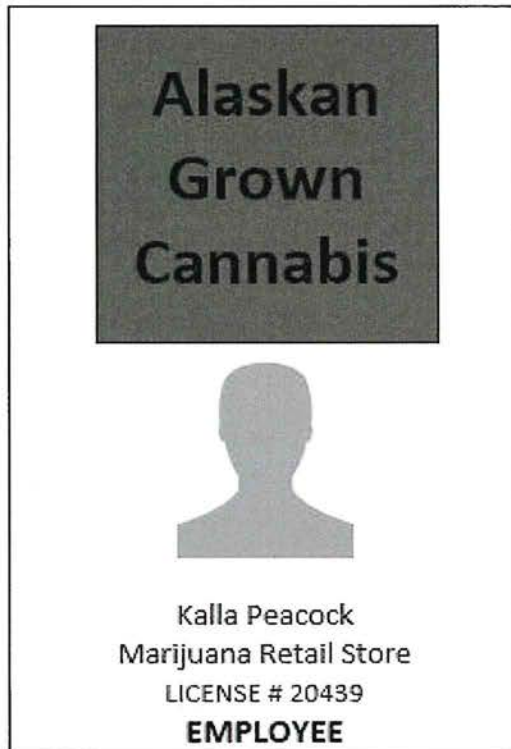
3.2. Describe your recordkeeping and processes for admitting visitors into and escorting them through restricted access areas:

In order to be escorted into restricted access areas, a visitor must be pre-scheduled by either Kalla, or a manager, with the exception of AMCO and duly authorized law enforcement agents. Each visitor will sign into the visitor's log indicating their name, the date, time in and out of the restricted access area, and purpose of the visit. All visitors will be required to sign in, and to provide valid, government issued, photo identification. Each visitor (with the exception of law enforcement, AMCO Enforcement or other duly authorized agents) will be issued a visitor badge and will be instructed to clearly display it on their person at all times while on the licensed premises and return the badge upon exit. At this time, the employee or Kalla will brief the visitor on the company's policy's regarding hygiene, safety, regulatory compliance and any other pertinent information the visitor should be aware of while inside the restricted access areas of the retail store. Continued on Page 11..



Form MJ-01: Marijuana Establishment Operating Plan

3.3. Provide samples of licensee-produced identification badges that will be displayed by each licensee, employee, or agent while on the premises, and of visitor identification badges that will be worn by all visitors while in restricted access areas:



** Or Similar Format

Security Alarm Systems and Lock Standards (3 AAC 306.715):

3.4. Exterior lighting is required to facilitate surveillance. Describe how the exterior lighting will meet this requirement:

The exterior lighting fixtures of the retail facility will be designed and installed to deter nuisance activity and enhance surveillance, while minimizing any sort of neighborhood nuisance. Additional lighting will be used to increase picture quality and brightness for security related documentation. The camera system and lighting will be constantly calibrated to maximize the quality of any recorded images, and to also discourage theft and/or trespassing. The lighting fixtures will be installed to insure there are no dark spots around the perimeter, or any of the entrances to the facility. All outdoor lighting will be weather proof and vandal proof.



Form MJ-01: Marijuana Establishment Operating Plan

3.5. An alarm system is required for all license types that must be activated on all exterior doors and windows when the licensed premises is closed for business. Describe the security alarm system for the proposed premises, explain how it will meet all regulatory requirements, and outline your policies and procedures regarding the actions to be taken by a licensee, employee, or agent when the alarm system alerts of an unauthorized breach:

Alaskan Grown Cannabis will contract with a third party security company to install the alarm system, maintain the equipment, periodically test the devices and continuously monitor the facility at an off-site security monitoring center. The alarm system will be set up to monitor for intrusions with motion detectors in all areas of the building, active during closed hours, as well as a door sensor on the exterior door and glass break sensors on each exterior window. If triggered, an automatic, electronic alert will be sent to the security monitoring center as well as to Kalla's cell phone and/or the general manager. This will also trigger an audible alarm to help deter potential intruders. Live security footage will also be accessible to Kalla and/or the general manager via their cellular phones so they may keep an eye on the facility even when they are away. The alarm system will be active at all times that the store is closed. The last employee or Kalla to leave the store each night will activate the alarm system and the first employee or Kalla to arrive in the morning will deactivate the system. In the event that the alarm system sends an electronic alert to local law enforcement to notify them of an unauthorized breach, the management team will evacuate the building (if it's safe to do and necessary) to a pre-determined safe location. A designated employee will take a head count of employees and any visitors that may have been on the premises to ensure everyone is accounted for. Management will await instruction from law enforcement and comply with all directives. Once it is safe to do so, employees will return to the facility and inspect for property damage, theft, take inventory and submit all necessary and requested documentation to law enforcement officials and to AMCO enforcement. Additionally, any event that occurs on the licensed premises that involves local law enforcement will be promptly reported to AMCO Enforcement via email. In the case of the establishments knowledge of evidence or circumstances that reasonably indicate theft, diversion, or unexplained disappearance of marijuana, marijuana products, or money from the licensed premises; or any unauthorized access to the licensed premises, Kalla will notify AMCO and AMCO Enforcement as soon as possible and in any event not more than 24 hours.

3.6. Describe your policies and procedures for preventing diversion of marijuana or marijuana product, including by employees:

Alaskan Grown Cannabis will implement a security and anti-diversion plan that will encompass training, surveillance and mandated operating procedures. First, all employees will be taught about methods of diversion, and how to detect them. They will be trained in the company's standard operating procedures for handling marijuana products including the label tags placed on every package of marijuana, and how to insure they are in the database inventory. All adjustments to inventory will require a manager's code, which is recorded in a file that tell who logged on, what adjustments were made, and will also time stamp it. Continued on Page 11..

3.7. Describe your policies and procedures for preventing loitering:

Signage stating "No Loitering" and that the premises is under video and audio surveillance will be prominently posted around the facility. Designated Alaskan Grown Cannabis personnel will be trained to perform routine, but unscheduled patrols of the premises to check for individuals with no official business on the property. Individuals found to be loitering on the premises will be met with a verbal request to exit the premises per the no loitering policy and if they do not comply law enforcement will be contacted for back up.

You must be able to certify the statement below. Read the following and then sign your initials in the box to the right:

Initials

3.8. I certify that if any additional security devices are used, such as a motion detector, pressure switch, and duress, panic, or hold-up alarm, to enhance security of the licensed premises, I will have written policies and procedures describing their use.



Form MJ-01: Marijuana Establishment Operating Plan

Video Surveillance (3 AAC 306.720):

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

3.9. The video surveillance and camera recording system for the licensed premises covers each restricted access area, and both the interior and exterior of each entrance to the facility.

3.10. Each video surveillance recording: is preserved for a minimum of 40 days, in a format that can be easily accessed for viewing (consistent with the Alcohol & Marijuana Control Office's approved format list); clearly and accurately displays the time and date; and is archived in a format that does not permit alteration of the recorded image.

3.11. The surveillance room or area is clearly defined on the Form MJ-02: Premises Diagram that is submitted with this application.

3.12. Surveillance recording equipment and video surveillance records are housed in a designated, locked, and secure area or in a lock box, cabinet, closet or other secure area where access is limited to the licensee(s), an authorized employee, and law enforcement personnel (including an agent of the Marijuana Control Board).

3.13. Describe how the video cameras will be placed to produce a clear view adequate to identify any individual inside the licensed premises, or within 20 feet of each entrance to the licensed premises:

The retail facility premises will be protected by a surveillance recording system that will have cameras positioned to view the entire perimeter of the area of the licensed retail premises. The security cameras will be monitored 24 hours a day, 7 days a week. A variety of specialty cameras, such as infrared, motion-sensor, and night vision cameras will be used. All cameras will have full tilt/pan/zoom capabilities and will have secure data storage. The premise will have surveillance over all portions of the facility, placed strategically to record all areas of the facility inside and outside, at a variety of angles. All doors and marijuana storage areas will have video coverage to clearly identify the faces of those present. The cameras will offer high resolution and weather resistant features that ensure a clear picture with every use. With these megapixel cameras, the facility will have clear, crisp images that let Kalla see the important details needed for identification. This includes face and license plate recognition, and facial image of anyone within twenty (20) feet of all access point while still capturing a full field of view for exterior monitoring.

3.14. Describe the locked and secure area where video surveillance recording equipment and original copies of surveillance records will be housed and stored, and how you will ensure the area is accessible only to authorized personnel, law enforcement, or an agent of the Marijuana Control Board. If you will be using an offsite monitoring service and offsite storage of video surveillance records, your response must include how the offsite facility will meet these security requirements:

All surveillance recording equipment and footage will be stored in the secured office with backups on site. The office will be accessible only by Kalla and the company's general manager, and any authorized AMCO agents or law enforcement. The office will have an advanced, reinforced security door, locked at all times. The office will have an advanced, reinforced security door, locked at all times. The door will be equipped with an employee key code lock and a spring-loaded hinge. Kalla and the general manager will have remote access to surveillance recordings to monitor operations virtually. The security system will be password protected to prevent any data tampering, and recorded data will be stored for a minimum of forty (40) days as an official business record. All surveillance footage will be accessible for upload to a separate hard drive in the event that it must be stored longer for criminal, civil, or administrative investigations. All recordings will be time and date stamped, and archived in a format that prevents alteration of the recorded image. Recordings and surveillance data will be available to the AMCO, AMCO Enforcement and local law enforcement upon request.



Form MJ-01: Marijuana Establishment Operating Plan

Section 4 – Business Records

Review the requirements under 3 AAC 306.755. All licensed marijuana establishments must maintain, in a format that is readily understood by a reasonably prudent business person, certain business records.

4.1. I certify that the following business records will be maintained and kept on the licensed premises:

Initials

- a. all books and records necessary to fully account for each business transaction conducted under my license for the current year and three preceding calendar years (*records for the last six months must be maintained on the licensed premises; older records may be archived on or off-premises*);
- b. a current employee list setting out the full name and marijuana handler permit number of each licensee, employee, and agent who works at the marijuana establishment;
- c. the business contact information for vendors that maintain video surveillance systems and security alarm systems for the licensed premises;
- d. records related to advertising and marketing;
- e. a current diagram of the licensed premises, including each restricted access area;
- f. a log recording the name, and date and time of entry of each visitor permitted into a restricted access area;
- g. all records normally retained for tax purposes;
- h. accurate and comprehensive inventory tracking records that account for all marijuana inventory activity from seed or immature plant stage until the retail marijuana or retail marijuana product is sold to a consumer, to another marijuana establishment, or destroyed;
- i. transportation records for marijuana and marijuana product, as required by 3 AAC 306.750(f); and
- j. registration and inspection reports of scales registered under the Weights and Measures Act, as required by 3 AAC 306.745.

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4.2. A marijuana establishment is required to exercise due diligence in preserving and maintaining all required records. Describe how you will prevent records and data, including electronically maintained records, from being lost or destroyed:

All facility records will all reside in the locked and secured storage room located adjacent the retail sales counter. Only authorized employees will be issued a key access code for access to the locked storage room, and there will be a secure database maintained with information including employee name and contact information, along with the time and date of each usage which could be matched to a surveillance tape to secure additional information.



Form MJ-01: Marijuana Establishment Operating Plan

Section 5 – Inventory Tracking of All Marijuana and Marijuana Product

Review the requirements under 3 AAC 306.730. All licensed marijuana establishments must use a marijuana inventory tracking system capable of sharing information with Metrc to ensure all marijuana cultivated and sold in the state, and each marijuana product processed and sold in the state, is identified and tracked from the time the marijuana is propagated from seed or cutting, through transfer to another licensed marijuana establishment, or use in manufacturing a marijuana product, to a completed sale of marijuana or marijuana product, or disposal of the harvest batch of marijuana or production lot of marijuana product.

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

5.1. My marijuana establishment will be using Metrc, and if any other tracking software is used, it will be capable of sharing information with Metrc.

5.2. All marijuana delivered to a marijuana establishment will be weighed on a scale registered in compliance with 3 AAC 306.745.

5.3. My marijuana establishment will use registered scales in compliance with AS 45.75.080 (Weights and Measures Act), as required by 3 AAC 306.745.

Section 6 – Employee Qualification and Training

Review the requirements under 3 AAC 306.700. All licensees, and every employee or agent of the marijuana establishment who sells, cultivates, manufactures, tests, or transports marijuana or a marijuana product, or who checks the identification of a consumer or visitor, must obtain a marijuana handler permit from the board before being licensed or beginning employment at a marijuana establishment.

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

6.1. All licensees, and each employee or agent of the marijuana establishment who sells, cultivates, manufactures, tests, or transports marijuana or marijuana product, or who checks the identification of a consumer or visitor, shall obtain a marijuana handler permit from the board before being licensed or beginning employment at the marijuana establishment.

6.2. Each licensee, employee, or agent who is required to have a marijuana handler permit shall keep that person's marijuana handler permit card in that person's immediate possession (or a valid copy on file on the licensed premises) when on the licensed premises.

6.3. Each licensee, employee, or agent who is required to have a marijuana handler permit shall ensure that that person's marijuana handler permit card is valid and has not expired.

6.4. Describe any in-house training that will be provided to employees and agents (apart from a marijuana handler course):

Qualified candidates will be hired on a probationary period during which time they will receive training and evaluation specific to their position. Training will include marijuana industry topics; customer care, food handling, safety precautions and procedures; legal issues; and state, local, and federal regulations. Training will take place throughout the year, as well as when topics arise that need further explanation. Kalla and/or the general manager will personally present or arrange training and education to employees. Within the probationary period, all new employees will be required to meet with the general manager to learn the company's business approach and to adopt the standard of service. Educational packets will be provided to each retail employee to be read and reviewed. The educational packets will discuss relevant cannabinoids in the marijuana plant, strain ratios, marijuana benefits and risks, and general Alaska marijuana law. Continued on Page 11..



Form MJ-01: Marijuana Establishment Operating Plan

Section 7 – Health and Safety Standards

Review the requirements under 3 AAC 306.735.

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

- 7.1. I understand that a marijuana establishment is subject to inspection by the local fire department, building inspector, or code enforcement officer to confirm that health or safety concerns are not present. ☒
- 7.2. I have policies regarding health and safety standards (including: ensuring a person with an illness or infection does not come into contact with marijuana or marijuana product; good hygienic practices; cleaning and maintenance of equipment and the premises; pest deterrence; chemical storage; sanitation principles; and proper handling of marijuana and marijuana product) and will take all reasonable measures and precautions to ensure that they are met or exceeded. ☒
- 7.3. I have policies to ensure that any marijuana or marijuana product that has been stored beyond its usable life, or was stored improperly, is not salvaged and returned to the marketplace. ☒
- 7.4. I have policies to ensure that in the event information about the age or storage conditions of marijuana or marijuana product is unreliable, the marijuana or marijuana product will be handled in accordance with 3 AAC 306.735(d). ☒

Answer "Yes" or "No" to each of the following questions:

Yes No

- 7.5. Adequate and readily accessible toilet facilities that are maintained and in good repair and sanitary condition are clearly indicated on my Form MJ-02: Premises Diagram. ☒ ☐
- 7.6. Convenient handwashing facilities with running water at a suitable temperature are clearly indicated on my Form MJ-02: Premises Diagram. ☒ ☐

7.7. If you answered "No" to either 7.5 or 7.6 above, describe how toilet and/or handwashing facilities are made accessible, as required by 3 AAC 306.735(b)(2):

Section 8 – Transportation and Delivery of Marijuana and Marijuana Products

Review the requirements under 3 AAC 306.750.

8.1. Describe how marijuana or marijuana product will be prepared, packaged, and secured for shipment. Include a description of the type of locked, safe, and secure storage compartments to be used in vehicles transporting marijuana or marijuana product:

In the event that Alaskan Grown Cannabis transports any marijuana or marijuana product from the retail store, a trip manifest will be printed from Metrc to accompany the shipment. A copy of the trip manifest will also be maintained on the licensed premises as a business record. Any marijuana or marijuana product to be transported will be placed within a sealed package or container up to 5 pounds and then into a secure storage compartment within the transport vehicle or in the bed of a truck. Any individuals involved in the transport will have a valid, marijuana handler permit and be trained to travel directly to the destination without any unnecessary stops and without opening packages of marijuana or marijuana product. Continued on Page 11..



Form MJ-01: Marijuana Establishment Operating Plan

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

8.2. The marijuana establishment from which a shipment of marijuana or marijuana product originates will ensure that any individual transporting marijuana shall have a marijuana handler permit required under 3 AAC 306.700.

8.3. The marijuana establishment that originates the transport of any marijuana or marijuana product will use the marijuana inventory tracking system to record the type, amount, and weight of marijuana or marijuana product being transported, the name of the transporter, the time of departure and expected delivery, and the make, model, and license plate number of the transporting vehicle.

8.4. The marijuana establishment that originates the transport of any marijuana or marijuana product will ensure that a complete printed transport manifest on a form prescribed by the board must be kept with the marijuana or marijuana product at all times during transport.

8.5. During transport, any marijuana or marijuana product will be in a sealed package or container in a locked, safe, and secure storage compartment in the vehicle transporting the marijuana or marijuana product, and the sealed package will not be opened during transport.

8.6. Any vehicle transporting marijuana or marijuana product will travel directly from the shipping marijuana establishment to the receiving marijuana establishment, and will not make any unnecessary stops in between except to deliver or pick up marijuana or marijuana product at any other licensed marijuana establishment.

8.7. When the marijuana establishment receives marijuana or marijuana product from another licensed marijuana establishment, the recipient of the shipment will use the marijuana inventory tracking system to report the type, amount, and weight of marijuana or marijuana product received.

8.8. The marijuana establishment will refuse to accept any shipment of marijuana or marijuana product that is not accompanied by the transport manifest.

Section 9 – Signage and Advertising

Review the requirements under 3 AAC 306.770.

9.1. Describe any signs that you intend to post on your establishment, including quantity, dimensions, graphics, and location on your establishment (photos or drawings may be attached):

Alaskan Grown Cannabis may have up to three signs with the business name on it visible to the general public which will not exceed 4800 square inches. Two of the three signs may be attached to the outer walls of the building, a third sign may be on an independent sign pole or similar on the property. Sign placement will be done within the parameters set forth by AMCO's regulations.



Form MJ-01: Marijuana Establishment Operating Plan

9.2. Describe any advertising you intend to distribute for your establishment. Include medium types and business logos (photos or drawings may be attached):

Alaskan Grown Cannabis' retail advertising and marketing is still in development; however, the company plans to utilize the following medium types when distributing advertisements:

- Newspaper ads
- radio ads
- social media to feature specific strains
- magazine ads
- Direct Text Message

Advertisements will include the following logo, the retail store hours and location, company website and will include each warning statement verbatim as they are listed in the regulations.

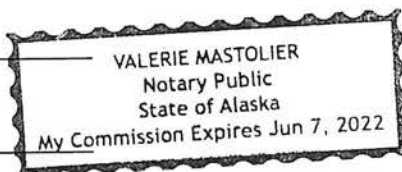


I declare under penalty of unsworn falsification that this form, including all accompanying schedules and statements, is true, correct, and complete.

Signature of licensee

Kalla Peacock

Printed name of licensee



Notary Public in and for the State of Alaska

My commission expires: 4/7/22

Subscribed and sworn to before me this 14 day of May, 2019.



Form MJ-01: Marijuana Establishment Operating Plan

(Additional Space as Needed):

2.1 Continued: In addition to passing the Marijuana Handler's Card course, employees in this position will be trained to spot the inconsistencies of forged identifications, and they will be given an ID guide to help them recognize IDs from other states and countries. Signage will be posted at the main entry door stating, "No one under 21 years of age allowed". The sign will be twelve (12) inches long and twelve (12) inches wide, and the letters will be one half inch in height in high contrast to the background of the sign.

3.2 Continued: A designated employee or Kalla will escort and actively supervise the visitor(s) during the entire visit. At no time will there be more than 5 visitors per supervising employee or licensee on the premises. Once the visit has concluded, all visitors will be required to exit the premises and return their visitor badges. The visitors log will be kept and stored on-site as an official business record. The visitors will be escorted by an employee at all times while in the restricted access area. The escorting employee will record all information related to the visitor's presence, including any reportable activity or behavior during the visit. This visitor log will be made available to AMCO upon request. The records will be stored in the secured storage room located adjacent to the sales counter. After 7 years the hard copy may be destroyed.

3.6 Continued: Beyond the electronic record keeping, visual verification will be done by managers on each shift, and all parts of the facility will be monitored by surveillance cameras. Employee's will be taught how diversion could take place including: employee theft, customer theft at the place of delivery, outside theft (robbery), or a combination of all of the above. Employees will be taught not just detection, but the appropriate responses to insure the safety of our fellow employees, customers, the public, and the facility itself.

6.4 Continued: Packets will also include safety procedures that specifically address the facility's security measures and controls for the prevention of diversion, theft, and loss of marijuana such as emergency response procedures and state and federal statutes regarding confidentiality. As proper safety and security procedures are of the utmost importance to Kalla, the most up-to-date reading materials will be available to employees at all times. Management will conduct quarterly staff meetings with the purpose of updating all employees on new state and local regulations, assuring that each employee is performing within company procedure, assessing any procedural changes that are needed, and addressing any comments or concerns from the staff. Prior to beginning work, employees will be expected to understand: (1) Alaska laws, regulations, and codes governing the marijuana industry and marijuana establishments; (2) all of the permitting requirements to act as a marijuana handler (including obtaining a Marijuana Handler Permit from AMCO Enforcement after completing a state approved course prior to commencing employment) and to work in a marijuana establishment; (3) Alaskan Grown Cannabis standards, operational protocol, and best practices with regard to retail and sale of marijuana; (4) general safety procedures and security protocol; (5) how to think defensively if threatening situations occur, and how to recognize the signs of impairment, drug abuse, and instability; (6) in-depth information about our particular strains and marijuana related products; (7) in-depth information on the requirements of each room, task, and system; (8) the general federal, state, and local employment regulations by which Alaskan Grown Cannabis is governed; and (9) retail-specific education.

8.1 Continued: Labels will be affixed to the packaging including all information originally provided by the cultivation or manufacturing facility such as; (1) testing facility and license number (2) testing date and results (3) name and license number of cultivation facility (4) name and license number of manufacturing facility if applicable (for concentrates and products) (5) harvest batch number or production lot number (6) date of packaging (7) net marijuana weight (8) expiration date if applicable.



Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Alaska Marijuana Control Board Form MJ-02: Premises Diagram

What is this form?

A detailed diagram of the proposed licensed premises is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(8). All areas designated as the licensed premises of a single license must be contiguous.

What must be submitted with this form?

Applicants must attach multiple diagrams to this form, including (as applicable):

- **Diagram 1:**
a diagram showing only the licensed premises areas that will be ready to be operational at the time of your preliminary inspection and license issuance;
- **Diagram 2:**
if different than Diagram 1, a diagram outlining all areas for which the licensee has legal right of possession (a valid lease or deed), and clearly showing those areas' relationship to the current proposed licensed premises (*details of any planned expansion areas do not need to be included; a complete copy of Form MJ-14: Licensed Premises Diagram Change must be submitted and approved before any planned expansion area may be added to the licensed premises*);
- **Diagram 3:**
a site plan or as-built of the entire lot, showing all structures on the property and clearly indicating which area(s) will be part of the licensed premises;
- **Diagram 4:**
an aerial photo of the entire lot and surrounding lots, showing a view of the entire property and surrounding properties, and clearly indicating which area(s) will be part of the licensed premises (*this can be obtained from sources like Google Earth*); and
- **Diagram 5:**
a diagram of the entire building in which the licensed premises is located, clearly distinguishing the licensed premises from unlicensed areas and/or premises of other licenses within the building. If your proposed licensed premises is located within a building or building complex that contains multiple business and/or tenants, please provide the addresses and/or suite numbers of the other businesses and/or tenants (*a separate diagram is not required for an establishment that is designating the entire building as a single licensed premises*).

This form, and all necessary diagrams that meet the requirements on Page 2 of this form, must be completed and submitted to AMCO's main office before any new or transfer license application will be considered complete.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Alaskan Grown Products, LLC	MJ License #:	20439		
License Type:	Retail Marijuana Facility				
Doing Business As:	Alaskan Grown Cannabis				
Premises Address:	230 Tundra Way				
City:	Bethel	State:	Alaska	ZIP:	99559



Form MJ-02: Premises Diagram

Section 2 – Required Information

For your security, do not include locations of security cameras, motion detectors, panic buttons, and other security devices.

The following details must be included in all diagrams:

- ☐ License number and DBA
- ☐ Legend or key
- ☐ Color coding
- ☐ Dimensions
- ☐ Labels
- ☐ True north arrow

The following additional details must be included in Diagram 1:

- ☐ Surveillance room
- ☐ Restricted access areas
- ☐ Storage areas
- ☐ Entrances, exits, and windows
- ☐ Walls, partitions, and counters
- ☐ Any other areas that must be labeled for specific license types

The following additional details must be included in Diagram 2:

- ☐ Areas of ingress and egress
- ☐ Entrances and exits
- ☐ Walls and partitions

The following additional details must be included in Diagrams 3 and 4:

- ☐ Areas of ingress and egress
- ☐ Cross streets and points of reference

The following additional details must be included in Diagram 5:

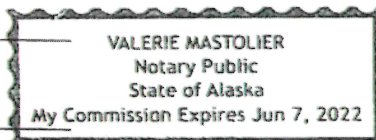
- ☐ Areas of ingress and egress
- ☐ Entrances and exits
- ☐ Walls and partitions
- ☐ Cross streets and points of reference

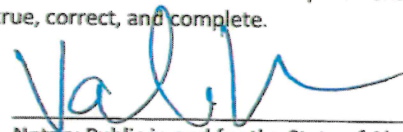
I declare under penalty of unsworn falsification that I have attached all necessary diagrams that meet the above requirements, and that this form, including all accompanying schedules, statements, and depictions is true, correct, and complete.


Signature of licensee

Kalla Peacock

Printed name of licensee




Notary Public in and for the State of Alaska

My commission expires: 6/7/22

Subscribed and sworn to before me this 14 day of May, 2019.

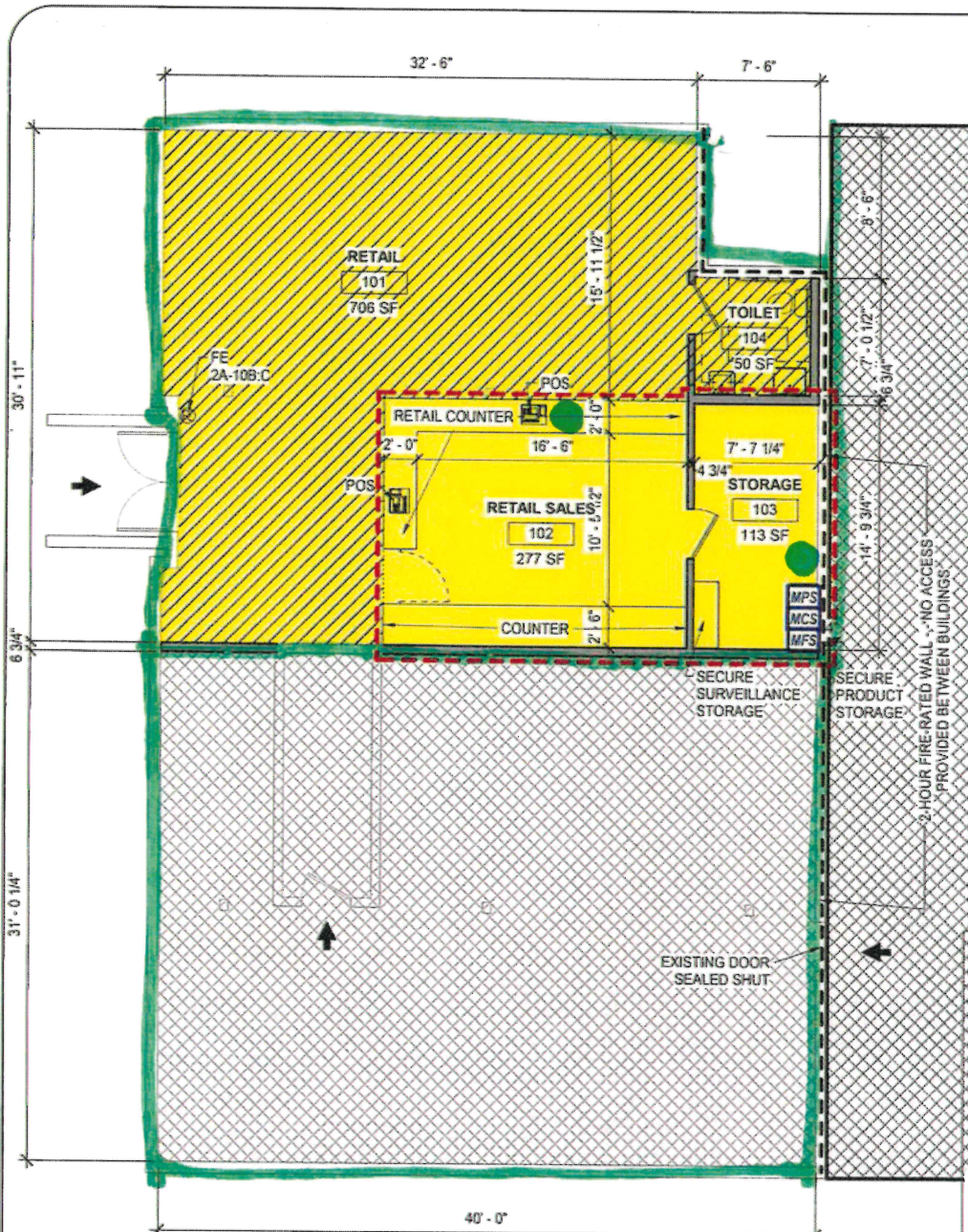


Diagram #1;
#2J5.1

License #
20439
ALASKAN GROWN
Cannabis

 = Area Licensee
HAS Right to accept.

LEGEND

- PROJECT EXTERIOR DOOR
- PROJECT EXTERIOR WINDOW
- PROJECT 2ND FLOOR ACCESS
- BUILDING AREA NOT IN PROJECT
- RETAIL LICEN' D PREMISES
- RESTRICTED ACCESS
- MARIJUANA PRODUCT STORAGE
- MARIJUANA FLOWER/TRIM STORAGE
- MARIJUANA WASTE
- MARIJUANA QUARANTINE
- MARIJUANA CONCENTRATE STORAGE
- 6 MONTH RECORD STORAGE

 = Cooler/Fridge

1 1st Floor Plan - New - Premises
3/16" = 1'-0"

LICENSEE: ALASKAN GROWN PRODUCTS
DOING BUSINESS AS: ALASKAN GROWN CANNABIS
PREMISES ADDRESS: 230 TUNDRA WAY
CITY: BETHEL
STATE: ALASKA
ZIP: 99559

LICENSE NUMBER/TYPE: xxxxx - MARIJUANA RETAIL STORE
1ST FLR 2ND FLR TOTAL
1,162 SF 0 SF 1,162 SF
TOTAL: 1,162 SF

DRAWINGS PRINTED AT 8 1/2" X 11" ARE 1/2 SCALE INDICATED

**FAULKENBERRY
& ASSOCIATES, INC.
ARCHITECTS**
P.O. Box 230083 - Anchorage, Alaska 99523-0083 - (907)522-9193

Alaskan Grown Cannabis
230 Tundra Way
Bethel, AK 99559

Sheet name
Marijuana Premises
Plan - 1st Floor
Release Date: 04-25-19
Sheet number
AP1

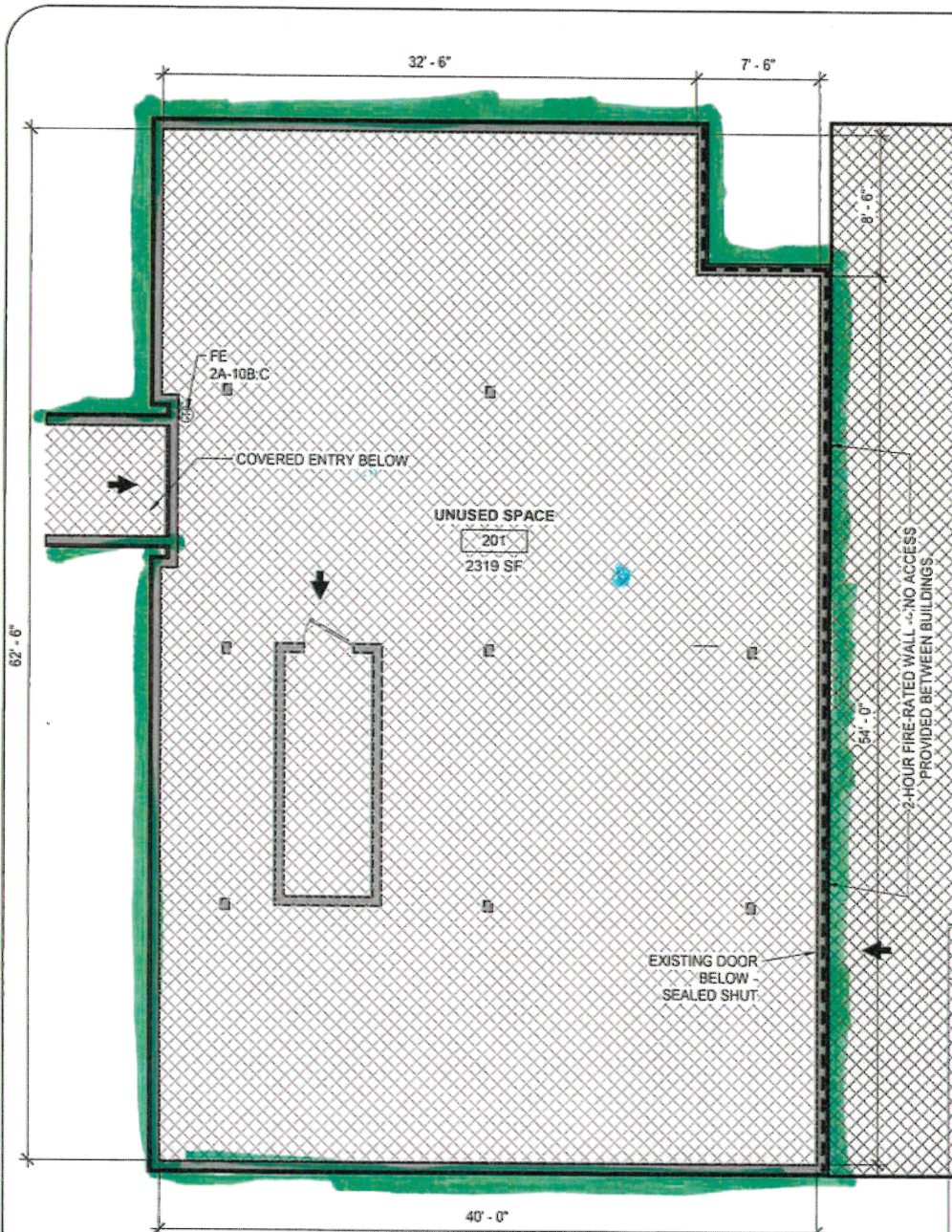


Diagram #5.2

License #
20439

Alaskan
Grown
Cannabis

LEGEND

- PROJECT EXTERIOR DOOR
- PROJECT EXTERIOR WINDOW
- PROJECT 2ND FLOOR ACCESS
- BUILDING AREA NOT IN PROJECT
- RETAIL LICENSED PREMISES
- RESTRICTED ACCESS
- MARIJUANA PRODUCT STORAGE
- MARIJUANA FLOWER/TRIM STORAGE
- MARIJUANA WASTE
- MARIJUANA QUARANTINE
- MARIJUANA CONCENTRATE STORAGE
- 6 MONTH RECORD STORAGE

1 2nd Floor Plan - New - Premises

3/16" = 1'-0"

LICENSEE:	ALASKAN GROWN PRODUCTS
DOING BUSINESS AS:	ALASKAN GROWN CANNABIS
PREMISES ADDRESS:	230 TUNDRA WAY
CITY:	BETHEL
STATE:	ALASKA
ZIP:	99559

LICENSE NUMBER/TYPE:	XXXXX - MARIJUANA RETAIL STORE	1ST FLR	2ND FLR	TOTAL
		1,162 SF	0 SF	1,162 SF
				TOTAL: 1,162 SF



**FAULKENBERRY
& ASSOCIATES, INC.
ARCHITECTS**

P.O. Box 230083 - Anchorage, Alaska 99523-0083 - (907)522-9193

Alaskan Grown Cannabis

230 Tundra Way
Bethel, AK 99559

Sheet name
**Marijuana Premises
Plan - 2nd Floor**

Release Date: 04-25-19

Sheet number

AP2

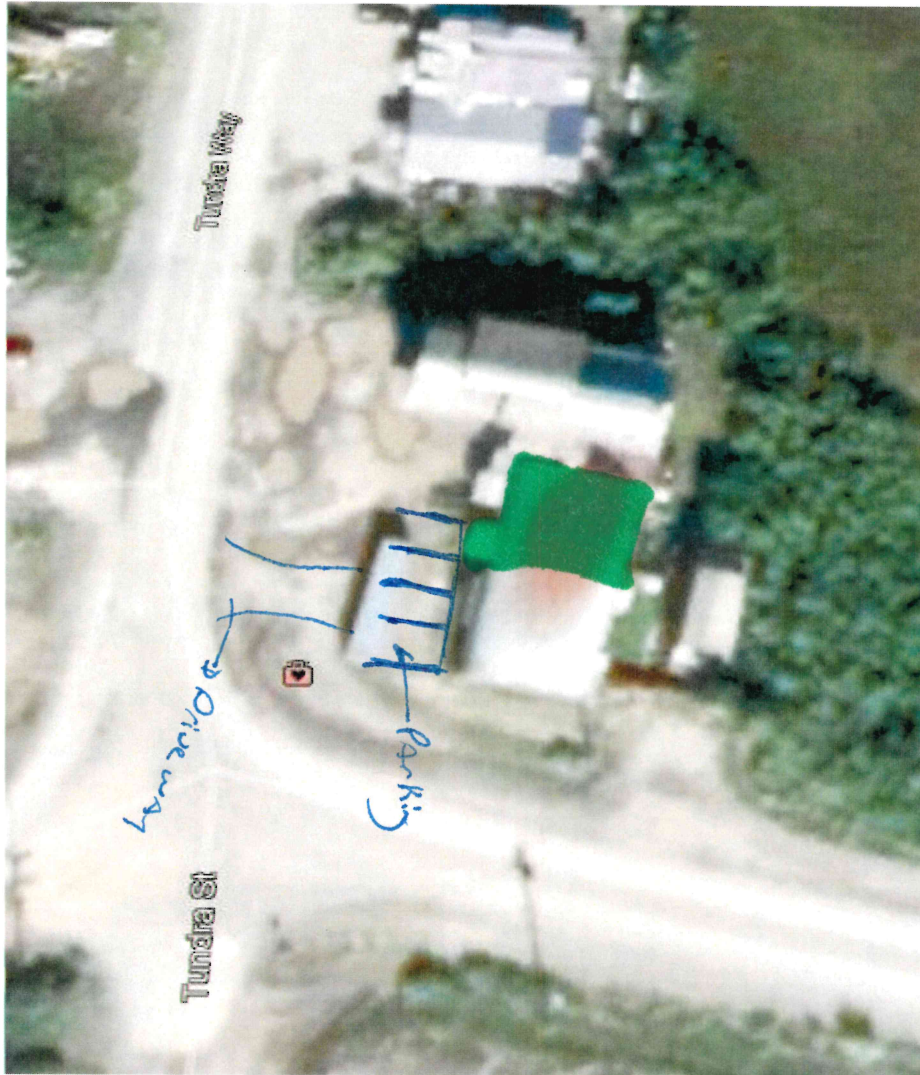


Diagram # 3

ALASKAN Grow - Cannabis
License # 20439

 = Licensed Premises





Diagram 4
ALASKAN GROWN PRODUCTS
License # 20439

 = Licensed Premises





Alaska Marijuana Control Board
**Operating Plan Supplemental
Form MJ-03: Retail Marijuana Store**

Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

What is this form?

This operating plan supplemental form is required for all applicants seeking a retail marijuana store license and must accompany **Form MJ-01: Marijuana Establishment Operating Plan**, per 3 AAC 306.020(b)(11). Applicants should review **Chapter 306: Article 3** of the **Alaska Administrative Code**. This form will be used to document how an applicant intends to meet the requirements of the statutes and regulations.

If your business has a formal operating plan, you may include a copy of that operating plan with your application, but all fields of this form must still be completed per 3 AAC 306.020 and 3 AAC 306.315(2).

What additional information is required for retail stores?

Applicants must identify how the proposed establishment will comply with applicable regulations regarding the following:

- Prohibitions
- Signage and advertising
- Displays and sales
- Exit packaging and labeling
- Security
- Waste disposal

This form must be completed and submitted to AMCO's main office before any new or transfer application for a retail marijuana store license will be considered complete.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Alaskan Grown Products LLC	MJ License #:	20439		
License Type:	Retail Marijuana Store				
Doing Business As:	Alaskan Grown Cannabis				
Premises Address:	230 Tundra Way				
City:	Bethel	State:	Alaska	ZIP:	99559

**Form MJ-03: Retail Marijuana Store Operating Plan Supplemental****Section 2 – Overview of Operations**

2.1. Provide an overview of your proposed facility's operations. Include information regarding the intake and flow of marijuana and marijuana product at your premises, and a description of what a standard customer visit to your establishment would entail:

Each shipment of marijuana and marijuana product that arrives at the Alaskan Grown Cannabis retail store will be inspected by a member of the management team before it is accepted and added to the store's inventory. The shipment will be reconciled with the transport manifest, shipment labels and packaging labels to ensure consistency. All product will be weighed by Alaskan Grown Cannabis and reconciled with the weight listed on the manifest and labels. Any shipments with discrepancies will be rejected. Shipments that pass initial inspection will be accepted into the facility, entered into Metrc and the point of sale software and added to the store's inventory storage or display cases. At the end of each business day, the management team will reconcile the sale's transactions from the point of sale software with the inventory on hand and with METRC to ensure consistency and that any discrepancies are immediately addressed. Customers will be greeted at the store's entrance by an Alaskan Grown Cannabis employee who will check their identification and watch for signs of impairment. If cleared by ID check, customers will enter the sales floor where they will be greeted by the sales team. Continued on Page 6..

Section 3 – Prohibitions

Review the requirements under 3 AAC 306.310.

3.1. Describe how you will ensure that the retail marijuana store will not sell, give, distribute, or deliver marijuana or marijuana product to a person who is under the influence of an alcoholic beverage, inhalant, or controlled substance:

Alaskan Grown Cannabis will not sell, offer to sell, give, distribute, or deliver marijuana or marijuana products to any consumers who are: (1) not physically present on the licensed premises; (2) under the influence of an alcoholic beverage, inhalant, or controlled substance; or (3) not at least twenty-one (21) years of age at the time of purchase, as evidenced by valid government-issued photo identification. All customers will enter one main door into our retail establishment where they will be greeted by an Alaskan Grown Cannabis employee who will then check their ID. Continued..

3.2. I certify that the retail marijuana store will not:

Initials

- a. sell, give, distribute, deliver, or offer to sell, give, distribute, or deliver marijuana or marijuana product in a quantity exceeding the limit set out in 3 AAC 306.355; ☒
- b. sell, give, distribute, deliver, or offer to sell, give, distribute, or deliver marijuana or marijuana product over the internet; ☒
- c. offer or deliver to a consumer, as a marketing promotion or for any other reason, free marijuana or marijuana product, including a sample; ☒
- d. offer or deliver to a consumer, as a marketing promotion or for any other reason, alcoholic beverages, free or for compensation; or ☒
- e. allow a person to consume marijuana or a marijuana product on the licensed premises. ☒

Answer "Yes" or "No" to the following question:

Yes No

3.3. Do you plan to request future approval of the Marijuana Control Board to permit consumption of marijuana or marijuana product in a designated area on the proposed premises?

☐ ☒

**Form MJ-03: Retail Marijuana Store Operating Plan Supplemental****Section 4 – Signage and Advertising**

Review the requirements under 3 AAC 306.360 and 3 AAC 306.365. All licensed retail marijuana stores must meet minimum standards for signage and advertising.

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

4.1. I understand and agree to follow the limitations regarding the number, placement, and size of signs on my proposed establishment, set forth in 3 AAC 306.360(a).

4.2. The retail marijuana store will not use giveaway coupons as promotional materials, or conduct promotional activities such as games or competitions to encourage the sale of marijuana or marijuana products.

4.3. All advertising for marijuana or marijuana product will contain the warnings required under 3 AAC 306.360(e).

4.4. I understand and agree to post, in a conspicuous location visible to customers, the notification signs required under 3 AAC 306.365.

4.5. I certify that no advertisement for marijuana or marijuana product will contain any statement or illustration that:

a. is false or misleading;

b. promotes excessive consumption;

c. represents that the use of marijuana has curative or therapeutic effects;

d. depicts a person under the age of 21 consuming marijuana; or

e. includes an object or character, including a toy, a cartoon character, or any other depiction designed to appeal to a child or other person under the age of 21, that promotes consumption of marijuana.

4.6. I certify that no advertisement for marijuana or marijuana product will be placed:

a. within 1,000 feet of the perimeter of any child-centered facility, including a school, childcare facility, or other facility providing services to children, a playground or recreation center, a public park, a library, or a game arcade that is open to persons under the age of 21;

b. on or in a public transit vehicle or public transit shelter;

c. on or in a publicly owned or operated property;

d. within 1,000 feet of a substance abuse or treatment facility; or

e. on a campus for postsecondary education.

Section 5 – Displays and Sales

5.1. Describe how marijuana and marijuana products at the retail marijuana store will be displayed and sold:

All marijuana and marijuana products will be displayed and dispensed for sales within the designated restricted access area, unreachable to customers. Signage stating, "Restricted Access Area: Visitors Must Be Escorted" will be posted at the access points that lead behind the counter. Marijuana and marijuana products will be displayed in locked, glass display cases, on shelving along the wall behind the display case/point of sale counter and in a cooler behind the display case/point of sale counter. Product displays will be in full view of a working video surveillance camera at all times that marijuana or marijuana product is stored in the display. Continued on Page 6..



Form MJ-03: Retail Marijuana Store Operating Plan Supplemental

Section 6 – Exit Packaging and Labeling

Review the requirements under 3 AAC 306.345.

6.1. Describe how the retail marijuana store will ensure that marijuana and marijuana products sold on its licensed premises will meet the packaging and labeling requirements set forth in 3 AAC 306.345(a):

Kalla, and/or the general manager will inspect all shipments of marijuana and marijuana products that arrive at the retail store. Shipments will be inspected for quality and consistency with the transport manifest and shipment labels, and for regulatory compliance. Labels will be checked for: (1) name and license number of the manufacturing or cultivation facility; (2) production lot and/or batch number; (3) strain information; (4) net weight of the product (5) packaging date and expiration date; and (6) testing lab name and license number. The transport manifest will be checked for: (1) name and license number of the providing entity; (2) delivery date; (3) start time and estimated arrival time; (4) strain and batch information; (5) delivery driver name and handler's card verification; (6) the weight of the products transferred; and (7) testing information. Continued on Page 6..

6.2. Provide a sample label that the retail marijuana store will use to meet the labeling requirements set forth in 3 AAC 306.345(b):

Retailer: Alaskan Grown Cannabis		License No: 20439		
Cultivator:		License No: 12311		
Harvest Batch No:		Package No:		
Net Weight:		Strain:		
Testing Facility:		License No:		
THC:	THCA:	CBD:	CBDA:	CBN:
Microbial Test:		Fungicides:	Pesticides:	Herbicides:
Fertilizers:		Soil Amendment:		

Alaska Safety Warning: Marijuana has intoxicating effects and may be habit forming and addictive. Marijuana impairs concentration, coordination and judgment. Do not operate a vehicle or machinery under its influence. There are health risks associated with consumption of marijuana. For use only by adults twenty-one and older. Keep out of the reach of children. Marijuana should not be used by women who are pregnant or breast feeding.



123456789

Product:

Alaskan Grown Products, LLC 4a - 20439





Form MJ-03: Retail Marijuana Store Operating Plan Supplemental

Section 7 – Security

Review the requirements under 3 AAC 306.350 and 3 AAC 306.720.

7.1. Describe the retail marijuana store's procedures for ensuring a form of valid photographic identification has been produced before selling marijuana or marijuana product to a person, as required by 3 AAC 306.350(a):

Alaskan Grown Cannabis will not sell, offer to sell, give, distribute, or deliver marijuana or marijuana products to any consumers who are: (1) not physically present on the licensed premises; (2) under the influence of an alcoholic beverage, inhalant, or controlled substance; or (3) not at least twenty-one (21) years of age at the time of purchase, as evidenced by valid, government-issued photo identification. Employees of Alaskan Grown Cannabis will greet all customers and check each ID at the entry door. Continued..

You must be able to certify the statement below. Read the following and then sign your initials in the box to the right:

Initials

7.2. The video surveillance and camera recording system for the licensed premises covers each point-of-sale area.

Section 8 – Waste Disposal

Review the requirements under 3 AAC 306.740.

8.1. Describe how you will store, manage, and dispose of any marijuana waste, including expired marijuana or marijuana products, in compliance with any applicable laws. Include details about the material(s) you will mix with ground marijuana waste and the processes that you will use to make the marijuana waste unusable for any purpose for which it was grown or produced:

Alaskan Grown Cannabis will be disposing of: (1) marijuana that is identified as contaminated, infected or is otherwise rejected for quality; (2) marijuana and marijuana products that reach their expiration date; (3) any other materials or containers in contact with marijuana products that risk contamination (4) any other marijuana or marijuana product deemed as waste by Kalla, general manager, MCB, AMCO Enforcement or AMCO Director. Marijuana waste will be stored away from all other products in a locked container on the premises, and will be rendered unusable prior to leaving the store for disposal. A notice, via email, will be sent to AMCO enforcement not later than three days prior to rendering waste unusable. Marijuana waste will be rendered unusable by grinding the materials and mixing with other compostable and non-compostable non-marijuana material such as, food waste, cardboard, paper, and yard waste; until the resulting mixture is no more than fifty percent (50%) marijuana waste. Management will maintain a log on the status of all marijuana waste, tracking the type, date of disposal, date it was rendered unusable, the reason it's being wasted, and the final destination. The City of Bethel waste truck will collect the waste mixture and dispose of it at the local waste station.

You must be able to certify the statement below. Read the following and then sign your initials in the box to the right:

Initials

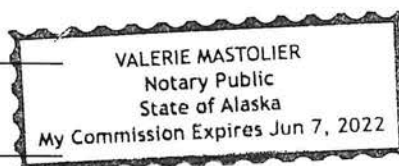
8.2. The retail marijuana store shall give the board at least three days written notice required under 3 AAC 306.740(c) before making marijuana waste unusable and disposing of it.

I declare under penalty of unsworn falsification that this form, including all accompanying schedules and statements, is true, correct, and complete.

Signature of licensee

Kalla Peacock

Printed name of licensee



Notary Public in and for the State of Alaska

My commission expires:

4/7/22

Subscribed and sworn to before me this

19 day of May

2019



Form MJ-03: Retail Marijuana Store Operating Plan Supplemental

(Additional Space as Needed):

2.1 Continued: Customers will be able to ask questions, browse available products in the glass display cases and view a menu of available products. Sales transactions will take place at the point of sale station and once a sales transaction is complete, customers will be guided to the store exit. Alaskan Grown Cannabis will train all employees on the importance of the limits on quantity sold per transaction and the exit packaging requirements set forth in the regulations.

3.1 Continued: During this time, employees will be watching for signs of impairment. If a person enters the premises exhibiting signs of impairment, employees will be trained to recognize those signs, refuse all service and sale to that individual, and escort them safely from the premises. Law enforcement will be contacted for back-up when necessary. Additionally, employees and management will exercise strict diligence and compliance with the sale limits embodied in 3 AAC 306.355. A manager will be on hand to help manage customer ingress and egress and ensure there is an adequate number of employees on the sales floor.

5.1 Continued: Marijuana and marijuana products will be secured in a locked case at all times. All employees will be trained and regularly monitored to ensure compliance with the display and closing policies, and that all product is secured and accounted for at all times. When customers have made their purchasing decisions, they will head to the point of sale counter. All edibles, concentrates, and flowers will be stored behind the point of sale counter. Cashiers will take the customer order and dispense for sales from behind the counter. Concentrates and edibles will all be pre-packaged and labeled. Flower will be sold either pre-packaged or "Deli" style. "Deli" style flower will be displayed in large glass jars (behind the point of sale counter) with batch labeled strains. Employees will take customer orders at the point of sale counter and weigh the flower using a certified scale. Once weighed to the desired amount, the employee will register the purchase in the POS system which integrates with Metrc, seal the product into a child-resistant container, and print the packaging label. The prepackaged products will be displayed in the glass display cases located within the restricted access area. The store will also buy bulk marijuana and roll their own pre-roll marijuana joints and package them in accordance with the regulations and place into pre-labeled mylar bags. Any edibles requiring refrigeration will be stored in a refrigerator behind the point of sale counter in the restricted access area. Employees will ensure that each marijuana product is in fully opaque and child-resistant packaging before a customer exits the store with it.

6.1 Continued: Once a delivery is approved by either the general manager, the inventory will be accepted into the retail facility and entered into Metrc with all mandatory information designated by AMCO. The shipment information will be both recorded in Metrc and stored on-site as official business records. Both the transporting agent and the general manager will sign all paperwork and documents expressing that all information is deemed correct and the transfer took place. Shall any of the above be missing or inaccurate, the general manager will refuse the transfer.

7.1 Continued: No individual will be allowed to pass the ID check station and enter the sales floor without their photo identification being verified regardless of how familiar the person is to the employee(s). Employees will be trained to identify forgeries and inconsistencies in ID's and will utilize an ID guide to help recognize ID's from other states and countries. A manager will be on hand to help manage customer ingress and egress on the sales floor. If an ID is not in compliance for any reason, the customer will be asked to leave, and law enforcement will be contacted if necessary.



Alaska Marijuana Control Board

Form MJ-07: Public Notice Posting Affidavit**What is this form?**

A public notice posting affidavit is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(10). As soon as practical after initiating a marijuana establishment license application, an applicant must give notice of the application to the public by posting a true copy of the application for ten (10) days at the location of the proposed licensed premises and one other conspicuous location in the area of the proposed premises, per 3 AAC 306.025(b)(1).

This form must be completed and submitted to AMCO's main office before any new or transfer license application will be considered complete.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Alaskan Grown Products, LLC	License Number:	20439		
License Type:	Retail Marijuana Facility				
Doing Business As:	Alaskan Grown Cannabis				
Premises Address:	230 Tundra Way				
City:	Bethel	State:	Alaska	ZIP:	99559

Section 2 – Certification

I certify that I have met the public notice requirement set forth under 3 AAC 306.025(b)(1) by posting a copy of my application for the following 10-day period at the location of the proposed licensed premises and at the following conspicuous location in the area of the proposed premises:

Start Date: June 6th 2019

End Date: June 17th 2019

Other conspicuous location: Swanson's Grocery Store 750 Front Street Bethel, Alaska

I declare under penalty of unsworn falsification that this form, including all accompanying schedules and statements, is true, correct, and complete.

Kalla Peacock

Signature of licensee

Kalla Peacock

Printed name of licensee



Andy Azelton
Notary Public in and for the State of Alaska

My commission expires: 4/14/21

Subscribed and sworn to before me this 20 day of June, 2019.



Alaska Marijuana Control Board

Form MJ-08: Local Government Notice Affidavit**What is this form?**

A local government notice affidavit is required for all marijuana establishment license applications with a proposed premises that is located within a local government, per 3 AAC 306.025(b)(3). As soon as practical after initiating a marijuana establishment license application, an applicant must give notice of the application to the public by submitting a copy of the application to each local government and any community council in the area of the proposed licensed premises. For an establishment located inside the boundaries of city that is within a borough, both the city and the borough must be notified.

This form must be completed and submitted to AMCO's main office before any new or transfer license application will be considered complete.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Alaskan Grown Products, LLC	License Number:	20439
License Type:	Retail Marijuana Facility		
Doing Business As:	Alaskan Grown Cannabis		
Premises Address:	230 Tundra Way		
City:	Bethel	State:	Alaska
		ZIP:	99559

Section 2 – Certification

I certify that I have met the local government notice requirement set forth under 3 AAC 306.025(b)(3) by submitting a copy of my application to the following local government (LG) official(s) and community council (if applicable):

Local Government(s): City of Bethel Date Submitted: June 19, 2019
Name/Title of LG Official 1: Lori Strickler Name/Title of LG Official 2: City Clerk
Community Council: N/A Date Submitted: _____
(Municipality of Anchorage and Matanuska-Susitna Borough only)

I declare under penalty of unsworn falsification that this form, including all accompanying schedules and statements, is true, correct, and complete.

Kalla Peacock
Signature of licensee

Kalla Peacock
Printed name of licensee



Andrew L. Azelton 170414010
Notary Public in and for the State of Alaska
My commission expires: 4/14/21

Subscribed and sworn to before me this 20 day of June, 2019.



Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest**What is this form?**

A statement of financial interest completed by each proposed licensee (as defined in 3 AAC 306.020(b)(2)) is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(4). A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each proposed licensee before any license application will be considered complete.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Alaskan Grown Products, LLC	License Number:	20439		
License Type:	Retail Marijuana Facility				
Doing Business As:	Alaskan Grown Cannabis				
Premises Address:	230 Tundra Way				
City:	Bethel	State:	Alaska	ZIP:	99559

Section 2 – Individual Information

Enter information for the individual licensee.

Name:	Kalla Peacock				
Title:	Member, Manager				
SSN:		Date of Birth:			



Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest

Section 3 – Certifications

I certify that no person other than a proposed licensee listed on my marijuana establishment license application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which a marijuana establishment license is being applied for.

I further certify that any ownership change shall be reported to the board as required under 3 AAC 306.040.

I understand that my fingerprints will be used to check the criminal history records of the Federal Bureau of Investigation (FBI), and that I have the opportunity to complete or challenge the accuracy of the information contained in the FBI identification record.

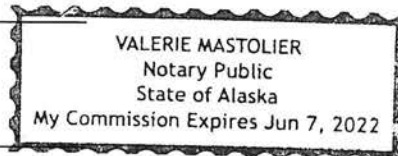
The procedures for obtaining a change, correction, or updating an FBI identification record are set forth in Title 28, CFR, 16.34.

I declare under penalty of unsworn falsification that this form, including all accompanying schedules and statements, is true, correct, and complete.

Signature of licensee

Kalla Peacock

Printed name of licensee



Notary Public in and for the State of Alaska

My commission expires: 4/7/22

Subscribed and sworn to before me this 19 day of May, 2019.

Department of Commerce, Community, and Economic Development

CORPORATIONS, BUSINESS & PROFESSIONAL LICENSING

[State of Alaska](#) / [Commerce](#) / [Corporations, Business, and Professional Licensing](#) / [Search & Database](#)
[Download](#) / [Corporations](#) / [Entity Details](#)

ENTITY DETAILS

Name(s)

Type	Name
Legal Name	Alaskan Grown Products LLC

Entity Type: Limited Liability Company

Entity #: 10079221

Status: Good Standing

AK Formed Date: 2/28/2018

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 1/2/2020

Entity Mailing Address: HC89 BOX 255, WILLOW , AK 99688

Entity Physical Address: 59686 SOUTH HUSKY BLVD., WILLOW , AK 99688

Registered Agent

Agent Name: Jana Weltzin

Registered Mailing Address: 3003 MINNESOTA DR STE 201, ANCHORAGE, AK 99503

Registered Physical Address: 3003 MINNESOTA DR STE 201, ANCHORAGE, AK 99503

Officials

☐ Show Former

AK Entity #	Name	Titles	Owned
	Kalla Peacock	Member, Manager	100.00

Filed Documents

Date Filed	Type	Filing	Certificate
2/28/2018	Creation Filing	Click to View	Click to View
3/26/2018	Initial Report	Click to View	
4/02/2018	Agent Change	Click to View	
4/26/2018	Amendment	Click to View	Click to View

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OPERATING AGREEMENT

**Alaskan Grown Products, LLC
an Alaska limited liability company**

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**OPERATING AGREEMENT
OF
Alaskan Grown Products,
LLC
an Alaska limited liability company**

THIS OPERATING AGREEMENT (this "Agreement") is entered into to be effective as of August 3, 2018 (the "Effective Date"), by and among each of the persons listed on Exhibit A and executing this Agreement, or a counterpart thereof, as Members of Alaskan Grown Products, LLC, an Alaska limited liability company (the "Company").

**Section I
Formation; Name and Office; Purpose**

1.1. *Formation.* Pursuant to the Alaska Revised Limited Liability Company Act, A.S. Sections 10.50.010 through 10.50.995 (the "Act"), the parties have formed an Alaska limited liability company effective upon the filing of the Articles of Organization of this Company (the "Articles") with the State of Alaska Department of Commerce, Community, and Economic Development. The parties have executed this Agreement to serve as the "Operating Agreement" of the Company, as that term is defined in A.S. section 10.50.095, and, subject to any applicable restrictions set forth in the Act, the business and affairs of the Company, and the relationships of the parties to one another, shall be operated in accordance with and governed by the terms and conditions set forth in this Agreement. By executing this Agreement, the Members certify that those executing this Agreement constitute all of the Members of the Company at the time of its formation. The parties agree to execute all amendments of the Articles, and do all filing, publication, and other acts as may be appropriate from time to time hereafter to comply with the requirements of the Act.

1.2. *Name and Known Place of Business.* The Company shall be conducted under the name of Alaskan Grown Products, LLC and the known place of business of the Company shall be at 59686 SOUTH HUSKY BLVD., WILLOW, AK 99688 or such other place as the Manager may from time to time determine.

1.3. *Purpose.* The purpose and business of this Company shall be for a commercial marijuana retail, manufacturing, cultivation facility, and any other lawful purpose as may be determined by the Members. The Company shall have the power to do any and all acts and things necessary, appropriate, or incidental in furtherance of such purpose.

1.4. *Treatment as a Partnership.* It is the intent of the Members that the Company shall always be operated in a manner consistent with its treatment as a partnership for federal income tax purposes, but that the Company shall not be operated or treated as a

partnership for purposes of the federal Bankruptcy Code. No Member shall take any action inconsistent with this intent.

Section II Definitions

The following terms shall have the meanings set forth in this Section II:

“Act” means the Alaska Revised Limited Liability Company Act, A.S. Sections 10.50.010 through 10.50.995, as amended from time to time (or any corresponding provisions of succeeding law).

“Affiliate” means, with respect to any Interest Holder or Member, any Person: (i) who is a member of the Interest Holder’s or Member’s Family; (ii) which owns more than ten percent (10%) of the voting or economic interests in the Interest Holder or Member; (iii) in which the Interest Holder or Member owns more than ten percent (10%) of the voting or economic interests; or (iv) in which more than ten percent (10%) of the voting or economic interests are owned by a Person who has a relationship with the Interest Holder or Member described in clause (i), (ii), or (iii) above.

“Capital Contribution” means the total amount of cash and the fair market value of any other assets contributed (or deemed contributed under Regulation Section 1.704-1(b)(2)(iv)(d)) to the Company by an Interest Holder, net of liabilities secured by the contributed Property that the Company is considered to assume or take subject to under Section 752 of the Code.

“Cash Flow” means all cash funds derived from operations of the Company (including interest received on reserves), without reduction for any noncash charges, but less cash funds used to pay current operating expenses and to pay or establish reasonable reserves for future expenses, debt payments, capital improvements, and replacements as determined by the Members. Cash Flow shall be increased by the reduction of any reserve previously established.

“Event of Withdrawal” means those events and circumstances listed in Section 10.50.220 and 10.50.225 of the Act provided, however, that following an Event of Withdrawal described in Section 10.50.220 and 10.50.225(4) of the Act the Member shall remain a Member until it ceases to exist as a legal entity.

“Family” means a Person’s spouse, lineal ancestor, or descendant by birth or adoption, sibling, and trust for the benefit of such Person or any of the foregoing.

"Fiscal Year" or "Annual Period" means the fiscal year of the Company, as determined under Section V.

"Interest" means a Person's share of the Profits and Losses (and specially allocated items of income, gain, and deduction) of, and the right to receive distributions from, the Company.

"Interest Holder" means any Person who holds an Interest, whether as a Member or as an unadmitted assignee of a Member.

"Involuntary Transfer" shall include, without limitation, any Transfer of a Member or Interest Holder's Interest pursuant to any order of any court relating to any petition for divorce, legal separation, marital dissolution, or annulment, or any guardianship, conservatorship, or other protective proceeding.

"Majority in Interest" means one or more Members who own, collectively, a simple majority of the Percentage Interests held by Members.

"Majority of the Members" means one or more of the Members, regardless of the Percentage Interest held by the Members.

"Member" means each Person signing this Agreement and any Person who subsequently is admitted as a member of the Company until such time as an Event of Withdrawal has occurred with respect to such Member.

"Membership Rights" means all of the rights of a Member in the Company, including a Member's: (i) Interest, (ii) right to inspect the Company's books and records, and (iii) right to participate in the management of and vote on matters coming before the Company.

"Percentage Interest" means, as to a Member, the percentage set forth after the Member's name on **Exhibit A**, as amended from time to time, and, as to an Interest Holder who is not a Member, the Percentage of the Member whose Interest has been acquired by such Interest Holder, to the extent the Interest Holder has succeeded to that Member's Interest.

"Person" means and includes an individual, corporation, partnership, association, limited liability company, trust, estate, or other entity.

"Property" means all real and personal property (including cash) acquired by the Company, and any improvements thereto.

"Transfer" means, when used as a noun, any voluntary or involuntary sale, hypothecation, pledge, assignment, attachment, or other transfer, and, when used as a verb, means voluntarily or involuntarily to sell, hypothecate, pledge, assign, or otherwise transfer.

Section III Capital Contributions

3.1. *Capital Contributions.*

3.1.1. *Initial Capital Contributions.* Upon the execution of this Agreement, the Members have or shall make contributions to the capital of the Company as set forth in **Exhibit A** attached hereto and by this reference made a part hereof.

3.1.2. *Additional Capital Contributions.* No Member shall be required to contribute any additional capital to the Company, and no Member shall have any personal liability for any obligation of the Company.

3.2. *Withdrawal or Return of Capital Contributions.* Except as specifically provided in this Agreement, no Interest Holder shall have the right to withdraw or reduce the Capital Contributions he or she makes to the Company. Upon dissolution of the Company or liquidation of his or her interest in the Company, each Interest Holder shall look solely to the assets of the Company for return of his or her Capital Contributions and, if the Company's property remaining after the payment or discharge of the debts, obligations, and liabilities of the Company is insufficient to return the Capital contributions of each Interest Holder, no Interest Holder shall have any recourse against the Company, any Interest Holder, or Member except for gross negligence, malfeasance, bad faith, or fraud.

3.3. *Form of Return of Capital.* Under circumstances requiring a return of any Capital Contributions, no Interest Holder shall have the right to receive property other than cash except as may be specifically provided herein.

3.4. *In the Event of Member Loans.* All Member Loans made pursuant to Section 3.4 shall bear interest at the prime rate of interest as reported by *the Wall Street Journal - Western Edition*, shall be unsecured, and shall be repaid in full out of available funds of the Company before any distribution may be made to any Member. If more than one Member has made a Member Loan, repayment shall be made to each Member in proportion to the amount of principal each has advanced.

Section IV

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Distributions

4.1. *Distributions.* Except as otherwise provided in this Agreement, distributions shall be made to the Interest Holders at such times and in such amounts as determined by the Manager. Distributions will be made to Interest Holders *pro rata*, in proportion to their Percentage Interests.

4.2. *General.*

4.2.1. *Form of Distribution.* In connection with any distribution, no Interest Holder shall have the right to receive Property other than cash except as may be specifically provided herein. If any assets of the Company are distributed in kind to the Interest Holders, those assets shall be valued on the basis of their fair market value, and any Interest Holder entitled to any interest in those assets shall receive that interest as a tenant-in-common with all other Interest Holders so entitled. Unless the Interest Holders otherwise agree, the fair market value of the assets shall be determined by an independent appraiser who shall be selected by the Manager.

4.2.2. *Withholding.* All amounts required to be withheld pursuant to Code Section 1446 or any other provision of federal, state, or local tax law shall be treated as amounts actually distributed to the affected Interest Holders for all purposes under this Agreement.

4.2.3. *Varying Interests; Distributions in Respect to Transferred Interests.* If any Interest is sold, assigned, or transferred in compliance with the provisions of this Agreement, all distributions on or before the date of such transfer shall be made to the transferor, and all distributions thereafter shall be made to the transferee. Solely for purposes of making distributions, and allocating Profits, Losses, and other items of income, gain, loss, and deduction pursuant to **Exhibit B** hereof, the Company shall recognize the

transfer not later than the end of the calendar month during which it is given notice of such, provided that if the Company does not receive a notice stating the date such Interest was transferred and such other information as it may reasonably require within thirty (30) days after the end of the Fiscal Year during which the transfer occurs, then all of such items shall be allocated, and all distributions shall be made, to the person who, according to the books and records of the Company, on the last day of the Fiscal Year during which the transfer occurs, was the owner of the Interest. Neither the Company nor any Interest Holder shall incur any liability for making allocations and distributions in accordance with the provisions of this Section, whether or not any Interest Holder or the Company has knowledge of any transfer of ownership of Interest.

Section V Management

5.1. *Management.* Subject to the rights under the Act or the provisions of this Agreement to approve certain actions, the business and affairs of the Company shall be managed exclusively by its Manager. The Members shall vote and select a Manager that will direct, manage, and control the business of the Company to the best of their ability and, subject only to those restrictions set forth in the Act or this Agreement, shall have full and complete authority, power, and discretion to make any and all decisions and to do any and all things which the Manager deem appropriate to accomplish the business and objectives of the Company. Each Member agrees not to incur any liability on behalf of the other Members or otherwise enter into any transaction or do anything which will subject the other Members to any liability, except in all instances as contemplated hereby.

5.2. *Certain Management Powers of the Manager.* Without limiting the generality of Section 5.1, the Manager shall have power and authority on behalf of the Company:

5.2.1. In the ordinary course of business, to acquire property from and sell property to any person as the Manager may determine after a majority approval vote of all members interest. The fact that a Manager is directly or indirectly affiliated or connected with any such person shall not prohibit dealing with that Person;

5.2.2. Use credit facilities and borrow money for the Company from banks, other lending institutions, the Interest Holders, or Affiliates of the Interest Holders, on such terms as approved by the Manager, and in connection therewith, to hypothecate, encumber, and grant security interests in the assets of the Company to secure repayment of the borrowed sums. No debt or other obligation shall be contracted or liability incurred by or on behalf of the Company by the Member;

5.2.3. To purchase liability and other insurance to protect the Company's property and business;

5.2.4. To hold and own any Company real and personal property in the name of the Company or others as provided in this Agreement;

5.2.5. Execute on behalf of the Company all instruments and documents, including, without limitation, checks, drafts, notes, and other negotiable instruments, mortgages, or deeds of trust, security agreements, financing statements, documents providing for the acquisition, mortgage, or disposition of the Company's property, assignments, bills of sale, leases, partnership agreements, and any other instruments or documents necessary, in the opinion of the Manager, to accomplish the purposes of the Company;

5.2.6. To employ accountants, legal counsel, managing agents, or other experts to perform services for the Company and compensate them from Company funds;

5.2.7. Except for the agreements described in Section 5.3.6 below, to enter into any and all other agreements on behalf of the Company, with any other Person for any purpose, in such forms as the Manager may approve;

5.2.8. To vote any shares or interests in other entities in which Company holds an interest;

5.2.9. To do and perform all other acts as may be necessary or appropriate to accomplish the purposes of the Company; and

5.2.10. To take such other actions as do not expressly require the consent of any non-managing Members under this Agreement.

A Manager may act by a duly authorized attorney-in-fact. Unless authorized to do so by this Agreement, no Member, agent, or employee of the Company shall have any power or authority to bind the Company in any way, to pledge its credit, or to render it liable for any purpose.

53. *Actions Requiring Approval of the Members.* In addition to those actions for which this Agreement specifically requires the consent of the Members, the following actions require approval by a Majority of the Members:

5.3.1. Amend this Agreement or the Articles, except that any amendments required under the Act to correct an inaccuracy in the Articles may be filed at any time;

5.3.2. Authorize the Company to make an assignment for the benefit of creditors of the Company, file a voluntary petition in bankruptcy, or consent to the appointment of a receiver for the Company or its assets; or

5.3.3. Approve a plan of merger or consolidation of the Company with or into one or more business entities;

5.3.4. Borrow money for the Company from banks, other lending institutions, the Interest Holders, Members, or Affiliates of the Interest Holders or to hypothecate, encumber, or grant security interests in the assets of the Company;

5.3.5. Sell or otherwise dispose of all or substantially all of the assets of the Company in a single transaction or a series of related transactions; or

5.3.6. Enter into any contract or agreement between the Company and any Member, Interest Holder, or Affiliate of a Member or Interest Holder without the consent of a Majority of the Members.

54. *Manager Have No Exclusive Duty to Company.* The Manager shall not be required to manage the Company as the Manager's sole and exclusive function and the Manager may engage in other business and investment activities in addition to those relating to the Company. Neither the Company nor any Interest Holder shall have any right, solely by virtue of this Agreement or its relationship to a Member or the Company, to share or participate in any such other investments or activities of the Members or to the income or proceeds derived therefrom. Manager shall not have any obligation to disclose any such other investments or activities to the Interest Holders unless it actually or potentially adversely affects the business or property of the Company.

55. *Compensation and Expenses.* The Company may enter into management or employment contracts, under such terms and conditions and providing for such compensation as shall be approved by the Manage, with one or more Member or Interest Holders or Persons Affiliated with the Member or Interest Holders.

56. *Books and Records.* At the expense of the Company, the Manager shall keep or cause to be kept complete and accurate books and records of the Company and supporting documentation of transactions with respect to the conduct of the Company's business. The books and records shall be maintained in accordance with sound accounting practices and kept at the Company's known place of business and such other location or locations as the Manager shall from time to time determine. At a minimum the Company shall keep at its known place of business the following records:

5.6.1. A current list of the full name and last known business, residence, or mailing address of each Member;

5.6.2. A copy of the initial Articles and all amendments thereto and restatements thereof;

5.6.3. Copies of the Company's federal, state, and local income tax returns and reports, if any, for the three most recent fiscal years;

5.6.4. Copies of this Agreement and all amendments hereto or restatements hereof, including any prior operating agreements no longer in effect;

5.6.5. Copies of any documents relating to a Member's obligation to contribute cash, property, or services to the Company;

5.6.6. Copies of any financial statements of the Company for the three (3) most recent fiscal years; and

5.6.7. Copies of minutes of all meetings of the Members and all written consents obtained from Members for actions taken by Members without a meeting.

5.7. *Financial Accounting / Member Access to Books and Records.* The Manager shall prepare and make available a financial accounting of the Company no less than once every sixty (60) days. Within three (3) calendar days following written notice, which may be submitted in writing, via facsimile or electronic mail, each Member shall have the right, during normal business hours, to inspect and copy, at the Member's expense, the Company's books and records.

5.8. *Reports.* Within seventy-five (75) days after the end of each Fiscal Year of the Company, the Members shall cause to be sent to each Person who was a Member at any time during the Fiscal Year a complete accounting of the affairs of the Company for the Fiscal Year then ended. In addition, within seventy-five (75) days after the end of each Fiscal Year of the Company, the Members shall cause to be sent to each Person who was an Interest Holder at any time during the Fiscal Year, the tax information concerning the Company which is necessary for preparing the Interest Holder's income tax returns for that year. At the request of any Member, and at the Member's expense, the Members shall cause an audit of the Company's books and records to be prepared by independent accountants for the period requested by the Member.

5.9. *Title to Company Property.*

5.9.1. Except as provided in Section 5.9.2, all real and personal property acquired by the Company shall be acquired and held by the Company in its name.

5.9.2. Ten (10) days after giving notice, the Manager may direct that legal title to all or any portion of the Company's property be acquired or held in a name other than the Company's name. Without limiting the foregoing, the Manager may cause title to be acquired and held any one Member's name or in the names of trustees, nominees, or straw parties for the Company. It is expressly understood and agreed that the manner of holding title to the Company's property (or any part thereof) is solely for the convenience of the Company and all of that property shall be treated as Company property. The notice to be given to the Members under this section shall identify the asset or assets to be titled outside of the Company name, the Person in whom legal title is intended to vest, and the reason for the proposed transaction. If any Member provides written notice of an objection to the transaction before the expiration of the ten (10) day period, the transaction shall not be consummated except upon approval of a Majority of the Members.

Section VI Members

6.1. *Meetings.* Unless otherwise prescribed by the Act, meetings of the Members may be called, for any purpose or purposes, by a Majority of the Members.

6.2. *Place of Meetings.* Whoever calls the meeting may designate any place, either within or outside the State of Alaska, as the place of meeting for any meeting of the Members.

6.3. *Notice of Meetings.* Except as provided in this Agreement, written notice stating the date, time, and place of the meeting, and the purpose or purposes for which the meeting is called, shall be delivered not less than three (3) nor more than fifty (50) days before the date of the meeting, either personally or by mail, electronic mail, facsimile, or overnight or next-day delivery services by or at the direction of the person or persons calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered two (2) days after being deposited in the United States mail, postage prepaid, addressed to the Member at his or her address as it appears on the books of the Company. If transmitted by way of electronic mail or facsimile, such notice shall be deemed to be delivered on the date of such electronic mail or facsimile transmission to the electronic mail address or fax number, if any, for the respective Member which has been supplied by such Member to the Company and identified as such Member's electronic mail address or facsimile number. If transmitted by overnight or next-day delivery, such notice shall be deemed to be delivered on the next business day after deposit with the delivery service addressed to the Member at his or her address as it appears on the books of the Company. When a meeting is adjourned to another time or place, notice need

not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken, unless the adjournment is for more than thirty (30) days. At the adjourned meeting the Company may transact any business which might have been transacted at the original meeting.

6.4. *Meeting of All Members.* If all of the Members shall meet at any time and place, including by conference telephone call, either within or outside of the State of Alaska, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice.

6.5. *Record Date.* For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, the date on which notice of the meeting is mailed shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof, unless notice of the adjourned meeting is required to be given pursuant to Section 6.3.

6.6. *Quorum.* A Majority of the Members, represented in person or by proxy, shall constitute a quorum at any meeting of Members. Business may be conducted once a quorum is present.

6.7. *Voting Rights of Members.* Each Member shall be entitled to one (1) vote on all matters stipulated herein. If all of an Interest is transferred to an assignee who does not become a Member, the Member from whom the Interest is transferred shall no longer be entitled to vote. No withdrawn Member shall be entitled to vote nor shall such Member's Interest be considered outstanding for any purpose pertaining to meetings or voting.

6.8. *Manner of Acting.* Unless otherwise provided in the Act, the Articles, or this Agreement, the affirmative vote of a Majority of the Members at a meeting at which a quorum is present shall be the act of the Members.

6.9. *Proxies.* At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact. Such proxy shall be filed with the Company before or at the time of its exercise. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

6.10. *Action by Members without a Meeting.* Any action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, circulated to all the Members with an explanation of the background and reasons for the proposed action, signed by that percentage or number of the Members required to take or approve the action. Any such

written consent shall be delivered to the Members of the Company for inclusion in the minutes or for filing with the Company records. Action taken by written consent under this Section shall be effective on the date the required percentage or number of the Members have signed and delivered the consent to all Members, unless the consent specifies a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the written consent is circulated to the Members.

6.11. *Telephonic Communication.* Members may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such meeting shall constitute attendance and presence in person, except where the Member participates in the meeting for the express purpose of objecting to the transaction of any business on the ground the meeting is not lawfully called or convened.

6.12. *Waiver of Notice.* When any notice is required to be given to any Member, a waiver thereof in writing signed by the Person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

Section VII Transfers and Withdrawals

7.1. *Transfers.* Except as otherwise provided in this Section VII no Member may Transfer all, or any portion of, or any interest or rights in, the Membership Rights owned by the Member, and no Interest Holder may Transfer all, or any portion of, or any interest or rights in, any Interest without the prior written consent of the other Members, which consent may be withheld in the Members' sole and absolute discretion. Any sale or foreclosure of a security interest will itself constitute a Transfer independent of the grant of security. Each Member hereby acknowledges the reasonableness of this prohibition in view of the purposes of the Company and the relationship of the Members. The Transfer of any Membership Rights or Interests in violation of the prohibition contained in this Section shall be deemed invalid, null, and void, and of no force or effect. Any Person to whom Membership Rights or an Interest are attempted to be transferred in violation of this Section shall not be entitled to vote on matters coming before the Members, participate in the management of the Company, act as an agent of the Company, receive allocations or distributions from the Company, or have any other rights in or with respect to the Membership Rights or Interest.

7.2. *Withdrawal.* Except as otherwise provided in this Agreement, no Member shall have the right to withdraw from the Company. Any such withdrawal shall constitute a material breach of this Agreement and the Company shall have the right to recover damages from the withdrawn member and to offset the damages against any amounts otherwise distributable to such Member under this Agreement.

73. *Option on Death, Bankruptcy or Involuntary Transfer.* On the death, bankruptcy, or similar event (whether voluntary or involuntary) of a Member or Interest Holder, and upon any Involuntary Transfer, the Member or Interest Holder (or such Person's estate) shall offer, or shall automatically be deemed to have offered, to sell the Member's or Interest Holder's Interest to the Company or its nominee. Upon the approval of a Majority of the Members other than the offering Member, the Company or its nominee shall have the right and option, within seventy-five (75) days after the Members' actual knowledge of the death, bankruptcy, or similar event, to acquire the Interest, for the purchase price and on the terms set forth in Exhibit C attached hereto and made a part hereof. If the Interest is not purchased by the Company or its nominee, the Interest shall be transferred to the assignee of the Interest but shall remain fully subject to and bound by the terms of this Agreement.

74. *No Transfer of Membership Rights.* The Transfer of an Interest shall not result in the Transfer of any of the Transferring Member's other Membership Rights, if any, and unless the transferee is admitted as a Member pursuant to Section VII of this Agreement, the transferee shall only be entitled to receive, to the extent transferred, the share of distributions, including distributions representing the return of contributions, and the allocation of Profits and Losses (and other items of income, gain, or deduction), to which the Transferring Member would have otherwise been entitled with respect to the Transferring Member's Interest. The transferee shall have no right to participate in the management of the business and affairs of the Company or to become or to exercise any rights of a Member.

75. *Substitute Members.* Notwithstanding any provision of this Agreement to the contrary, an assignee of a Member may only be admitted as a substitute Member upon the written consent of a Majority of the non-transferring Members, which consent may be withheld in the Members' sole and absolute discretion.

76. *Additional Members.* The Company shall not issue additional Interests after the date of formation of the Company without the written consent or approval of a Majority of the Members, which consent may be withheld in the Members' sole and absolute discretion.

77. *Expenses.* Expenses of the Company or of any Interest Holder occasioned by transfers of Interests shall be reimbursed to the Company or Interest Holder, as the case may be, by the transferee.

78. *Distributions on Withdrawal.* Upon the occurrence of an Event of Withdrawal with respect to a Member, the withdrawn Member shall not be entitled to receive a withdrawal distribution but the withdrawn Member (or the withdrawn Member's

personal representatives, successors, and assigns) shall be entitled to receive the share of distributions, including distributions representing a return of Capital Contributions, and the allocation of Profits and Losses, to which the withdrawn Member otherwise would have been entitled if the Event of Withdrawal had not occurred, during the continuation of the business of the Company and during and on completion of winding up. If the Event of Withdrawal violated this Agreement, the distributions paid to the withdrawn Member shall be offset by any damages suffered by the Company or its Members as a result of the Event of Withdrawal.

Section VIII Dissolution and Termination

8.1. *Dissolution.*

8.1.1. *Events of Dissolution.* The Company will be dissolved upon the occurrence of any of the following events:

8.1.1.1. Upon the written consent of a Majority of the Members;

8.1.1.2. Upon the entry of a decree of dissolution under Section 10.50.405 of the Act or an administrative dissolution under Section 10.50.408 of the Act;

8.1.1.3. Upon the sale or other disposition of all or substantially all of the Company's assets and receipt by the Company of the proceeds therefrom; or

8.1.1.4. Upon the occurrence of an Event of Withdrawal of the last remaining Member unless within ninety (90) days all assignees of Interests in the Company consent in writing to admit at least one member to continue the business of the company.

8.2. *Continuation.* An Event of Withdrawal with respect to a Member shall not cause dissolution, and the Company shall automatically continue following such an Event of Withdrawal.

8.3. *Distributions and Other Matters.* The Company shall not terminate until its affairs have been wound up and its assets distributed as provided herein. Promptly upon the dissolution of the Company, the Members shall cause to be executed and filed a Notice of Winding Up with the Alaska Department of Commerce, Community, and Economic Development, and will liquidate the assets of the Company and apply and distribute the proceeds of such liquidation, or distribute the Company's assets in kind, as follows and in the following order:

8.3.1. *Ordinary Debts.* To payment of the debts and liabilities of the Company, including debts owed to Interest Holders, in the order of priority provided by law; provided that the Company shall first pay, to the extent permitted by law, liabilities with respect to which any Interest Holder is or may be personally liable;

8.3.2. *Reserves and Distributions.* To the setting up of such reserves as the Members may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company arising out of or in connection with the Company business;

8.3.3. *Remainder.* The balance of the proceeds shall be distributed to the Interest Holders in accordance with the positive balance in their Capital Accounts, determined as though all of the Company assets were sold for cash at their fair market value as of the date of distribution. Any such distributions shall be made in accordance with the timing requirements of Treasury Regulation Section 1.704-1(b)(2)(ii)(b)(2).

8.4. *Deficit Capital Accounts.* Notwithstanding anything to the contrary in this Agreement, if any Interest Holder's Capital Account has a deficit balance (taking into account all contributions, distributions, and allocations for the year in which a liquidation occurs), the Interest Holder shall not be obligated to make any contribution to the capital of the Company and the negative balance of such Interest Holder's Capital Account shall not be considered a debt owed by the Interest Holder to the Company or to any other person for any purpose whatsoever.

8.5. *Rights of Interest Holders—Distributions of Property.* Except as otherwise provided in this Agreement, each Interest Holder shall look solely to the assets of the Company for the return of his or her Capital Contribution and shall have no right or power to demand or receive property other than cash from the Company. No Interest Holder shall have priority over any other Interest Holder for the return of his or her Capital Contributions, distributions, or allocations.

8.6. *Articles of Termination.* When all the assets of the Company have been distributed as provided herein, the Members shall cause to be executed and filed Articles of Termination as required by the Act.

Section IX

Other Interests of an Interest Holder

Any Interest Holder may engage in or possess interests in other business ventures of every nature and description, independently or with others. Neither the Company nor any Interest Holder shall have any right to any independent ventures of any other Interest Holder or to the income or profits derived therefrom. The fact that an Interest Holder, a member of his or her Family, or an Affiliate is employed by, or owns, or is otherwise

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directly or indirectly interested in or connected with, any person, firm, or corporation employed or retained by the Company to render or perform services, including without limitation, management, contracting, mortgage placement, financing, brokerage, or other services, or from whom the Company may buy property or merchandise, borrow money, arrange financing, or place securities, or may lease real property to or from the Company, shall not prohibit the Company from entering into contracts with or employing that person, firm, or corporation or otherwise dealing with him or it, and neither the Company nor any of the Interest Holders as such shall have any rights in or to any income or Profits derived therefrom.

Section X Indemnity

101. *Indemnity Rights.* The Company shall indemnify each Interest Holder who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of his or her actions as an Interest Holder or by reason of his or her acts while serving at the request of the Company as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses, including attorneys' fees, and against judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding, provided that the acts of such Interest Holder were not committed with gross negligence or willful misconduct, and, with respect to any criminal action or proceeding, such Interest Holder had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction, or upon a plea of no contest or its equivalent, shall not, in and of itself, create a presumption that the Interest Holder acted with gross negligence or willful misconduct, or with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

102. *Notice and Defense.* Any Interest Holder who is or may be entitled to indemnification shall give timely written notice to the Company, the Interest Holders that a claim has been or is about to be made against him or her, shall permit the Company to defend him or her through legal counsel of its own choosing, and shall cooperate with the Company in defending against the claim. The Interest Holder shall have the sole power and authority to determine the terms and conditions of any settlement of the claim.

103. *Other Sources.* The indemnification provided for herein shall apply only in the event, and to the extent that, the person is not entitled to indemnification, or other payment, from any other source (including insurance), and the Company's indemnity obligations hereunder shall be in excess of any indemnification or other payment provided by such other source.

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104. *Survival.* The indemnification provided for herein shall continue as to a person who has ceased to be an Interest Holder and shall inure to the benefit of the heirs, executors, and administrators of such person.

Section XI Miscellaneous

11.1. *Notices.* Any notice, demand, offer, or other communication which any person is required or may desire to give to any other person shall be delivered in person or by United States mail, electronic mail, facsimile, or overnight or next-day delivery service. If mailed, such notice shall be deemed to be delivered two (2) days after being deposited in the United States mail, postage prepaid, addressed to the person at his or her address as it appears on the books of the Company. If transmitted by way of electronic mail or facsimile, such notice shall be deemed to be delivered on the date of such electronic mail or facsimile transmission to the electronic mail address or facsimile number, if any, for the person which has been supplied by such person and identified as such person's electronic mail address or facsimile number. If transmitted by overnight or next-day delivery, such notice shall be deemed to be delivered on the next business day after deposit with the delivery service addressed to the person at his or her address as it appears on the books of the Company.

11.2. *Bank Accounts.* All funds of the Company shall be deposited in a bank account or accounts opened in the Company's name. The Manager shall determine the institution or institutions at which the accounts will be opened and maintained, the types of accounts, and the Persons who will have authority with respect to the accounts and the funds therein.

11.3. *Partial Invalidity.* The invalidity of any portion of this Agreement will not affect the validity of the remainder hereof.

11.4. *Governing Law; Parties in Interest.* This Agreement will be governed by and construed according to the laws of the State of Alaska without regard to conflicts of law principles and will bind and inure to the benefit of the heirs, successors, assigns, and personal representatives of the parties.

11.5. *Execution in Counterparts.* This Agreement may be executed in counterparts, all of which taken together shall be deemed one original.

11.6. *Titles and Captions.* All article, section, or paragraph titles or captions contained in this Agreement are for convenience only and are not deemed part of the context thereof.

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OPERATING AGREEMENT

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11.7. *Pronouns and Plurals.* All pronouns and any variations thereof are deemed to refer to the masculine, feminine, neuter, singular, or plural as the identity of the person or persons may require.

11.8. *Waiver of Action for Partition.* Each of the Interest Holders irrevocably waive any right that he or she may have to maintain any action for partition with respect to any of the Company Property.

11.9. *Entire Agreement.* This Agreement contains the entire understanding between the parties, and supersedes any prior understandings and agreements between or among them with respect to the subject matter hereof.

11.10. *Estoppel Certificate.* Each Member shall, within ten (10) days after written request by any Member or the Members, deliver to the requesting Person a certificate stating, to the Member's knowledge, that: (a) this Agreement is in full force and effect; (b) this Agreement has not been modified except by any instrument or instruments identified in the certificate; and (c) there is no default hereunder by the requesting Person, or if there is a default, the nature and extent thereof.

Section XII Arbitration

If the parties are unable to resolve any dispute arising out of this Agreement either during or after its term informally, including the question as to whether any particular matter is arbitrable, the parties agree to submit the matter to binding arbitration. In the event the parties have not agreed upon an arbitrator within twenty (20) days after either party has demanded arbitration, either party may file a demand for arbitration with an Alaska regional office of the American Arbitration Association ("AAA") and a single arbitrator shall be appointed in accordance with the then existing Commercial Arbitration Rules of the AAA. At all times during arbitration, the arbitrator shall consider that the purpose of arbitration is to provide for the efficient and inexpensive resolution of disputes, and the arbitrator shall limit discovery whenever appropriate to insure that this purpose is preserved. The dispute between the parties shall be submitted for determination within sixty (60) days after the arbitrator has been selected. The decision of the arbitrator shall be rendered within thirty (30) days after the conclusion of the arbitration hearing. The decision of the arbitrator shall be in writing and shall specify the factual and legal basis for the decision. Upon stipulation of the parties, or upon a showing of good cause by either party, the arbitrator may lengthen or shorten the time periods set forth herein for conducting the hearing or for rendering a decision. The decision of the arbitrator shall be final and binding upon the parties. Judgment to enforce the decision of the arbitrator, whether for legal or equitable relief, may be entered in any court having jurisdiction thereof, and the parties

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hereto expressly and irrevocably consent to the jurisdiction of the Alaska Courts for such purpose. The arbitrator shall conduct all proceedings pursuant to the then existing Commercial Arbitration Rules of the AAA, to the extent such rules are not inconsistent with the provisions of this Article III. The AAA Uniform Rules of Procedure shall not apply to any arbitration proceeding relating to the subject matter or terms of the documents. In the event a dispute is submitted to arbitration pursuant to this Section, the prevailing party shall be entitled to the payment of its reasonable attorneys' fees and costs, as determined by the arbitrator. Each of the parties shall keep all disputes and arbitration proceedings strictly confidential, except for disclosures of information required by applicable law or regulation.

Section XIII

Agreement of Spouses of Members

By executing this Agreement, the spouse of each Interest Holder acknowledges and consents to the terms and conditions of this Agreement and agrees, for himself or herself and for the community of himself and herself and the Interest Holder, to be bound hereby. Each spouse of an Interest Holder, for himself or herself and the community of which he or she is a member, hereby irrevocably appoints the Interest Holder as attorney-in-fact with an irrevocable proxy coupled with an Interest to vote on any matter to come before the Members or to agree to and execute any amendments of this Agreement without further consent or acknowledgment of the spouse and to execute proxies, instruments, or documents in the spouse's name as may be required to effect the same. This power of attorney is intended to be durable and shall not be affected by disability of the spouse.

Section XIV

Representation

The parties hereby acknowledge that (i) JDW, LLC (the "Firm") has represented Alaskan Grown Products, LLC in connection with the drafting of this Operating Agreement; (ii) that each of the signatories has been advised to seek independent counsel in connection with such matters; and (iii) that the Firm does not represent any Member individually either directly or indirectly, but rather represents the Company. Payment of the Firm's fees by the Company shall not alter or amend any of the relationships.

IN WITNESS WHEREOF, the Members have executed this Operating Agreement, effective as of the date first set forth above.

Signatures of the Members follow on Page 21.

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MEMBERS:



Kalla Peacock

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EXHIBIT A

Members, Capital Contributions, and Interest

<u>Member</u>	<u>Initial Capital Contribution</u>	<u>Current Capital Account</u>	<u>Percentage Interest</u>
Kalla Peacock	_____		100.00%
TOTAL			100.00%

EXHIBIT B

Tax Matters

1. *Definitions.* The capitalized words and phrases used in this **Exhibit B** shall have the following meanings:

1.1. “*Adjusted Book Value*” means with respect to Company Property, the Property’s Initial Book Value with the adjustments required under this Agreement.

1.2. “*Adjusted Capital Account Deficit*” means, with respect to any Interest Holder, the deficit balance, if any, in the Interest Holder’s Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

121. the Capital Account shall be increased by the amounts which the Interest Holder is obligated to restore under this Agreement or is deemed obligated to restore pursuant to Regulation Sections 1.704-2(g)(1) and (i)(5) (i.e., the Interest Holder’s share of Minimum Gain and Member Minimum Gain); and

122. the Capital Account shall be decreased by the items described in Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

This definition of Adjusted Capital Account Deficit is intended to comply with Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations and shall be interpreted and applied in a manner consistent with that Regulation.

1.3. “*Capital Account*” means the account maintained by the Company for each Interest Holder in accordance with the following provisions:

131. An Interest Holder’s Capital Account shall be credited with the amount of money contributed by the Interest Holder to the Company; the fair market value of the Property contributed by the Interest Holder to the Company (net of liabilities secured by such contributed Property that the Company is considered to assume or take subject to under Section 752 of the Code); the Interest Holder’s allocable share of Profit and items of income and gain; and the amount of Company liabilities that are assumed by the Interest Holder under Regulation Section 1.704-1(b)(2)(iv)(c);

132. An Interest Holder’s Capital Account shall be debited with the amount of money distributed to the Interest Holder; the fair market value of any Company property distributed to the Interest Holder (net of liabilities secured by such distributed Property that the Interest Holder is considered to assume or take subject to under Section 752 of the Code); the Interest Holder’s allocable share of Loss and items of deduction; and the amount

of the Interest Holder's liabilities that are assumed by the Company under Regulation Section 1.704-1(b)(2)(iv)(c);

133. If Company Property is distributed to an Interest Holder, the Capital Accounts of all Interest Holders shall be adjusted as if the distributed Property had been sold in a taxable disposition for the gross fair market value of such Property on the date of distribution (taking into account Section 7701 of the Code) and the Profit or Loss from such disposition allocated to the Interest Holders as provided in this **Exhibit B**.

134. If money or other Property (other than a *de minimis* amount) is (a) contributed to the Company by a new or existing Interest Holder in exchange for an interest in the Company; or (b) distributed by the Company to a retiring or continuing Interest Holder as consideration for an interest in the Company; then, if the Members deem such an adjustment to be necessary to reflect the economic interests of the Interest Holders, the Book Value of the Company's Property shall be adjusted to equal its gross fair market value on such date (taking into account Section 7701(g) of the Code) and the Capital Accounts of all Interest Holders shall be adjusted in the same manner as if all the Company Property had been sold in a taxable disposition for such amount on such date and the Profit or Loss allocated to the Interest Holders as provided in this **Exhibit B**.

135. To the extent an adjustment to the tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the Book Value of the Company's Property and the Capital Account of the Interest Holders shall be adjusted in a manner consistent with the manner in which the Capital Accounts are required to be adjusted pursuant to that Section of the Regulations.

136. If any Interest is transferred pursuant to the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent the Capital Account is attributable to the transferred Interest. It is intended that the Capital Accounts of all Interest Holders shall be maintained in compliance with the provisions of Regulation Section 1.704-1(b), and all provisions of this Agreement relating to the maintenance of Capital Accounts or the Adjusted Book Value of Company Property shall be interpreted and applied in a manner consistent with that Section of the Regulations.

1.4. "*Code*" means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding law.

1.5. "*Company Minimum Gain*" has the meaning set forth in Regulation Section 1.704-2(b)(2) for "partnership minimum gain."

1.6. “*Initial Book Value*” means, with respect to Property contributed to the Company by an Interest Holder, the Property’s fair market value at the time of contribution and, with respect to all other Property, the Property’s adjusted basis for federal income tax purposes at the time of acquisition.

1.7. “*Member Nonrecourse Debt*” has the meaning set forth in Section 1.704-2(b)(4) of the Treasury Regulations for “partner nonrecourse debt.”

1.8. “*Member Nonrecourse Debt Minimum Gain*” has the meaning set forth in Regulation Section 1.704-2(i) for “partner nonrecourse debt minimum gain.”

1.9. “*Member Nonrecourse Deductions*” has the meaning set forth in Regulation Section 1.704-2(i) for “partner nonrecourse deductions.”

1.10. “*Nonrecourse Deductions*” has the meaning set forth in Regulation Section 1.704-2(b)(1). The amount of Nonrecourse Deductions shall be determined according to the provisions of Regulation Section 1.704-2(c).

1.11. “*Nonrecourse Liability*” has the meaning set forth in Regulation Section 1.704-2(b)(3).

1.12. “*Profit*” and “*Loss*” means, for each Fiscal Year of the Company (or other period for which Profit or Loss must be computed), the Company’s taxable income or loss determined in accordance with Code Section 703(a), with the following adjustments:

1.121. All items of income, gain, loss, deduction, or credit required to be stated separately pursuant to Code Section 703(a)(1) shall be included in computing taxable income or loss;

1.122. Any tax-exempt income of the Company, not otherwise taken into account in computing Profit or Loss, shall be included in computing Profit or Loss;

1.123. Any expenditures of the Company described in Code Section 705(a)(2)(B) (or treated as such pursuant to Regulation Section 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profit or Loss, shall be included in computing Profit or Loss;

1.124. If the Adjusted Book Value of Company Property differs from its adjusted basis for federal income tax purposes, then gain or loss resulting from any taxable disposition of Company property shall be computed by reference to the Adjusted Book Value of the Property disposed of rather than the adjusted basis of the property for federal income tax purposes;

1.125. If the Adjusted Book Value of Company Property differs from its adjusted basis for federal income tax purposes, then in lieu of the depreciation, amortization, or cost recovery deductions allowable in computing taxable income or loss, the depreciation, amortization (or other cost recovery deduction) shall be an amount that bears the same ratio to the Adjusted Book Value of such Property as depreciation, amortization (or other cost recovery deduction) computed for federal income tax purposes for such period bears to the adjusted tax basis of such Property. If the Property has a zero adjusted tax basis, the depreciation, amortization (or other cost recovery deduction) of such Property shall be determined under any reasonable method selected by the Company; and

1.126. Any items that are specially allocated pursuant to Sections 2.3 and 2.4 hereof shall not be taken into account in computing Profit or Loss.

1.13. "Treasury Regulations" or "Regulations" means the income tax regulations, including any temporary regulations, promulgated under the Code as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

2. *Allocations.* After making any special allocations contained in Section 2.5, remaining Profits and Losses shall be allocated for any Fiscal Year in the following manner:

2.1. *Profits.*

2.1.1. First, Profits shall be allocated among the Interest Holders in proportion to the cumulative Losses previously allocated to the Interest Holder under Section 2.2.3 until the cumulative Profits allocated to each Interest Holder under this subparagraph equal the cumulative Losses previously allocated to each Interest Holder under Section 2.2.3;

2.1.2. Second, Profits shall be allocated proportionately among the Interest Holders until the cumulative Profits allocated to each Interest Holder under this subparagraph equal the cumulative Priority Return each Interest Holder has received through the end of the Fiscal Year plus Losses, if any, allocated to the Interest Holder under Section 2.2.2; and

2.1.3. Third, Profits shall be allocated to the Interest Holders in accordance with their Percentage Interests.

2.2. *Losses.*

22.1. First, Losses shall be allocated to the Interest Holders in proportion to the cumulative Profits previously allocated to the Interest Holders under Section 2.1.3 until the cumulative Losses allocated pursuant to this subparagraph to each Interest Holder are equal to the cumulative Profits previously allocated to each Interest Holder under Section 2.1.3.

22.2. Second, Losses shall be allocated to the Interest Holders in proportion to the cumulative Profits previously allocated to the Interest Holders under Section 2.1.2 until the cumulative Losses allocated pursuant to this subparagraph to each Interest Holder are equal to the cumulative Profits previously allocated to each Interest Holder under Section 2.1.2; and

22.3. Third, Losses shall be allocated to the Interest Holders in accordance with their Percentage Interests.

2.3. *Loss Limitations.*

23.1. *Adjusted Capital Account Deficit.* No Losses shall be allocated to any Interest Holder pursuant to Section 2.1 if the allocation causes the Interest Holder to have an Adjusted Capital Account Deficit or increases the Interest Holder's Capital Account Deficit. All Losses in excess of the limitations set forth in this Subsection shall be allocated to the other Interest Holders in accordance with the other Interest Holders' Percentage Interests until all Interest Holders are subject to the limitation of this Subsection, and thereafter, in accordance with the Interest Holders' interest in the Company as determined by the Members. If any Losses are allocated to an Interest Holder because of this Subsection, then notwithstanding any other provision of this Agreement, all subsequent Profits shall be allocated to the Interest Holders pro rata based on Losses allocated to them pursuant to this Subsection until each Interest Holder has been allocated an amount of Profits pursuant to this Subsection equal to the Losses previously allocated to that Interest Holder under this Subsection.

23.2. *Cash Method Limitation.* If the Company is on the cash method of accounting and more than 35% of the Company's Losses in any year would be allocable to Interest Holders who are limited entrepreneurs (within the meaning of § 464(e)(2) of the Code), then except as otherwise provided in Section 2.2.1, the Losses in excess of 35% otherwise allocable to those Interest Holders shall be specially allocated among the other Interest Holders in the ratio that each shares in Losses. If any Losses are allocated to an Interest Holder under this Subsection, then notwithstanding any other provision of this Agreement, all subsequent Profits shall be allocated to the Interest Holders pro rata based on Losses allocated to them pursuant to this Subsection until each Interest Holder has been allocated an amount of Profits pursuant to this Subsection in the current and previous Fiscal

Years equal to the Losses allocated to that Interest Holder pursuant to this Subsection in previous Fiscal Years.

2.4. *Section 704(c) Allocations.*

241. *Contributed Property.* In accordance with Code Section 704(c) and the Regulations thereunder, as well as Regulation Section 1.704-1(b)(2)(iv)(d)(3), income, gain, loss, and deduction with respect to any property contributed (or deemed contributed) to the Company shall, solely for tax purposes, be allocated among the Interest Holders so as to take account of any variation between the adjusted basis of the property to the Company for federal income tax purposes and its fair market value at the date of contribution (or deemed contribution).

242. *Adjustments to Book Value.* If the Adjusted Book Value of any Company asset is adjusted as provided in clause (iv) of the definition of Capital Account, subsequent allocations of income, gain, loss, and deduction with respect to the asset shall, solely for tax purposes, take account of any variation between the adjusted basis of the asset for federal income tax purposes and its adjusted book value in the manner as provided under Code Section 704(c) and the Regulations thereunder.

2.5. *Regulatory Allocations.* The following allocations shall be made in the following order:

251. *Company Minimum Gain Chargeback.* Except as set forth in Regulation Section 1.704-2(f)(2), (3), (4), and (5), if during any Fiscal Year there is a net decrease in Company Minimum Gain, each Interest Holder, prior to any other allocation pursuant to this Section IV, shall be specially allocated items of gross income and gain for such taxable year (and, if necessary, succeeding taxable years) in an amount equal to that Interest Holder's share of the net decrease of Company Minimum Gain, computed in accordance with Regulation Section 1.704-2(g)(2). Allocations of gross income and gain pursuant to this Subsection shall be made first from gain recognized from the disposition of Company assets subject to Nonrecourse Liabilities to the extent of the Minimum Gain attributable to those assets and, thereafter, from a pro rata portion of the Company's other items of income and gain for the taxable year. It is the intent of the parties hereto that any allocation pursuant to this Subsection shall constitute a "minimum gain chargeback" under Regulation Section 1.704-2(f).

252. *Member Nonrecourse Debt Minimum Gain Chargeback.* Except as set forth in Regulation Section 1.704-2(i)(4), if during any Fiscal Year there is a net decrease in Member Nonrecourse Debt Minimum Gain, each Interest Holder with a share of that Member Nonrecourse Debt Minimum Gain (determined under Regulation Section 1.704-2(i)(5)) as of the beginning of the Fiscal Year shall be specially allocated items of

income and gain for such Fiscal Year (and, if necessary, succeeding Fiscal Years) in an amount equal to that Interest Holder's share of the net decrease in Member Nonrecourse Debt Minimum Gain, computed in accordance with Regulation Section 1.704-2(i)(4). Allocations of gross income and gain pursuant to this Subsection shall be made first from gain recognized from the disposition of Company assets subject to Member Nonrecourse Debt to the extent of the Member Minimum Gain attributable to those assets and, thereafter, from a pro rata portion of the Company's other items of income and gain for the Fiscal Year. It is the intent of the parties hereto that any allocation pursuant to this Subsection shall constitute a "minimum gain chargeback" under Regulation Section 1.704-2(i)(4).

253. *Qualified Income Offset.* If an Interest Holder unexpectedly receives an adjustment, allocation, or distribution described in Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5), or (6), then to the extent required under Regulations Section 1.704-1(b)(2)(d), such Interest Holder shall be allocated items of income and gain of the Company (consisting of a pro rata portion of each item of Company income, including gross income and gain for that Fiscal Year) before any other allocation is made of Company items for that Fiscal Year, in the amount and in proportions required to eliminate the Interest Holder's Adjusted Capital Account Deficit as quickly as possible. This Subsection is intended to comply with, and shall be interpreted consistently with, the "qualified income offset" provisions of the Regulations promulgated under Code Section 704(b).

254. *Nonrecourse Deductions.* Nonrecourse Deductions for a Fiscal Year or other period shall be allocated among the Interest Holders in proportion to their Percentage Interests.

255. *Member Nonrecourse Deductions.* Any Member Nonrecourse Deduction for any Fiscal Year or other period attributable to a Member Nonrecourse Liability shall be allocated to the Interest Holder who bears the risk of loss for the Member Nonrecourse Debt in accordance with Regulation Section 1.704-2(i).

256. *Regulatory Allocations.* The allocations contained in Section 2.5 are contained herein to comply with the Regulations under Section 704(b) of the Code. In allocating other items of Profit or Loss, the allocations contained in Section 2.5 shall be taken into account so that to the maximum extent possible the net amount of Profit or Loss allocated to each Interest Holder will be equal to the amount that would have been allocated to each Interest Holder if the allocations contained in Section 2.4 had not been made.

2.6. *Varying Interests; Allocations in Respect to Transferred Interests.* Profits, Losses, and other items shall be calculated on a monthly, daily, or other basis permitted under Code Section 706 and the Regulations. If any Interest is sold, assigned, or transferred in compliance with the provisions of this Agreement, profits, losses, each item thereof, and all other items attributable to such Interest for such period shall be divided and allocated

between the transferor and the transferee by taking into account their varying interests during the period in accordance with Code Section 706(d), using any conventions permitted by law and selected by the Company.

2.7. *Tax Matters Partner.* The Manager shall be the Company's tax matters partner ("Tax Matters Partner") unless the Members designate a different Person to serve in this capacity. The Tax Matters Partner shall have all powers and responsibilities provided in Code Section 6221, et seq. The Tax Matters Partner shall keep all Members informed of all notices from government taxing authorities which may come to the attention of the Tax Matters Partner. The Company shall pay and be responsible for all reasonable third-party costs and expenses incurred by the Tax Matters Partner in performing those duties. The Company shall be responsible for any costs incurred by any Member with respect to a tax audit or tax-related administrative or judicial proceeding against the Member. The Tax Matters Partner shall not compromise any dispute with the Internal Revenue Service without the approval of the Members.

2.8. *Returns and Other Elections.* The Manager shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business.

2.9. *Annual Accounting Period.* The annual accounting period of the Company shall be its Fiscal Year. The Company's Fiscal Year shall be selected by the Manager, subject to the requirements and limitations of the Code.

2.10. *Knowledge.* The Interest Holders acknowledge that they understand the economic and income tax consequences of the allocations and distributions under this Agreement and agree to be bound by the provisions of this Exhibit B in reporting their taxable income and loss from the Company.

2.11. *Amendment.* The Manager is hereby authorized, upon the advice of the Company's tax counsel, to amend this Exhibit B to comply with the Code and the Regulations promulgated under Code Section 704(b); provided, however, that no amendment shall materially affect the distributions to an Interest Holder without the Interest Holder's prior written consent.

EXHIBIT C

Formula For Determining The Purchase Price Of A Member's Interest And Payment Terms Pursuant To Section VII

When required pursuant to Section VII of this Agreement, the value of an Interest will be determined by a valuation professional accredited in business valuation by the AICPA or American Society of Appraisers ("Appraiser"). Such Appraiser shall be jointly selected by the Company and the offering Member, Interest Holder, or such Person's estate (the "Offering Member") within fifteen (15) days after the other Members' actual knowledge of the Offering Member's death or bankruptcy. The cost of the Appraiser shall be borne equally by the Company and the Offering Member. If a mutually satisfactory Appraiser cannot be selected, then the Company and the Offering Member each shall select and pay for its own Appraiser and the two Appraisers shall attempt to reconcile their valuations to arrive at a single valuation. If they are unable to do so, they shall jointly select a third Appraiser to value the Offering Member's Interest. The cost of the third Appraiser shall be borne equally by the Company and the Offering Member. The three Appraisers shall attempt to reconcile their valuations to arrive at a single valuation. If they are unable to do so, then the middle of the three appraisals shall be used as the valuation. The standard of value shall be fair market value.

If applicable, each party shall appoint its Appraiser within seven (7) days after the parties determine they cannot agree on a single Appraiser. The two Appraisers appointed shall select a third Appraiser within seven (7) days after they determine they cannot agree on a single valuation. The Appraisers shall be instructed to provide their valuations within thirty (30) days after their appointment.

Payment of the Offering Member's Interest shall be due and payable by the Company as follows: ten percent (10%) in cash within sixty (60) days after acceptance by the Company of the offer to purchase the Offering Member's Interest and the balance in ten (10) equal semi-annual installments commencing on the six (6) month anniversary of the initial down payment, together with interest on the unpaid balance from time to time outstanding until paid at the prime rate of interest reported by *The Wall Street Journal - Western Edition* (such rate to be determined and fixed as of the date of the initial payment hereunder), payable at the same time as and in addition to the installments of principal.



THE STATE

of **ALASKA**

Department of Commerce, Community, and Economic Development
Division of Corporations, Business, and Professional Licensing
PO Box 110806, Juneau, AK 99811-0806
(907) 465-2550 • Email: corporations@alaska.gov
Website: Corporations.Alaska.gov

AK Entity #: 10079221
Date Filed: 03/26/2018
State of Alaska, DCCED
COR

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Limited Liability Company
Initial Biennial Report

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Entity Name: Alaskan Grown Products LLC
Entity Number: 10079221
Home Country: UNITED STATES

Home State/Province: ALASKA

Registered Agent

Name: Kalla Peacock
Physical Address: 59686 SOUTH HUSKY BLVD.,
WILLOW, AK 99688
Mailing Address: HC89 BOX 255, WILLOW , AK
99688

Entity Physical Address: 59686 SOUTH HUSKY BLVD., WILLOW , AK 99688

Entity Mailing Address: HC89 BOX 255, WILLOW , AK 99688

Please include all officials. Check all titles that apply. Must use titles provided. Please list the names and addresses of the members of the domestic limited liability company (LLC). There must be at least one member listed. If the LLC is managed by a manager(s), there must also be at least one manager listed. Please provide the name and address of each manager of the company. You must also list the name and address of each person owning at least 5% interest in the company and the percentage of interest held by that person.

Name	Address	% Owned	Titles
Kalla Peacock	HC89 Box 255, Willow, AK 99688	100	Member

NAICS Code: 111998 - ALL OTHER MISCELLANEOUS CROP FARMING

New NAICS Code (optional):

I certify under penalty of perjury under the Uniform Electronic Transaction Act and the laws of the State of Alaska that the information provided in this application is true and correct, and further certify that by submitting this electronic filing I am contractually authorized by the Official(s) listed above to act on behalf of this entity.

Name: Jana D. Weltzin

Received by AMCO 5.22.19



Application for Food Establishment Permit

Alaska Department of Environmental Conservation
Division of Environmental Health
Food Safety and Sanitation Program



Permit ID: _____

Section 1- GENERAL INFORMATION (All applicants complete entire section – please print).

Purpose (check one) ☒ New ☐ Information Change ☐ Extensive Remodel ☐ Change of owner/operator ☐ Reactivate

Owner/Business Information	Name of Entity or Owner Responsible for Food Service Alaskan Grown Products, LLC		AK Business License #		
	Business/Corporate Mailing Address HC89 BOX 255		City Willow	State Alaska	
	Business/Corporate Phone 907-312-8521		Zip 99688		
	Email alaskangrownproducts@gmail.com				
	Owner(s) or Corporate Officer(s) & Title(s) or Responsible Party Kalla Peacock		Fax		
Type of Entity ☐ Individual ☐ Partnership ☐ Corporation ☒ Other:					
Establishment Information	Establishment Name Alaskan Grown Cannabis		Physical Location 230 Tundra Way, Bethel, AK		Nearest Community City of Bethel
	Establishment Mailing Address HC89 Box 255		City Willow	State Alaska	Zip 99688
	Establishment Phone 907-312-8521		Fax		Contact Person Kalla Peacock
	Establishment Physical Address 230 Tundra Way		City Bethel	State Alaska	Zip 99559

SEATING: (Food Service Only) ☒ N/A ☐ 25 or less ☐ 26-100 ☐ > 101

TYPE OF OPERATION Please describe the type of facility you plan to open below (i.e. restaurant, bar, grocery store, etc.)

Marijuana Retail Store, No Onsite Consumption

SECTION 2 – NEW OR EXTENSIVELY REMODELED FACILITIES

- a. A plan review will be required if your facility has never been permitted by the Alaska's Food Safety and Sanitation Program; has not had an active permit in the last five years; will be extensively remodeled; or is a new construction. If any of these apply, a Plan Review Application is required to process your application. Have you attached the Plan Review Application? ☒ Yes ☐ No

SECTION 3 – COMPLETE FOR ALL FOOD ESTABLISHMENTS (Check all that apply)

FOOD SERVICE ESTABLISHMENTS

- a. A copy of your menu will be required. Have you attached a copy of the proposed menu? ☒ Yes ☐ No
- b. Attach appropriate label, placard, or menu notation for the consumer advisories if you serve:
☐ Wild Mushrooms ☐ Unpasteurized juices ☐ Farmed halibut, salmon, or sablefish
☐ Raw/undercooked animal foods such as beef, shell eggs, lamb, pork, poultry, seafood, and shellfish.
- c. Methods of food preparation (check the one that most closely describes the establishment):
☒ Assembly of Ready to Eat Foods ☐ Cook and Serve
☐ Hot or cold Service for 2 hours or more is done
☐ Complex (Preparation 1 day or more in advance, cooling and reheating is done).
- d. Style of Service: ☐ Counter Service ☐ Self Service (i.e. buffet line, salad bar) ☐ Table Service
☒ Other:
- e. Do you plan to operate as a caterer? ☐ Yes ☒ No
If yes, list all the equipment used to protect food from contamination and maintain product temperature during:
Transportation: _____ Hot or Cold Holding: _____

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MAY 21 2019

f. Will your food establishment be a kiosk or mobile unit? ☐ Yes ☒ No

Are employee toilets available within 200 feet? ☒ Yes ☐ No
If you have an agreement with another business to use their restrooms, please attach written verification.

Portable water tanks, plumbing, and hoses are NSF or FDA approved components? ☐ Yes ☐ No

If you have a kiosk, is it located outside of a building? ☐ Yes ☐ No

Will you have a service provide water or remove wastewater? ☐ Yes ☐ No
If yes, provide a letter of agreement from water hauler or wastewater hauler outlining services provided and frequency.

g. Will another permitted food establishment (commissary) provide support to your facility? If yes, attach a copy of the Commissary Agreement. ☐ Yes ☒ No

FOOD PROCESSORS

a. A copy of a label for each type of product you will produce is required. Have you attached food labels of each product to be produced? ☒ Yes ☐ No

b. Describe who you will be distributing your product to (i.e. grocery stores, etc):
 N/A

c. Will you be doing any of the following processes? Check all that apply.

☐ Reduced Oxygen Packaging	☐ Smoking	☐ Other:
☐ Low Acid Canned Foods	☐ Curing	
☐ Shelf Stable Acidified Foods	☐ Dehydrating	

Be sure to check with your local Environmental Health Officer for any applicable forms and FDA requirements.

d. Do you have a HACCP Plan? ☐ Yes ☒ No ☐ N/A
Required for high hazard food processors such as smoking, curing, acidifying, dehydrating, thermally processing low acid foods, reduced oxygen packaging, etc.

e. You are required to have a product coding system and a recall plan. Have you attached a copy of the coding system and recall procedures? ☒ Yes ☐ No

MOBILE RETAIL VENDOR SELLING SEAFOOD

a. A list of products that you will be selling is required. Have you attached a copy of the list of products? ☒ Yes ☐ No

b. Provide names of suppliers where you will be purchasing your product:

c. Will **all** of your product be prepackaged? ☒ Yes ☐ No

d. Will another permitted food establishment (commissary) provide support to your facility? If yes, attach a copy of the Commissary Agreement. ☐ Yes ☒ No

MACHINES VENDING POTENTIALLY HAZARDOUS FOODS

a. Have you attached the label that will be affixed to the front of each machine with name, physical address, and phone number of the permitted food establishment servicing the machine? ☐ Yes ☐ No

SECTION 4 – Food Managers Certification/Alaska Safe Food Worker Card

a. Have you attached a copy of a Food Manager's Certification? ☐ Yes ☐ No ☒ N/A
The operator of a food establishment that serves and prepares unwrapped or unpackaged food, except for a bar, tavern, or limited food service, must have at least one Certified Food Protection Manager who is involved in the daily operations of the establishment.

b. Does everyone who works or will work at the food establishment have a Food Worker Card? ☒ Yes ☐ No ☐ N/A
An operator of a food establishment shall keep on file a copy of the Food Worker Card issued by the department for each employed food worker and make the copy available to the Department upon request.

I declare, under penalty of unsworn falsification, that this application (including any accompanying statements) has been examined by me and to the best of my knowledge and belief is true, correct, and complete. I agree to pay all fees before operating.

Applicant's Signature 

Date 5/10/19

Applicant's Printed Name Kalla Peacock

Title Member, Manager (Owner)

Alcohol & Marijuana Control Office

Initiating License Application

1/11/2019 9:30:08 AM

License Number: 20439**License Status:** New**License Type:** Retail Marijuana Store**Doing Business As:** ALASKAN GROWN CANNABIS**Business License Number:** 1109607**Designated Licensee:** Kalla Peacock**Email Address:** kpeacock1@hotmail.com**Local Government:** Bethel**Community Council:****Latitude, Longitude:** 60.794824, -161.754596**Physical Address:** 230 Tundra Way
Bethel, AK 99559
UNITED STATES**Licensee #1****Type:** Entity**Alaska Entity Number:** 10079221**Alaska Entity Name:** Alaskan Grown Products LLC**Phone Number:** 907-313-8521**Email Address:** kpeacock1@hotmail.com**Mailing Address:** HC89 Box 255
Willow, AK 99688
UNITED STATES**Entity Official #1****Type:** Individual**Name:** Kalla Peacock**Phone Number:** 907-312-8521**Email Address:** kpeacock1@hotmail.com**Mailing Address:** HC89 Box 255
Willow, AK 99688
UNITED STATES**Note:** No affiliates entered for this license.

Master Lease Agreement

This Master Lease Agreement (this “*Lease*”) is dated as of ~~Oct 18~~ Oct 18 2018, by and between **Alaskan Grown Products LLC**, an Alaska limited liability company (“*Tenant*”), and **BTP, LLC**, an Alaska limited liability company (“*Landlord*”).

WHEREAS, Landlord owns the real property commonly known as 230 Tundra Way, Bethel AK, and legally described as:

- 1) Lot Six (6), Block Fourteen (14), Townsite of Bethel, U.S. Survey 3230A and 3230B, according to the official Bureau of Land Management Survey thereof, being located in the Bethel Recording District, Fourth Judicial District, State of Alaska (the “*Property*”).

WHEREAS, Landlord desires to lease to Tenant and Tenant desires to lease from Landlord the Property, excepting the seven-plex apartment building upon the Property and the area of the Property underlying the apartment building and extending ten (10) feet from each exterior wall of the apartment building, and the parking areas and the drives providing ingress and egress to the apartment building, as depicted on Exhibit A (together, the “*Retained Area*,” and the Property less the Retained Area, the “*Leased Premises*”).

WHEREAS, Landlord is relying on the historic pattern of the federal government relying primarily on the state and local governments to address marijuana businesses that are state licensed and in any event, if this federal government policy shifts, Landlord intends and shall always have the right to comply with the federal government and its request. Tenant will abide by the following priorities, in addition to all state and local regulatory requirements:

- *Preventing the distribution of marijuana to minors;*
- *Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs and cartels;*
- *Preventing the diversion of marijuana from states where it is legal under state law in some form to other states;*
- *Preventing state-authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;*
- *Preventing violence and the use of firearms in the cultivation and distribution of marijuana;*
- *Preventing drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use;*
- *Preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and Preventing marijuana possession or use of marijuana on federal property.*

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

1. **Leased Premises.** Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, in accordance with this Lease, the entire Leased Premises, together with all rights of ingress and egress pertaining thereto, subject to the terms and conditions contained in this Lease.

2. **Term.** The term of this Lease shall be for 10 years, commencing November 1, 2018 and ending at 11:59 p.m. on October 31, 2028 (the “**Initial Term**”), unless sooner terminated in accordance with the terms of this Lease. The term of this Lease may be renewed for one or more additional terms by mutual agreement of the parties (each, a “**Renewal Term**” and, together with the Initial Term, the “**Term**”) if the parties agree to such renewal at least ninety (90) days prior to the end of the then-current Term. If the parties do not agree to renew this Lease at least ninety (90) days prior to the end of the then-current Term, this Lease shall terminate at the conclusion of such Term. Each Renewal Term shall be upon the same terms and conditions set forth in this Lease unless otherwise agreed in writing by the parties.

3. **Early Termination.** Landlord shall have the right upon Landlord’s sole election, upon three (3) days prior written notice to Tenant, to terminate this Lease:

(a) in the event that the Landlord’s bank or other lender commences an action, or threatens to commence an action against the Landlord alleging that this Lease, or any operations under the Lease or any sublease, violates Landlord’s contractual obligations pursuant to its obligations under its loan agreements with Landlord’s bank or other lender, or (ii) the seizure or threatened seizure by any governmental authority seeking forfeiture of the Leased Premises, whether or not a court proceeding has actually commenced; or (iii) Landlord’s bank takes or threatens to take any action to close Landlord’s accounts at Landlord’s bank or to take any other action adverse to Landlord as a result this Lease, or any operations under the Lease or any sublease;

(b) Landlord’s receipt of any notice from any governmental authority asserting that this Lease or Tenant’s use of the Lease Premises, or Tenant’s business operations, violates any federal, state or local laws or regulations relating to the sale, possession or use of marijuana, whether or not any court proceeding has actually commenced;

(c) The entry of judgment (whether final or not) that has the effect (whether by restraining order, injunction, declaration, or otherwise) of establishing the Tenant’s use of the Premises constitutes a public or private nuisance;

(d) The commencement of an action under any federal, state, or local law (ordinance) or regulation seeking remediation of the Premises as a result of a violation by Tenant of any mandate pertaining to environmental sensitivity or commission of waste, irrespective of Tenant’s intent and course of action following its commencement;

(e) A final, appealable judgment having the effect of establishing that Tenant’s operation violates Landlord’s contractual obligations (i) pursuant to any private covenants

of record restricting the Premises, (ii) good faith and fair dealing to any third party, or (iii) pursuant to its obligations under its mortgage agreement with Landlord's mortgagee;

(f) An event that (i) requires closure of one or more of the buildings upon the Leased Premises for more than 180 consecutive days for remediation of materially adverse circumstances created by Tenant's use of the Leased Premises, or for more than 210 nonconsecutive calendar days within a 360 consecutive day period, or (ii) causes Landlord's insurance carrier to cancel casualty and/or liability coverage on the Leased Premises or any other part of the Property unless the Tenant procures coverage for the Property, including the Leased Premises within five (5) calendar days thereafter, and commences and thereafter continues to pay any premium cost in excess of the premium (pre-cancellation) paid by Landlord without credit or offset against the Rent reserved under this Lease. This shall not include fire and other natural calamity events, unless the source of any such event is directly related to Tenant's operation, such as a heat lamp-related fire in any cannabis cultivation site.

4. Use of the Leased Premises and Required Compliance with Laws. Tenant shall be permitted to use and operate the Leased Premises for general retail business purposes, including to conduct the business of a commercial marijuana retail store. The parties acknowledge that myriad regulations and local, state, and federal laws govern the operation of Tenant's use and that Tenant alone will be responsible for compliance with all laws, regulations, mandates and requirements of any nature. The parties also acknowledge that under federal law, the production, distribution and sale of cannabis remains a violation of the Controlled Substances Act and that, as between Landlord and Tenant, the risk of enforcement of such laws is exclusively on Tenant. Tenant's foregoing obligation shall encompass (i) all state and local laws and regulations from any governmental authority with jurisdiction over Tenant's use, including but not limited to the Alaska Marijuana Control Board regulations and related guidance memorandums, and local zoning ordinances; and (ii) all federal laws to the extent those laws are not inconsistent with state and local laws allowing Tenant to use the Premises for the Permitted Use. The covenant to comply encompasses all applicable laws and regulations that become effective before and during the Lease Term, and all of the agreements and obligations set forth in this Section 4 (collectively, the "Mandates"), regardless of the cost of such compliance. Tenant's inability or failure to comply with the Mandates shall be grounds for termination of this Lease.

5. Rent and Other Sums to be Paid by Tenant.

a. Base Rent. Tenant shall pay to Landlord rent in the amount of \$24,000.00 annually in monthly installments of \$2,000.00 as base rent for the Leased Premises during the first year of the Lease Term; *provided that*, rent in the amount of \$1,500 per month shall be abated until the earlier of the date that Tenant receives a license to operate a marijuana retail store or that is six (6) months from the commencement date of the Initial Term. The base rent shall increase 2.5% effective on each anniversary of the Lease Term, including each anniversary of any Renewal Term. The rent shall be payable in advance on the first (1st) day of each calendar month during the Lease Term, except that the first month's rent shall be paid upon the execution of this Lease. Except as otherwise specifically set forth in this Lease, all rent shall be paid to Landlord without deduction or offset, in lawful money of the United States of America to Landlord's address set forth in this

Lease, or to such other person or persons or at such other places or in such other manners as Landlord may from time to time designate by written notice to Tenant.

b. Additional Rent. In addition to the foregoing, Tenant shall pay prior to delinquency and directly to the taxing authorities in which the Leased Premises are located all applicable real property taxes and assessments levied or assessed upon or against the Leased Premises, and further agrees to pay prior to delinquency and directly to the taxing authorities in which the Leased Premises is located all applicable personal property taxes on personal property situated on the Leased Premises. Tenant shall, within 30 days after any such tax, assessment or other charge shall become due and payable, whether or not constituting a lien on the Leased Premises, provide to Landlord satisfactory evidence of payment thereof.

In addition to the foregoing, all other costs, expenses, charges, fees, taxes, assessments and other sums that Tenant assumes or agrees to pay pursuant to this Lease shall, at Landlord's election, be treated as additional rent. All additional rent shall be paid at the same time and in the same manner as the base rent. In the event of nonpayment of additional rent, Landlord have all rights and remedies provided in this Lease in the case of nonpayment of rent or of a breach of condition, at Landlord's election. If Tenant shall default in making any payment required to be made by Tenant or shall default in performance of any term, covenant or condition of this Lease on the part of Tenant to be kept, performed or observed that shall involve the expenditure of money by Tenant, Landlord at Landlord's option may, but shall not be obligated to, make such payment on behalf of Tenant and expend such sum as may be necessary to keep, perform or observe such term, covenant or condition. Any and all sums so expended by Landlord, with interest thereon from the date of such expenditure until repaid, at the rate set forth in Section 18(b) of this Lease, shall be additional rent, and shall be repaid by Tenant to Landlord on demand; *provided that*, no such payment or expenditure by Landlord shall be deemed a waiver of Tenant's default, nor shall it affect any remedy of Landlord by reason of such default.

6. Condition, Repair and Maintenance of the Leased Premises.

a. Tenant Obligations.

i. Cleaning. Cleaning of the Leased Premises shall be the sole responsibility of the Tenant. Tenant shall keep the Leased Premises clean and sanitary at all times and remove all rubbish, garbage and other waste, in a clean, tidy and sanitary manner. At the expiration or termination of this Lease, Tenant shall deliver the Leased Premises to the Landlord in good order and repair, subject to ordinary wear and tear.

ii. Maintenance and Repairs. Tenant shall, at its sole cost and expense maintain the Leased Premises in good order and repair and shall perform all renovations, redecorating, repairs and maintenance to all parts of the Leased Premises, including without limitation, the interior walls, exterior walls, plumbing and plumbing fixtures, electrical service, lines and fixtures, floor drains, light fixtures, doors, windows, roof, ceiling, floors, HVAC systems, the parking areas and drives, and landscaping, including replacement thereto or thereof. Tenant shall not replace any locks or security hardware on the Leased Premises without the consent of the Landlord. Tenant shall ensure that the Landlord is provided with all keys and/or access codes to any new locks or security hardware that may be installed.

iii. Services and Utilities. Tenant shall, at Tenant's own expense, obtain all utility services supplying the Leased Premises, including, but not limited to, refuse, electricity, water, sewer, standby water for sprinkler, gas, telephone and all other utilities and other communication services, in its own name, effective as of the commencement of this Lease, and shall pay the cost directly to the applicable utility, including any fine, penalty, interest or cost that may be added thereto for non-payment thereof.

7. Laws, Permits and Governmental Regulations.

a. Expenses. Tenant shall promptly and punctually pay all charges and expenses incurred in connection with its use of the Leased Premises by any governmental agency by reason of its use and occupancy of the Leased Premises or the operation of its business therein or thereon.

b. Permits. Tenant is solely responsible for all permits, licenses and zoning approvals related to its business.

8. Insurance. Tenant shall carry and maintain the following insurance ("Tenant's Insurance") at its sole cost and expense: (a) comprehensive commercial general liability insurance in an amount not less than \$1,000,000 per occurrence and \$2,000,000 aggregate, including \$100,000 fire legal liability for bodily injury (including death and property damage); (b) workers' compensation insurance as required by the laws of the jurisdiction where the Leased Premises are located; (c) property insurance under an all risk or special basis to include fire and extended coverage (but excluding earthquake and flood) providing coverage for the full replacement value of the Leased Premises; and (d) property insurance upon the Leased Premises and personal property owned by Tenant ("**Tenant's Property**") with coverage for perils. All commercial general liability and property insurance policies shall name Tenant as a named insured and Landlord as additional named insureds. All policies of Tenant's Insurance shall contain endorsements that the insurer(s) shall give Landlord and its designees at least thirty (30) days' advance written notice of any cancellation, termination or lapse of insurance. Tenant shall provide Landlord with a certificate of insurance evidencing Tenant's Insurance on the Effective Date, and upon renewals at least fifteen (15) days after the scheduled expiration of the insurance coverage.

Notwithstanding anything in this Lease to the contrary, Landlord and Tenant shall cause their respective insurance carriers to waive any and all rights of recovery, claim, action or causes of action against the other and their respective trustees, principals, beneficiaries, partners, officers, directors, agents and employees for any loss or damage that may occur to Landlord or Tenant or any party claiming by, through or under Landlord or Tenant, as the case may be, with respect to Tenant's Property, Landlord's Property, the Leased Premises, any additions or improvements to the Leased Premises, or any contents thereof, including all rights of recovery, claims, actions or causes of action arising out of the negligence of Landlord and its agents, employees or contractors or the negligence of Tenant or its agents, employees or contractors which loss or damage is (or would have been, had the insurance required by this Lease been carried) covered by insurance.

9. Condemnation. If the Leased Premises, or any part thereof, is taken by eminent domain, at Landlord's option, this Lease (a) shall expire on the date when the Leased Premises shall be so taken, and the rent shall be apportioned as of that date, or (b) shall continue in full force

and effect with an abatement in rent commensurate with the reduction of square footage of the Leased Premises. No part of any award shall belong to Tenant.

10. Destruction. If the Leased Premises are totally or partially destroyed during the term of this Lease, then Landlord may elect to either terminate this Lease or restore the destroyed premises. If Landlord elects to restore the premises, then Lease shall not be terminated, and Tenant shall continue paying rent adjusted downward by a percentage equal to the percentage of square feet of the Leased Premises rendered unusable by destruction. Upon completion of restoration, the rent shall be calculated against as if there were no destruction.

11. Assignment and Subletting. Tenant may assign or sublease all or any part of the Leased Premises; provided that Landlord consents in writing to such assignment or sublease. Landlord will not unreasonably withhold its consent. If this Lease is assigned by Tenant, or the Leased Premises are encumbered, then Landlord may, in the event of a default of this Lease, collect rent from the assignee, subtenant or occupant, and apply the amount collected to the rent owed under Section 5. No assignment, subletting, occupancy or collection shall be deemed a waiver by Landlord of the provisions of this Lease, the acceptance by Landlord of the assignee, subtenant or occupant as a tenant, or a release by Landlord of the Tenant from the further performance by Tenant of its obligations under this Lease. The consent by Landlord to any assignment or subletting shall not in any way be construed to relieve Tenant from obtaining the express written consent of Landlord to any further assignment or subletting.

12. Landlord's Right to Inspect and Repair. Subject to any applicable state or local law, Landlord or Landlord's agents, employees or representatives may enter into and upon all or any part of the Leased Premises during the Term at all reasonable hours, for the purpose of: (a) examination; (b) determination whether Tenant is in compliance with its obligations under this Lease; or (c) making repairs, alterations, additions or improvements to the Leased Premises, as may be necessary by reason of Tenant's failure to make same after notice to Tenant to do so. This section shall not be deemed, nor construed to create, an obligation on the part of Landlord to make any inspection of the Leased Premises or to make any repairs, alterations, additions or improvements to the Leased Premises for its safety or preservation.

13. Landlord's Right to Exhibit Premises. Landlord or Landlord's agents, employees or representatives shall have the right to show the Leased Premises during the Term. Landlord or Landlord's agents, employees or other representatives shall have the right to place notices on any parts of the Leased Premises offering the Leased Premises for lease at any time during the Term, offering the Leased Premises for sale and Tenant shall permit the signs to remain without hindrance or disturbance. During any entry by Landlord or its agents on the premises, Landlord's agents or employees shall be over the age of 21 and shall comply with Tenant's visitor policy, show government issued ID, wear a visitor badge, remain in eye sight of a designated Tenant agent, comply with and sign into the log in sheet and sign out when leaving the premises, as is required by the Alaska Marijuana Control Board Regulations. At no time shall Landlord have more than five persons enter the premises.

14. Landlord not Liable. Landlord shall not be liable for any damage or injury to any person or any property as a consequence of the failure, breakage, leakage or obstruction of water, well, plumbing, septic tank, sewer, waste or soil pipes, roof, drains, leaders, gutters, down spouts

or the like, or of the electrical system, gas system, air conditioning system or other system, or by reason of the elements, or resulting from any act or failure to act on the part of Landlord, or Landlord's agents, employees, invitees or representatives, assignees or successors, or attributable to any interference with, interruption of or failure beyond the control of Landlord, or any act or omission of any other person. Tenant agrees that Landlord shall not be liable for, and is hereby released from any responsibility for, any damage to person or property (or resulting from the loss of use thereof) that is sustained by Tenant or any of Tenant's agents, employees, or representatives, including any such damage caused by any active or passive act, omission or neglect of Landlord or by any act or omission for which liability without fault or strict liability may be imposed.

15. Force Majeure. With the exception of the payment of rent and additional rent, whenever a period of time is herein prescribed for the taking of any action by Landlord or Tenant, as the case may be, Landlord or Tenant shall not be liable or responsible for, and there shall be excluded from the computation of such period of time, any delays due to strikes, lockouts, riots, acts of God, shortages of labor or materials, war, civil commotion, fire or other casualty, catastrophic weather conditions, a court order that causes a delay, governmental laws, regulations or restrictions, or any other cause whatsoever beyond the control of Landlord (any of the foregoing being referred to as an "*Unavoidable Delay*"). Landlord and Tenant shall use reasonable efforts to notify the other party no later than ten (10) business days after such party knows of the occurrence of an Unavoidable Delay; provided, however, that such party's failure to notify the other of the occurrence of an event constituting an Unavoidable Delay shall not alter, detract from or negate its character as an Unavoidable Delay or otherwise result in the loss of any benefit or right granted to such party under this Lease. In no event shall any party's financial condition or inability to fund or obtain financing constitute an Unavoidable Delay with respect to such party.

16. Indemnification and Waiver of Liability. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims, damages, costs, attorneys' fees, expenses and liabilities arising in connection with (a) Tenant's use of the Leased Premises; (b) any activity carried out in or about the Leased Premises or related to the Tenant's business by Tenant or any employee, agent or representative of Tenant, or invitees of Tenant; (c) any breach or default in performance of any obligation by or of Tenant or any employee, agent or representative of Tenant; and (d) any violation by Tenant or its affiliates, or their respective employees, agents or representatives, of any laws, regulations or other Mandates, including revocation, suspension or termination of any required permits. Tenant, as a material part of the consideration to Landlord under this Lease, hereby assumes all risk of damage to property or injury to persons in, upon or about the Leased Premises arising from any cause other than the gross negligence of Landlord, and Tenant hereby waive all claims with respect thereof against Landlord. Tenant may, at its sole cost and expense, protect and defend against any government action which threatens its normal business activity. Tenant hereby agrees that this Lease is fully binding and Tenant has investigated any and all possibilities of conducting business at said location, and will honor any and all lease payments during the Term and any extension thereof. Tenant acknowledges that it has inspected the Leased Premises and accepts the same "as is" and without reliance on any representations or warranties of Landlord, its employees or agents as to the physical condition of the Leased Premises, or as to the habitability or fitness of the Leased Premises for any particular purpose. Tenant shall indemnify, defend and hold harmless Landlord from any litigation, liabilities, claims and/or disputes of any kind whatsoever, and any costs and reasonable actual attorneys' fees incurred by Landlord in connection therewith, upon acceptance of this Lease, during the Term and

any extension thereof. Additionally, Tenant agrees to indemnify and hold harmless Landlord from and against damages or losses Landlord incurs, including costs and reasonable actual attorneys' fees as a result of (a) any Early Termination Causes, (b) any violation of the Controlled Substance Act or enforcement action taken by the federal authorities pursuant to the Controlled Substance Act, and/or (c) damage done to the Leased Premises as a result of robberies, break-ins and burglaries.

17. Subordination, Attornment. This Lease is subject and subordinate to any deed of trust, mortgage, lien, encumbrance, lease, financing, loans, other arrangements or right to possession (collectively, the "**Encumbrances**") with regards to the building or land on or in which the Leased Premises is situated, that Landlord is obligated to now or in the future, including existing and future Encumbrances on the building and land on or in which the Leased Premises is situated. Although no instruments or act on the part of Tenant are necessary to effectuate such subordination, Tenant shall nevertheless execute and deliver such further instruments that the Landlord may request from time to time to further evidence such subordination to all such Encumbrances. In the event any proceedings are brought for foreclosure or the exercise of any power of sale under a deed of trust or mortgage covering the Leased Premises, Tenant shall attorn to the purchaser upon any such sale or foreclosure and recognize such purchaser as Landlord under this Lease. In the event of any sale of the Leased Premises, Landlord shall be and is hereby entirely freed and relieved of all liability under this Lease arising out of any act, occurrence or omission occurring after the consummation of such sale.

18. Default by Tenant and Landlord's Remedies.

a. Event of Default. If any one or more of the following events occurs and is continuing beyond the period set forth in any default notice provided to be given, an "**Event of Default**" shall have occurred under this Lease: (i) Tenant fails to pay any monthly rent payment or other sums due from Tenant to Landlord within five (5) calendar days of the applicable due date; (ii) Tenant breaches any provision of this Lease and such failure in compliance shall continue for thirty (30) days after the giving of notice by Landlord to Tenant specifying the failure, or, if such failure cannot with due diligence be remedied within thirty (30) days, Tenant has not in good faith commenced within such thirty (30) day period to remedy such failure and continued diligently to prosecute the same to completion; (iii) Tenant vacates or abandons the Leased Premises; or (iv) Tenant is adjudged insolvent or makes an assignment for the benefit of creditors, or if a receiver or other liquidating officer of Tenant is appointed, or a petition for relief is filed by or against Tenant in bankruptcy, or other dissolution or insolvency proceedings are commenced by or against the Tenant.

b. Right to Terminate Lease and Re-Enter. If an Event of Default occurs, then Landlord may, in addition to any other remedy available to Landlord under this Lease or by law, at Landlord's option to immediately enter and take possession of the Leased Premises and declare this Lease terminated, and Tenant shall quit and surrender possession of the Leased Premises, but Tenant shall remain liable to Landlord as hereinafter provided, and upon Tenant's failure to surrender of possession. Landlord may recover from Tenant such damages attributable to Tenant's default from the date of such breach to the date of the expiration of the term hereof. Landlord may re-enter the Leased Premises by summary proceeding or otherwise free from any interest of Tenant therein. If any Event of Default or Tenant bankruptcy, insolvency or assignment for the benefit of

creditors occurs, Landlord may declare the balance of rental for the entire remaining term of this Lease at once due and payable by delivering written notice of such declaration to Tenant. If Tenant defaults on any of its obligations hereunder other than for the payment of rent, Landlord may cure such default on behalf of the Tenant, in which case Tenant shall immediately reimburse Landlord for all sums paid to effect such cure, together with interest at the rate of 18% per annum and reasonable attorney's fees, as additional rent hereunder. In order to collect such reimbursement, Landlord shall have all the remedies available under this Lease for a default in the payment of rent.

c. Landlord's Right to Restore and Re-Let, and Tenant's Liability for Expenses. If Landlord obtains possession by re-entry, legal or equitable actions or proceedings or other lawful means as a result of an Event of Default by Tenant, Landlord may, without the obligation, make renovations, alterations and repairs to the Leased Premises required to restore them to the same condition during the Term, and to re-let the Leased Premises or any part thereof for a term or terms that may be less or more than the full Term of this Lease had Landlord not re-entered and re-possessed or terminated this Lease, and Landlord may grant reasonable concessions in the re-renting to a new tenant, without affecting the liability of Tenant under this Lease. Any of the foregoing action taken or not taken by Landlord shall be without waiving any rights that Landlord may otherwise have under law or in accordance with this Lease. Tenant shall pay and indemnify Landlord against all legal and other expenses reasonably incurred by Landlord, including reasonable actual attorney's fees and the costs of litigation, in terminating this Lease by reason of an Event of Default, in obtaining possession of the Leased Premises, in making all alterations, renovations and repairs and in paying the usual and ordinary commissions for re-letting the same.

d. Liability of Tenant after Re-Entry and Possession or Termination.

i. Survival of Obligations. If any Event of Default occurs (whether or not this Lease is terminated as a result of an Event of Default), Tenant shall remain liable to Landlord for all fixed annual rent and additional rent herein reserved (including, but not limited to, the expenses to be paid by Tenant in accordance with this Lease); less the net amount of rent, if any, that shall be collected and received by Landlord from the Leased Premises, for and during the remainder of the Term. In addition, Landlord may, from time to time, without terminating this Lease, as agent for Tenant, re-let the Leased Premises or any part thereof for such term or terms, at such rental or rentals, and upon such other terms and conditions as Landlord may deem advisable. Landlord shall have the right, without the obligation, following re-entry and possession or termination, to apply any rentals received by Landlord in the following order: (i) to the payment of indebtedness or costs other than rent or damages; (ii) to the payment of any cost of re-letting, including, without limitation, brokerage fees prorated over the life of the term of the re-letting and applicable to the remainder of the Term; (iii) to the payment of any cost of altering or repairing the Leased Premises; (iv) to the payment of fixed annual rent and additional rent or damages, as the case may be, due and unpaid hereunder; and (v) the residue, if any, shall be held by Landlord and applied for the payment of future fixed annual rent and additional rent, or damages, as the case may be, as the same may become due and payable hereunder. Landlord may sue periodically for and collect the amount that may be due pursuant to the provisions of this paragraph, and Tenant expressly agrees that any such suit shall not bar or in any way prejudice the rights of Landlord to enforce the collection or the amount due at the end of any subsequent period by a like or similar proceeding. The words "re-entry" and "re-enter," as used herein, shall not be construed as limited

to their strict legal meaning. Landlord shall not take into its possession any marijuana or marijuana product and shall contact the State of Alaska AMCO prior to any access to the Leased Premises if Tenant cannot be reached, abandons the property, or similar event.

ii. Rights on Termination. If Landlord terminates this Lease by reason of an Event of Default, then Landlord shall thereupon have the right, without obligation, as an alternative to suing Tenant periodically pursuant to the provisions of subparagraph (i) above, to recover from Tenant the difference, if any, at the time of such termination, between the amount of fixed annual rent and additional rent reserved herein for the remainder of the term over the then reasonable rental value of the Leased Premises for the same period. Landlord shall not, by any re-entry or other act, be deemed to have terminated this Lease, unless Landlord shall notify Tenant in writing that Landlord has elected to terminate the same.

e. Right to Injunction. In the event of a breach or threatened breach by Tenant of this Lease, Landlord shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if re-entry, summary proceedings and other remedies were not herein provided for. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any cause, or in the event of Landlord obtaining possession of the Leased Premises, by reason of the violation by Tenant of any of the covenants and conditions of this Lease, or otherwise.

19. Tenant's Trade Fixtures and Removal. Any trade equipment, trade fixtures, goods or other property of Tenant shall be removed by Tenant on or before the earlier of expiration of the Term or upon termination of this Lease. Any trade equipment, trade fixtures, goods or other property of Tenant not removed by Tenant on the earlier of expiration of the Term or upon termination of this Lease, or upon any deserting, vacating or abandonment of the Leased Premises by Tenant, or upon Tenant's eviction, shall, at Landlord's discretion, be considered as abandoned and Landlord shall have the right (without any obligation to do so), without notice to Tenant, to sell or otherwise dispose of Tenant's property, at the expense of Tenant, and Landlord will not be accountable to Tenant for any proceeds of the sale, or for any damage or loss to Tenant's property.

20. Limitations on Landlord's Liability. The liability of Landlord to Tenant (or any Tenant Representative) under this Lease, or any matter relating to or arising out of the occupancy or use of the Leased Premises, shall be limited to Tenant's actual direct, but not consequential, damages therefor. Notwithstanding any contrary provision herein, Landlord shall not be liable for any injury or damage to, or interference with, Tenant's business, including loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, or for any form of special or consequential damage, in each case however occurring. Landlord shall not have any personal liability with respect to any of the provisions of this Lease, the Leased Premises, or the Property. If Landlord is in breach or default with respect to Landlord's obligations under the Lease, or Landlord is otherwise liable to Tenant in connection with this Lease, Tenant shall look solely to the equity interest of Landlord in the Property for the satisfaction of Tenant's remedies or judgments. No other real, personal, or mixed property of Landlord, wherever situated, shall be subject to levy to satisfy such judgment. No person who is an officer, director, shareholder, member (or principal or partner or other constituent person or entity of any non-corporate Landlord), employee, agent or legal representative of Landlord shall be personally liable for any obligations or liabilities of Landlord under this Lease.

21. Option to Purchase. At any time after the 2nd anniversary of the commencement of the Lease Term, Tenant shall have the option to purchase the Property for a price determined in accordance with this Section 21.

(a) *Exercise of Option.* Tenant's election to exercise this option must be evidenced by a written notice addressed to Landlord, sent by registered or certified mail to Landlord's address.

(b) *Price.* The price to be paid by Tenant to Landlord for the Property, if the option is exercised, shall be the fair market value of the Property.

(c) *Appraisal Procedure.* If Landlord and Tenant cannot agree on the purchase price within fourteen (14) days of the date Tenant exercises the option, Landlord shall order an appraisal of the Property by a qualified appraiser and shall deliver a copy to Tenant ("***Landlord's Appraisal***") promptly after receipt. Tenant shall have fourteen (14) days after receipt of Landlord's Appraisal in which to accept or reject Landlord's Appraisal, provided that if Tenant does not reject Landlord's Appraisal in writing within such fourteen (14) day period, the amount stated in Landlord's Appraisal as the fair market value of the Property shall be conclusively established as the fair market value for purposes of determining the purchase price. If Tenant elects to reject Landlord's Appraisal, Tenant must provide Landlord written notice within such fourteen (14) day period, order an appraisal ("***Tenant's Appraisal***") from a qualified appraiser, and promptly deliver a copy of Tenant's Appraisal to Tenant. If the difference in the fair market values set forth in Landlord's Appraisal and Tenant's Appraisal is 10% or less, then the average of the fair market values shall be conclusively established as the fair market value of the Property. If the difference in the fair market values set forth Landlord's Appraisal and Tenant's Appraisal is more than 10%, then the parties shall promptly and mutually select a third qualified appraiser who shall determine the fair market value of the Property by selecting either Landlord's or Tenant's Appraisal or a value between the two, which value shall be conclusively established as the fair market value of the Property.

(d) *Expenses.* If Tenant purchases the Property, Landlord shall pay the cost of standard title insurance and Landlord and Tenant shall each pay one-half of closing costs, including, but not limited to, escrow fees, recording fees and other closing costs.

(e) *Taxes and Utilities.* Tenant shall continue to pay all taxes, utilities, and other obligations under this Lease until the date of the closing.

(f) *Sale by Landlord.* If, during the Lease Term, Landlord desires to sell the Property, Landlord shall give written notice to Tenant. Tenant shall have sixty (60) days after receipt of Landlord's notice to exercise its option to purchase the Property pursuant to sub-section (a) of this Section 21. If Tenant exercises the option, the purchase price shall be determined and the sale shall close in accordance with the terms set forth in this Section 21. If Tenant does not exercise the option with the sixty (60) day period, or if Tenant affirmatively declines in writing the option to exercise its right under this Section, or if Tenant exercises the option but fails to close the sale within ninety (90) days after receipt of Landlord's notice, then Tenant's rights under this Section 21 automatically will terminate and the Landlord may sell the Property to a third party. In

such case, this Section 21 shall be deemed deleted from this Lease without further action by the parties.

22. Notices. All notices, payments, demands or communications required or permitted to be given by any provision of this Lease shall be in writing and shall be deemed to be delivered, given and received for all purposes (a) as of the date and time of actual receipt, in the case of notices delivered personally; (b) one (1) day after deposit with a nationally recognized overnight delivery service; (c) if sent by electronic mail, upon confirmed receipt by recipient; or (d) five (5) days after deposit in registered or certified United States mail, return receipt requested, as applicable. Such notices, payments, demands or communications shall be delivered personally to the recipient, or sent by registered or certified United States mail, return receipt requested, or by nationally recognized overnight delivery service, addressed to such address on the signature page hereto or as may be specified from time to time by notice to the parties hereto.

23. Tenant's Right to Quiet Enjoyment. Upon paying the rents and other sums required of Tenant under this Lease and faithfully and fully performing the terms, conditions and covenants of this Lease on Tenant's part to be performed, Tenant shall peaceably and quietly have, hold and enjoy the Leased Premises for the Term.

24. Termination by Tenant for Government Action Against the Marijuana Industry.

The Landlord acknowledges that the Tenant's ability to fund this Lease is based on state and city licensing for the operation of a marijuana facility. In the event the state or city eliminates the recreational marijuana program through a public vote or government issued regulation, or the Tenant no longer has an approval to maintain a marijuana retail facility through no fault of the Tenant, the Tenant, at its sole discretion, may terminate this Lease provided that: (i) Tenant must give at least ninety (90) days prior written notice to Landlord of its election to terminate this Lease as to any or all of the Leased Premises for this reason, and (ii) Tenant must pay all rent and additional rent due through the date of termination

25. Miscellaneous.

a. Non-Waiver by Landlord. The rights, remedies, options or elections of Landlord in this Lease are cumulative, and the failure of Landlord to enforce performance by Tenant of any provision of this Lease applicable to Tenant, or to exercise any right, remedy, option or election, or the acceptance by Landlord of the annual fixed rent or additional rent from Tenant after any default by Tenant, in any one or more instances, shall not act as a waiver or a relinquishment at the time or in the future, of Landlord of such provisions of this Lease, or of such rights, remedies, options or elections, and they shall continue in full force and effect.

b. Entire Agreement. This Lease constitutes the entire agreement and understanding among Landlord and Tenant with respect to the lease of the Leased Premises and the other transactions contemplated by this Lease. All prior representations, understandings and agreements between the parties with respect to the subject matter hereof and thereof are superseded by this Lease.

c. Choice of Law. This Lease shall be construed and interpreted in accordance with the laws of Alaska, without regard to the conflict of any laws or provisions thereof, as though all acts and omissions related to this Lease occurred in Alaska.

d. Captions. The captions of the paragraphs in this Lease are for reference purposes only and shall not in any way affect the meaning or interpretation of this Lease.

e. Counterparts. This Agreement may be executed in counterparts, including by electronic signature or scanned copies of original signature pages, each of which shall be considered an original.

f. Surrender. Neither the acceptance of keys to the Leased Premises nor any other act or thing done by Landlord or any agent, employee or representative of Landlord shall be deemed to be an acceptance of a surrender of the Leased Premises, excepting only an agreement in writing, signed by Landlord, accepting or agreeing to accept a surrender of the Leased Premises.

g. Binding Effect. This Lease is binding upon and shall inure to the benefit of the parties, their legal representatives, successors and permitted assigns.

h. Landlord Defined. "Landlord" in this Lease means and includes only the owner at the time in question of the Leased Premises and, in the event of the sale or transfer of the Leased Premises, Landlord shall be released and discharged from the provisions of this Lease thereafter accruing, but such provisions shall be binding upon each new owner of the Leased Premises while such party is an owner.

i. Severability. If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed and enforced as so limited.

[Signature Page to Follow]

The undersigned have caused this Lease to be executed and delivered, effective as of the date and year first above written.

LANDLORD:

By: 

Name: Dave Cottrell

Title: Manager

Address:

TENANT:

By: 

Name: Kalla Peacock

Title: Owner

Address: HC 89 Box 255
Willow, AK 99698

THE DELTA DISCOVERY NEWSPAPER
P.O. BOX 1028
BETHEL, AK 99559

AO/PO# _____
CASE NO. _____

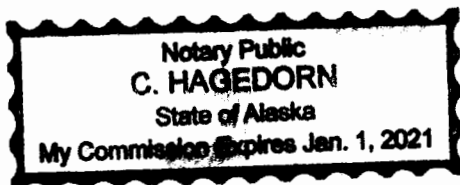
Alaska Grown Products, LLC dba Alaska Grown Cannabis
Re: Retail Marijuana Store License Public Notice
NAME OF PETITIONER
230 Tundra Way
Bethel, AK 99559
ADDRESS OF PETITIONER

AFFIDAVIT OF PUBLICATION

UNITED STATES OF AMERICA, STATE OF ALASKA, 4th DIVISION, BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC THIS DAY PERSONALLY APPEARED, Kelly J. Lincoln, WHO, BEING FIRST DULY SWORN, ACCORDING TO LAW, SAYS THAT SHE IS THE Office Manager OF THE DELTA DISCOVERY NEWSPAPER, PUBLISHED IN BETHEL IN SAID DIVISION 4th AND STATE OF ALASKA AND THAT THE ADVERTISEMENT, OF WHICH THE ANNEXED IS A TRUE COPY, WAS PUBLISHED IN SAID PUBLICATION ON 6/12/19 AND THEREFORE FOR A TOTAL OF 3 CONSECUTIVE ISSUE(S). THE LAST PUBLICATION APPEARING ON 6/26/19 AND THAT THE RATE CHARGED THEREON IS NOT IN EXCESS OF THE RATE CHARGED TO PRIVATE INDIVIDUALS.

Kelly J. Lincoln
KELLY JEAN LINCOLN
OFFICE MANAGER,
THE DELTA DISCOVERY NEWSPAPER

SWORN TO ME BEFORE ON 19 June 19



[Signature]
SIGNATURE OF NOTARY
Cathy Hagedorn
PRINTED NAME OF NOTARY

MY COMMISSION EXPIRES ON 1 Jan 21

CLASSIFIEDS

For Sale

For Sale:
Hitzer Amish built woodstoves. UHMW Plastic sled runners. 543-2379. (11)(3/1-cnx)

FOR SALE
300 Gallon Plastic Water Tanks in stock. Call Shorty at Shorty's Shop for pricing. 543-3158 or 545-3157 (19)(9/18-cnx)

For Sale: Plastic Water Tanks
Only 31" wide, 70" high, 74" long. 500 Gallons, easily connect two for 1000 gallons! Fits through most doors for easy installation. Contact Shorty for pricing and information (907) 545-3157. (35)(6/21-cnx)

Equipment for Sale
1984 KALMAR LMV28-1200 HD Mast Forklift;
1990 Ford Aeromax LT 9000 Tractor (blue), SWB Tandem, CAT DSL, 10 Spd STD, dual tanks, good rubber;
Steel Flat Deck Barge "OBI";
Steel River Tug/Pushboat "M/V AKI". All located in Bethel. For more information call Dave at 907-545-1959 or 907-892-8496. (50)(8/9-cnx)

For Sale
F-90B Yamaha Four (stroke) EM Jet Unit.
Very low hours, never use on the Kuskokwim, one owner, in excellent condition Priced \$6000. Call 907-545-4580.
A upright 15cu freezer (\$75) (31)(4/10-5/1; 5/22-6/26)

For sale. NIB two 1.5K roof mount, 5 blade wind turbines with charge controllers. \$2500 each or both for \$4500. Call Kirk at 543-1690 (24)(6/12-26)

FOR SALE: NIB two, 4 foot cedar porch swings. \$75 each call Barb at 545-2392. (15)(6/12-26)

Alaskan Grown Products LLC

is applying under 3 AAC 306.300 for a new Retail Marijuana Store license, license #20440, doing business as ALASKAN GROWN CANNABIS, located at 1510 Chief Eddie Hoffman Hwy, Bethel, AK, 99559, UNITED STATES.

Interested persons may object to the application by submitting a written statement of reasons for the objection to their local government, the applicant, and the Alcohol & Marijuana Control Office (AMCO) not later than 30 days after the director has determined the application to be complete and has given written notice to the local government. Once an application is determined to be complete, the objection deadline and a copy of the application will be posted on AMCO's website at <https://www.commerce.alaska.gov/web/amco>.

Objections should be sent to AMCO at marijuana.licensing@alaska.gov or to 550 W 7th Ave, Suite 1600, Anchorage, AK 99501.

For Rent

OUTSIDE STORAGE SPACE FOR RENT. EQUIPMENT, BOATS OR VEHICLES. NEAR BOAT HARBOR. FENCED IN AREA. 543-2402. (16)(3/17-cnx)

Employment

Job Opportunities
Joining the BFC Team
BFC prides itself in the care and treatment of those in the Yukon-Kuskokwim Delta. In that endeavor, we look for people that share the mission and vision of the organization. BFC serves local and regional patients throughout the region when flown in for services.
BFC is a Federal Qualified Health Center (FQHC) and a Patient Centered Medical Home (PCMH) located in a Medically Underserved Area. The Clinic provides medical, behavioral health and dental services to all ages.
Loan repayment assistance through National Health Service Corp (NHSC) is possibly available to the candidate. Benefits include medical, dental, and vision insurances; EAP; generous PTO, CME, 401K enrollment on the first day of employment, and an annual retention bonus.
BFC offers benefits for regular employees to include: All regular employees:
•Annual Retention Bonuses for all regular employees
•Employee health, dental and vision insurance
•401(k) enrollment upon the date of hire
•Seven (7) regular and four (4) floating Holidays per year
•Paid Time Off starting at fifteen (15) calendar days or three (3) weeks per year
•Bi-weekly Pay Periods twenty-six (26) total per year
BFC is an Equal Employment Opportunity/ Affirmative Action Employer. All qualified applicants shall receive consideration for employment as protected by State and Federal laws without regard to race, sex,

color, religion, orientation, national origin, disability, and veteran status. Contact the Human Resources Generalist directly to apply at 907-543-9854.
Nurse Practitioner/Physician Assistant (1 Opening Available Fulltime - Regular)
BFC has an opening for an ANP or PA which will start in the summer of 2019. We are actively recruiting for this position now. Licensure in Alaska and DEA, current BLS is required. ACLS and PALS are highly preferred or obtained after employment. The candidate must be vetted through the credentialing and privileging process. The successful candidate shall have graduated from a nationally accredited university in the specialty. Experience in a family (general) medicine setting is strongly preferred.
1 Opening for any of the following positions: RN/LPN/MA (Fulltime-Regular) RN
Must have graduated from an accredited university in Nursing. Must be licensed in the State of Alaska. Experience a strongly preferred. Must have a working knowledge of E.H.R. Accountable for nursing practice through planned and continuous professional growth and development. Uses knowledge and judgment needed to meet the nursing needs of the patient. Serves in a leadership role through clinical practice, supervision, teaching and research.
LPN
Must have graduated from an accredited university in Nursing. Must be licensed in the State of Alaska. Experience is strongly preferred. Must have a working knowledge of E.H.R. Utilize nursing knowledge and skills in the safe implementation of basic preventative therapeutic and rehabilitative nursing care of assigned patient/family as evidenced by documentation and observation of positive patient care outcomes. Work collaboratively with other members of the health care team in coordination of the patient's care as evidenced by other department feedback.

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Must have graduated from an accredited vocational school for Medical Assisting. Must be licensed in the State of Alaska. Experience is preferred. Record patient history and personal information. Measure vital signs, such as blood pressure. Help with patient examinations, prepare blood samples for laboratory tests, Enter patient information into medical records
BFC is an Equal Employment Opportunity/ Affirmative Action Employer. All qualified applicants shall receive consideration for employment as protected by State and Federal laws without regard to race, sex, color, religion, orientation, national origin, disability, and veteran status.
P.O. Box 1908 • 907-543-3773 • Bethel, AK 99559 (576)(6/12)

Real Estate

For Sale 23,500 square foot lot/downtown location on Chief Eddie Hoffman Highway (or State Highway) across from Fire Station. Serious offers only. 907-543-3552. (23)(7/28-cnx)

Invitation to Bid

INVITATION TO BID
Notice is hereby given that sealed bids for the Lower Kuskokwim School District Bethel Campus Fire Upgrades Project, located in Bethel, AK, will be received from interested contractors until 2:00pm, June

24, 2019 @ LKSD District Office, Room 229, 1004 Ron Edwards Way, Bethel, AK 99559 at which time and place bids will be publicly opened.
This project will replace and upgrade the Bethel campus fire pump house and associated systems including:
•Abatement of asbestos containing material;
•Demolition of existing water tank and pump building;
•Installation of 50,000 gallon tank with pre-insulated panels;
•Installation of an electric primary pump and a diesel-powered back-up pump;
•Replacement of jockey pump, controllers, power supply, and associated piping.
•Additive Alternate includes 60 linear feet (LF) of fire access road and approximately 50 LF of 24-inch culvert pipe.
Bid documents for the project are available in electronic form only. They may be viewed online and downloaded without charge from www.theplansroom.com. For technical assistance call 1-907-563-2029.
Bidder's questions must be emailed to Will Kemp of CRW Engineering Group at wkemp@crweng.com. (177)(6/5-19)

Public Notice

VFW MEMBERSHIP Freedom isn't free, and millions of Americans have paid the price for the freedom we enjoy today. Since 1899, the Veterans of Foreign Wars has served those who served America. From writing veterans legislation and then leading the fight to get it through Congress, to community projects that benefit all Americans, the VFW is an opportunity for veterans to continue to serve. Contact the VFW Robert V. Lindsey Post #10041 at 543-2241 and ask what you can do for your community. (83)(3/26-cnx)

Swan Lake Native Corporation:
Has begun Its reconveyance program under Section 14 (c) of the Alaska NATIVE CLAIMS SETTLEMENT ACT.
The reconveyance will be for land around **Nunam Iqua:** which was occupied by individuals, or organizations on December 18, 1971 as either (1) a primary place of residence (2) primary place of business, (3) subsistence campsite, (4) site of a non-profit organization.
Application forms and further information are available from:
Swan Lake Corporation PO Box #31 Nunam Iqua Alaska 99666
Telephone (907) 498-4800.
Applications will be accepted until June 28th, 2019. (91)(4/10-6/26)

Joint Notice of Public Hearing and 45-Day Public Comment Period for the Modification of FAA's Preferred Airport Alternative and related actions for the 2018 Final Environmental Impact Statement Mertarvik Infrastructure Development
Nelson Island, Alaska
Project: Newtok Airport Relocation
Project No.: CFAPT00310
U.S. Department of Transportation - Federal Aviation Administration (FAA) – Alaskan Region
Alaska Department of Transportation & Public Facilities (DOT&PF) – Central Region Aviation Section

continued on page 15

Discover it! In the Delta Discovery classifieds
Free Listing Online with each printed classified ad!
25 cents a word • Deadline: Friday, 5 p.m.
Office: In the Subway Building - 401 Ridgecrest Drive
P. O. Box 1028, Bethel, AK 99559
Phone: (907) 543-4113 • Fax: (907) 543-4116

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Hitzer Amish built woodstoves. UHMW Plastic sled runners. 543-2379. (11)(3/1-cnx)

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Letters from page 6

for responding: online, mail, in person and telephone. Participation in the census is required, by law, for all people living in the United States. For those who do not respond, the Census Bureau will follow up in person to collect information.

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•Installation of 50,000 gallon tank with pre-insulated panels;
•Installation of an electric primary pump and a diesel-powered back-up pump;
•Replacement of jockey pump, controllers, power supply, and associated piping.
•Additive Alternate includes 60 linear feet (LF) of fire access road and approximately 50 LF of 24-inch culvert pipe.
Bid documents for the project are available in electronic form only. They may be viewed online and downloaded without charge from www.theplansroom.com.
For technical assistance call 1-907-563-2029.
Bidder's questions must be emailed to Will Kemp of CRW Engineering Group at wkemp@crweng.com. (177)(6/5-19)

Public Notice

VFW MEMBERSHIP Freedom isn't free, and millions of Americans have paid the price for the freedom we enjoy today. Since 1899, the Veterans of Foreign Wars has served those who served America. From writing veterans legislation and then leading the fight to get it through Congress, to community projects that benefit all Americans, the VFW is an opportunity for veterans to continue to serve. Contact the VFW Robert V. Lindsey Post #10041 at 543-2241 and ask what you can do for your community. (83)(3/26-cnx)

Swan Lake Native Corporation:
Has begun Its reconveyance program under Section 14 (c) of the Alaska NATIVE CLAIMS SETTLEMENT ACT.
The reconveyance will be for land around **Nunam Iqua:** which was occupied by individuals, or organizations on December 18, 1971 as either (1) a primary place of residence (2) primary place of business, (3) subsistence campsite, (4) site of a non-profit organization.
Application forms and further information are available from:
Swan Lake Corporation PO Box #31 Nunam Iqua Alaska 99666 Telephone (907) 498-4800. Applications will be accepted until June 28th, 2019. (91)(4/10-6/26)

There are also opportunities to participate by applying for positions that the 2020 Census has to offer; visit 2020census.gov/jobs.
This is an update from the Doyon Limited Corporation.

Discover it! In the Delta Discovery classifieds
Free Listing Online with each printed classified ad!
25 cents a word • Deadline: Friday, 5 p.m.
Office: In the Subway Building - 401 Ridgecrest Drive
P. O. Box 1028, Bethel, AK 99559
Phone: (907) 543-4113 • Fax: (907) 543-4116

CLASSIFIEDS

For Sale

For Sale:
Hitzer Amish built woodstoves. UHMW Plastic sled runners. 543-2379. (11)(3/1-cnx)

FOR SALE
300 Gallon Plastic Water Tanks in stock. Call Shorty at Shorty's Shop for pricing. 543-3158 or 545-3157 (19)(9/18-cnx)

For Sale: Plastic Water Tanks
Only 31" wide, 70" high, 74" long. 500 Gallons, easily connect two for 1000 gallons! Fits through most doors for easy installation. Contact Shorty for pricing and information (907) 545-3157. (35)(6/21-cnx)

Equipment for Sale
1984 KALMAR LMV28-1200 HD Mast Forklift;
1990 Ford Aeromax LT 9000 Tractor (blue), SWB Tandem, CAT DSL, 10 Spd STD, dual tanks, good rubber;
Steel Flat Deck Barge "OBI";
Steel River Tug/Pushboat "M/V AKI". All located in Bethel. For more information call Dave at 907-545-1959 or 907-892-8496. (50)(8/9-cnx)

For Sale
F-90B Yamaha Four (stroke) EM Jet Unit.
Very low hours, never use on the Kuskokwim, one owner, in excellent condition Priced \$6000. Call 907-545-4580.
A upright 15cu freezer (\$75) (31)(4/10-5/1; 5/22-6/26)

For sale. NIB two 1.5K roof mount, 5 blade wind turbines with charge controllers. \$2500 each or both for \$4500. Call Kirk at 543-1690 (24)(6/12-26)

FOR SALE: NIB two, 4 foot cedar porch swings. \$75 each call Barb at 545-2392. (15)(6/12-26)

Alaskan Grown Products LLC

is applying under 3 AAC 306.300 for a new Retail Marijuana Store license, license #20440, doing business as ALASKAN GROWN CANNABIS, located at 1510 Chief Eddie Hoffman Hwy, Bethel, AK, 99559, UNITED STATES.

Interested persons may object to the application by submitting a written statement of reasons for the objection to their local government, the applicant, and the Alcohol & Marijuana Control Office (AMCO) not later than 30 days after the director has determined the application to be complete and has given written notice to the local government. Once an application is determined to be complete, the objection deadline and a copy of the application will be posted on AMCO's website at <https://www.commerce.alaska.gov/web/amco>.

Objections should be sent to AMCO at marijuana.licensing@alaska.gov or to 550 W 7th Ave, Suite 1600, Anchorage, AK 99501.

For Rent

OUTSIDE STORAGE SPACE FOR RENT. EQUIPMENT, BOATS OR VEHICLES. NEAR BOAT HARBOR. FENCED IN AREA. 543-2402. (16)(3/17-cnx)

Employment

Job Opportunities
Joining the BFC Team
BFC prides itself in the care and treatment of those in the Yukon-Kuskokwim Delta. In that endeavor, we look for people that share the mission and vision of the organization. BFC serves local and regional patients throughout the region when flown in for services.
BFC is a Federal Qualified Health Center (FQHC) and a Patient Centered Medical Home (PCMH) located in a Medically Underserved Area. The Clinic provides medical, behavioral health and dental services to all ages.
Loan repayment assistance through National Health Service Corp (NHSC) is possibly available to the candidate. Benefits include medical, dental, and vision insurances; EAP; generous PTO, CME, 401K enrollment on the first day of employment, and an annual retention bonus.
BFC offers benefits for regular employees to include: All regular employees:
•Annual Retention Bonuses for all regular employees
•Employee health, dental and vision insurance
•401(k) enrollment upon the date of hire
•Seven (7) regular and four (4) floating Holidays per year
•Paid Time Off starting at fifteen (15) calendar days or three (3) weeks per year
•Bi-weekly Pay Periods twenty-six (26) total per year
BFC is an Equal Employment Opportunity/ Affirmative Action Employer. All qualified applicants shall receive consideration for employment as protected by State and Federal laws without regard to race, sex,

color, religion, orientation, national origin, disability, and veteran status. Contact the Human Resources Generalist directly to apply at 907-543-9854.

Nurse Practitioner/Physician Assistant (1 Opening Available Fulltime - Regular)
BFC has an opening for an ANP or PA which will start in the summer of 2019. We are actively recruiting for this position now. Licensure in Alaska and DEA, current BLS is required. ACLS and PALS are highly preferred or obtained after employment. The candidate must be vetted through the credentialing and privileging process. The successful candidate shall have graduated from a nationally accredited university in the specialty. Experience in a family (general) medicine setting is strongly preferred.

1 Opening for any of the following positions: RN/LPN/MA (Fulltime-Regular) RN

Must have graduated from an accredited university in Nursing. Must be licensed in the State of Alaska. Experience a strongly preferred. Must have a working knowledge of E.H.R. Accountable for nursing practice through planned and continuous professional growth and development. Uses knowledge and judgment needed to meet the nursing needs of the patient. Serves in a leadership role through clinical practice, supervision, teaching and research.

LPN
Must have graduated from an accredited university in Nursing. Must be licensed in the State of Alaska. Experience is strongly preferred. Must have a working knowledge of E.H.R. Utilize nursing knowledge and skills in the safe implementation of basic preventative therapeutic and rehabilitative nursing care of assigned patient/family as evidenced by documentation and observation of positive patient care outcomes. Work collaboratively with other members of the health care team in coordination of the patient's care as evidenced by other department feedback.

Medical Assistant
Must have graduated from an accredited vocational school for Medical Assisting. Must be licensed in the State of Alaska. Experience is preferred. Record patient history and personal information. Measure vital signs, such as blood pressure. Help with patient examinations, prepare blood samples for laboratory tests, Enter patient

information into medical records
BFC is an Equal Employment Opportunity/ Affirmative Action Employer. All qualified applicants shall receive consideration for employment as protected by State and Federal laws without regard to race, sex, color, religion, orientation, national origin, disability, and veteran status.
P.O. Box 1908 • 907-543-3773 • Bethel, AK 99559 (576)(6/12-7/3)

Real Estate

For Sale 23,500 square foot lot/downtown location on Chief Eddie Hoffman Highway (or State Highway) across from Fire Station. Serious offers only. 907-543-3552. (23)(7/28-cnx)

Public Notice

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Application forms and further information are available from:
Swan Lake Corporation PO Box #31 Nunam Iqua Alaska 99666
Telephone (907) 498-4800.
Applications will be accepted until August 27th, 2019. (91)(4/10-8/21)

Language from page 5

“The content creation teams have been an inspiration,” said Doris Miller, Doyon Foundation’s executive director. “Witnessing them coming together to speak their language, share their stories and develop lessons that would allow them to pass their language on to future generations was an incredible experience. Doyon Foundation is so pleased to have played a role in facilitating this language revitalization.”

The Doyon Languages Online launch coincides with the International Year of Indigenous Languages, which Doyon Foundation is a partner organization of. In 2016, the United Nations General Assembly adopted a resolution proclaiming 2019 as the International Year of Indigenous Languages. At the time, it was estimated that 40 percent of the 6,700 languages spoken around the world were in danger of disappearing.

“After years of dedicated efforts, we are so pleased to share this language revitalization work with all interested learn-

ers,” Miller said. “It is even more special to launch Doyon Languages Online in conjunction with the International Year of Indigenous Languages.”

Doyon Languages Online is a partnership between Doyon Foundation and 7000 Languages, a nonprofit that supports endangered language learning through software donated by Transparent Language. It is funded by a three-year grant from the Administration for Native Americans (ANA), awarded in 2016, and an additional three-year grant from the Alaska Native Education Program (ANEP), awarded in 2017. Doyon Foundation is the private foundation of Alaska Native regional corporation, Doyon, Limited.

For more information on the Doyon Languages Online project and upcoming course releases, please visit www.doyon-foundation.com or contact 907.459.2048 or foundation@doyon.com. For assistance signing up for or using Doyon Languages Online, view the instructional video series on YouTube.

Discover it! In the Delta Discovery classifieds
Free Listing Online with each printed classified ad!
25 cents a word • Deadline: Friday, 5 p.m.
Office: In the Subway Building - 401 Ridgecrest Drive
P. O. Box 1028, Bethel, AK 99559
Phone: (907) 543-4113 • Fax: (907) 543-4116



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Public Safety

DIVISION OF FIRE AND LIFE SAFETY
Life Safety Inspections Bureau - Anchorage

5700 East Tudor Road
Anchorage, Alaska 99507-1225
Main: 907.269.5637
Fax: 907.269.5018

May 23, 2018

Scott Campbell
Swansons Apartments
3351 Arctic Blvd
Anchorage, AK 99503

SUBJECT: Swanson 7-Plex
CITY: Bethel
CASE: I6272
INSPECTOR: Brandon Lewis
INSPECTION: 1395
DATE: May 11, 2018

2012 INTERNATIONAL BUILDING AND FIRE CODE

NOTIFICATION OF FIRE HAZARD AND ORDER TO CORRECT

Dear Scott Campbell:

A Fire and Life Safety Inspection was conducted in the seven-plex apartments located at 240 Tundra Way in Bethel, AK following complaints of apparent fire and life safety hazards on May 11, 2018.

Effective immediately, a fire watch shall be implemented at all times while the building is occupied.

Effective May 24, 2018, all occupants of the property shall be vacated from the property within 10 days. No person(s) shall occupy the building on or after June 4, 2018 until all violations have been corrected and a certificate of occupancy has been issued by the Alaska State Fire Marshal's Office.

Correction of the violations listed on the following page(s) must begin immediately. Your written certification of compliance must be forwarded to this office by June 25, 2018.

Enclosed for your information is a copy of Alaska Statute 18.70.100 and Title 13, Alaska Administrative Code, Chapter 50, Section 070.

If you have any questions regarding this matter, please contact our office at the address above.

Sincerely,

A handwritten signature in black ink, appearing to read "Brandon Lewis".

Brandon Lewis
Deputy Fire Marshal

The following items are violations of State Fire and Life Safety Regulations and must be corrected in the time and manner specified below:

1. Throughout the building, there are multiple locations where the fire-rated construction is compromised either by damage or un-repaired renovations. All damage to the fire-rated construction must be repaired. CODE The required fire-resistance rating of fire-resistance-rated construction (including walls, firestops, shaft enclosures, partitions, smoke barriers, floors, fire-resistive coatings and sprayed fire-resistant materials applied to structural members and fire-resistant joint systems) shall be maintained. Such elements shall be visually inspected by the owner annually and properly repaired, restored or replaced when damaged, altered, breached or penetrated. Where concealed, such elements shall not be required to be visually inspected by the owner unless the concealed space is accessible by the removal or movement of a panel, access door, ceiling tile or similar movable entry to the space. Openings made therein for the passage of pipes, electrical conduit, wires, ducts, air transfer openings and holes made for any reason shall be protected with approved methods capable of resisting the passage of smoke and fire. Openings through fire-resistance-rated assemblies shall be protected by self- or automatic-closing doors of approved construction meeting the fire protection requirements for the assembly. IFC. 703.1.
2. The fire extinguishers within the building were last serviced and tagged in 2014. All fire extinguishers must be service and tagged annually. Provide the service and tag. CODE Portable fire extinguishers shall be selected, installed and maintained in accordance with this section and NFPA 10. Exceptions: 1. The travel distance to reach an extinguisher shall not apply to the spectator seating portions of Group A-5 occupancies. 2. Thirty-day inspections shall not be required and maintenance shall be allowed to be once every three years for dry-chemical or halogenated agent portable fire extinguishers that are supervised by a listed and approved electronic monitoring device, provided that all of the following conditions are met: 2.1. Electronic monitoring shall confirm that extinguishers are properly positioned, properly charged and unobstructed. 2.2. Loss of power or circuit continuity to the electronic monitoring device shall initiate a trouble signal. 2.3. The extinguishers shall be installed inside of a building or cabinet in a noncorrosive environment. 2.4. Electronic monitoring devices and supervisory circuits shall be tested every three years when extinguisher maintenance is performed. 2.5. A written log of required hydrostatic test dates for extinguishers shall be maintained by the owner to verify that hydrostatic tests are conducted at the frequency required by NFPA 10. IFC. 906.2.

3. No exit signs were located throughout the building. UL924 listed exit signs shall be installed as required throughout the building. CODE Exits and exit access doors shall be marked by an approved exit sign readily visible from any direction of egress travel. The path of egress travel to exits and within exits shall be marked by readily visible exit signs to clearly indicate the direction of egress travel in cases where the exit or the path of egress travel is not immediately visible to the occupants. Intervening means of egress doors within exits shall be marked by exit signs. Exit sign placement shall be such that no point in an exit access corridor or exit passageway is more than 100 feet (30 480 mm) or the listed viewing distance for the sign, whichever is less, from the nearest visible exit sign. Exceptions: 1. Exit signs are not required in rooms or areas that require only one exit or exit access. 2. Main exterior exit doors or gates that are obviously and clearly identifiable as exits need not have exit signs where approved by the fire code official. 3. Exit signs are not required in occupancies in Group U and individual sleeping units or dwelling units in Group R-1, R-2 or R-3. 4. Exit signs are not required in dayrooms, sleeping rooms or dormitories in occupancies in Group I-3. 5. In occupancies in Groups A-4 and A-5, exit signs are not required on the seating side of vomitories or openings into seating areas where exit signs are provided in the concourse that are readily apparent from the vomitories. Egress lighting is provided to identify each vomitory or opening within the seating area in an emergency. IFC. 1011.1.
4. The fire alarm system in the building was not operational, last inspected and tagged in 2014. A stand alone smoke alarm system was added in addition to the out of service system. The fire alarm system shall be repaired to operational, with a fire watch implemented along with a pre-planned impairment program. CODE Fire detection, alarm, and extinguishing systems, mechanical smoke exhaust systems, and smoke and heat vents shall be maintained in an operative condition at all times, and shall be replaced or repaired where defective. Non-required fire protection systems and equipment shall be inspected, tested and maintained or removed. IFC. 901.6.
5. The fire alarm system in the building was not operational, last inspected and tagged in 2014. A stand alone smoke alarm system was added in addition to the out of service system. The fire alarm system shall be repaired to operational, with a fire watch implemented along with a pre-planned impairment program. CODE Where a required fire protection system is out of service, the fire department and the fire code official shall be notified immediately and, where required by the fire code official, the building shall either be evacuated or an approved fire watch shall be provided for all occupants left unprotected by the shutdown until the fire protection system has been returned to service. Where utilized, fire watches shall be provided with at least one approved means for notification of the fire department and their only duty shall be to perform constant patrols of the protected premises and keep watch for fires. IFC. 901.7.
6. The fire alarm system in the building was not operational, last inspected and tagged in 2014. A stand alone smoke alarm system was added in addition to the out of service system. The fire alarm system shall be repaired to operational, with a fire watch implemented along with a pre-planned impairment program. CODE Preplanned impairments shall be authorized by the impairment coordinator. Before authorization is given, a designated individual shall be responsible for verifying that all of the following procedures have been implemented: 1. The extent and expected duration of the impairment have been determined. 2. The areas or buildings involved have been inspected and the increased risks determined. 3. Recommendations have been submitted to management or building owner/manager. 4. The fire department has been notified. 5. The insurance carrier, the alarm company, building owner/manager, and other authorities having jurisdiction have been notified. 6. The supervisors in the areas to be affected have been notified. 7. A tag impairment system has been implemented. 8. Necessary tools and materials have been assembled on the impairment site. IFC. 901.7.4.

7. The emergency lighting throughout the building is inadequate to provide lighting during emergencies. Only one light was identified to be operational. Emergency lights shall be installed as needed. CODE The power supply for means of egress illumination shall normally be provided by the premises' electrical supply. In the event of power supply failure, an emergency electrical system shall automatically illuminate all of the following areas: 1. Aisles and unenclosed egress stairways in rooms and spaces that require two or more means of egress. 2. Corridors, interior exit stairways and ramps and exit passageways in buildings required to have two or more exits. 3. Exterior egress components at other than their levels of exit discharge until exit discharge is accomplished for buildings required to have two or more exits. 4. Interior exit discharge elements, as permitted in Section 1027.1, in buildings required to have two or more exits. 5. Exterior landings as required by Section 1008.1.6 for exit discharge doorways in buildings required to have two or more exits. The emergency power system shall provide power for a duration of not less than 90 minutes and shall consist of storage batteries, unit equipment or an on-site generator. The installation of the emergency power system shall be in accordance with Section 604. IFC. 1006.3.
8. Throughout the building, there are multiple open junction boxes and exposed wiring splices. All wiring shall be in an approved junction box with the appropriate cover plate. CODE Open junction boxes and open-wiring splices shall be prohibited. Approved covers shall be provided for all switch and electrical outlet boxes. IFC. 605.6.
9. The handrails in the stairwells are loose and damaged. The handrails shall be repaired. CODE Handrails for stairways and ramps shall be adequate in strength and attachment in accordance with Section 1607.8 of the International Building Code. Handrails required for stairways by Section 1009.15 shall comply with Sections 1012.2 through 1012.9. Handrails required for ramps b Section 1010.9 shall comply with Section 1012.2 through 1012.8. IFC. 1012.1.
10. Apartment #2, on the second floor, and Apartments #4-7, on the third floor, do not have the proper amount of exits based on multiple factors. Apartment #2 has a common path of egress travel that exceeds the travel distance allowed by Table 1014.3. Apartments #4-7 exceed the maximum occupant load of the third floor for a single egress pathway and also exceeds the allowable distance for the common path of egress travel. All apartments shall be provided with a secondary means of egress. CODE Two exits or exit access doorways from any space shall be provided where one of the following exists: (1.) The occupant load of the space exceeds one of the values in Table 1015.1. Exceptions: 1. In Group R-2 and R-3 occupancies, one means of egress is permitted within and from individual dwelling units with a maximum occupant load of 20 where the dwelling unit is equipped throughout with an automatic sprinkler system in accordance with Section 903.3.1.1 or 903.3.1.2. 2. Care suites in Group I-2 occupancies complying with Section 407.4.3 of the International Building Code. (2.) The common path of egress travel exceeds one of the limitations of Section 1014.3. (3.) Where required by Section 1015.3, 1015.4, 1015.5 or 1015.6. Where a building contains mixed occupancies, each individual occupancy shall comply with the applicable requirements for that occupancy. Where applicable, cumulative occupant loads from adjacent occupancies shall be considered in accordance with the provisions of Section 1004.1. IFC. 1015.1.

11. Apartment #2, on the second floor, and Apartments #4-7, on the third floor, do not have any secondary means of egress from within the dwelling units. Apartment #4 on the third floor has an exterior ladder that is not accessible from the apartment as the window does not allow access. All apartments shall be provided with the appropriate secondary means of egress. CODE (AS AMENDED) In addition to the means of egress required by this chapter provisions shall be made for emergency escape and rescue openings in Group R and I-1 occupancies. Basements and sleeping rooms below the fourth story above grade plane shall have at least one exterior emergency escape and rescue opening in accordance with this section. Where basements contain one or more sleeping rooms, emergency escape and rescue openings shall be required in each sleeping room, but shall not be required in adjoining areas of the basement. Such openings shall open directly into a public way or to a yard or court that opens to a public way. Exception: Emergency escape and rescue openings are not required from basements or sleeping rooms that have an exit door or exit access door that opens directly into a public way or to a yard, court or exterior exit balcony that opens to a public way. IFC. 1029.1.
12. Apartment #2, on the second floor, and Apartments #4-7, on the third floor, lack of secondary means of egress. Should a fire event occur in the entry stairwell between the main entry and the second floor landing, no occupants of the above listed apartments would be able to perform self-rescue and would have to rely on rescue operations. Only Apartments #1 and #3 on the second floor have access to exterior stairwells from their respective dwellings. Observed during the site visit it was noted that graffiti writing was being performed on the ceiling of the entry stairwell with an open flame heat source, increasing the risk of a fire. Based on the potential risk to the occupants of Apartment #2 and Apartments #4-7, no persons shall occupy those dwellings until they can be provided an approved secondary means of egress. CODE 13 AAC 50.070. Inspections, orders, and appeals
 - (a) If an officer of the state fire marshal's office finds a building or premises in which the following dangerous conditions or materials exist, the officer shall order the conditions or materials to be remedied or removed as directed by the state fire marshal:
 - (1) dangerous amounts of combustible, explosive, or otherwise hazardous materials;
 - (2) hazardous conditions arising from defective or improperly installed equipment for handling or using combustible, flammable, explosive, or otherwise hazardous materials;
 - (3) dangerous accumulations of decorations, rubbish, wastepaper, boxes, shavings, or combustible or flammable liquids or materials;
 - (4) accumulations of dust or waste materials in air conditioning or ventilating systems or of grease in kitchen or other exhaust ducts;
 - (5) obstructions to or on fire escapes, stairs, passageways, doors, or windows, which will interfere with operations of the fire department or egress of occupants in case of fire or explosion;
 - (6) ineffective fire assembly, exit door, attic separation, area separation, fire separation, or occupancy separation;
 - (7) a chimney, smokestack, stove, oven, incinerator, furnace or other heating device, or electric fixture found to be defective or unsafe so as to create a fire danger;
 - (8) a building or structure which because of a lack of repairs, adequate exit facilities, automatic or other fire-alarm apparatus or fire-extinguishing equipment, or any other cause including age, is hazardous; or
 - (9) any other condition that violates this chapter, and which the state fire marshal finds is hazardous.
 - (b) If an order is issued to eliminate a dangerous or hazardous condition described in (a) of this section and the condition is not corrected within the time specified in the order, the state fire marshal will, in the marshal's discretion, post at the entrance to the building or premises a notice to read "DO NOT ENTER, UNSAFE TO OCCUPY. DEPARTMENT OF PUBLIC SAFETY, DIVISION OF FIRE PREVENTION." The notice must remain posted until the required repair, demolition or removal is completed, and may not be removed without written permission of the state fire marshal. No person may enter a posted building unless

the person does so to make required repairs or to demolish or remove the hazardous condition.

(c) The service of an order for the correction of a violation of (a) of this section must be made upon the owner, occupant, or other persons responsible for the condition by

(1) delivering a copy to the person responsible for the condition or to the person in charge of the premises;

(2) affixing a copy in a conspicuous place on the door to the entrance of the premises; or

(3) mailing a copy of the report to the responsible person by certified mail at his or her last known address.

(d) If a building or other premises is owned by one person and occupied by another under lease or similar agreement, orders issued under (a) of this section apply to the occupant unless the rule or order requires additions to or changes in the premises which would become the real property of the owner of the premises. In which case, the rule or order must be sent to the owner.

(e) If an order is made by the state fire marshal or the marshal's authorized representative, the owner or occupant may, within seven days after receiving the order, file a written appeal to the state fire marshal who will, within 10 days after receiving the appeal, review the order, and issue a written decision. The appeal must be postmarked within seven days following the date of receipt of the order. The order must be complied with within the time specified in the order unless the state fire marshal revokes the order. The state fire marshal's decision on an appeal under this subsection is a final order of the Department of Public Safety for purposes of AS 18.70.100 .

(f) No person may make a false statement with the intent to mislead the state fire marshal in connection with the marshal's official duties, including in response to orders of the Department of Public Safety to alter, repair, change, or correct a violation or deficiency.
State Regs. 13AAC50.070

13. Located at the front entryway, there is a small can affixed to a wooden post full of discarded smoking materials. The smoking materials and the can shall not be discarded adjacent to combustible materials. CODE Lighted matches, cigarettes, cigars or other burning object shall not be discarded in such a manner that could cause ignition of other combustible material. IFC. 310.7

14. Prior to any person(s) occupying the premises, a plan review shall be submitted to the Plan Review Bureau at the Alaska State Fire Marshal's Office. CODE

(a) Before beginning the construction, alteration, repair, or changing the occupancy of a building, a substantial land structure, or structure regulated by the state division of fire and life safety, plans and specifications regarding that building's or structure's location on the property, area, height, number of stories, occupancy, type of construction, fire-resistive construction, interior finish, exit facilities, electrical systems, mechanical systems, fuel storage tanks and their appurtenances, automatic fire-extinguishing systems, and fire alarm systems must be submitted by the owner or the owner's representative to the state division of fire and life safety for examination and approval. This review does not address structural considerations, mechanical or electrical review beyond that necessary to confirm compliance with fire or life safety requirements, or the requirements of 42 U.S.C. 12101 - 12213 (Americans With Disabilities Act of 2010). A copy of the approval must be posted as required in 13 AAC55.100.

Plan Review Reg. 13AAC50.027(a)

15. Prior to any person(s) occupying the premises, a plan review shall be submitted to the Plan Review Bureau at the Alaska State Fire Marshal's Office. CODE

(b) It is prohibited to occupy a building for which plans have not been examined and approved if the construction, alteration, repair, or change in occupancy began on or after 10/28/90. The state fire marshal will, in the marshal's discretion, post a building constructed without a plan review, as set out in 13 AAC 50.070(b).

Plan Review Reg. 13AAC50.027(b)

APPEAL RIGHTS
Title 13 Alaska Administrative Code
Chapter 50, Section 070 (e)

(e) If an order is made by the state fire marshal or his or her authorized representative, the owner within seven days after receiving the order , file a written appeal to the state fire marshal who will, within 10 days after he or she receives the appeal, review the order and file his or her written decision. The order must be complied with within the time specified in the order unless the state fire marshal revokes the order. The state fire marshal's decision on an appeal under this subsection is a final order of the Department of Public Safety for purposes of AS 18.70. 100. (In effect before 7/28/59; am 6/25/69, Reg. 30: am 2/21/71, Reg. 37; am 1/14/81, Reg. 77)

Alaska Statute Section 18.70.100

Sec. 18.70.100. VIOLATION. (a) A person who violates any provision of AS 18.70.010 -- 18.70.100, 18.70.300 -- 18.70.310, or a regulation adopted under those sections, or who fails to comply with an order issued under AS 18.70.010 -- 18.70.100 or 18.70.300 -- 18.70.310 is guilty of a class B misdemeanor. When not otherwise specified, each 10 days that the violation or noncompliance continues is a separate offense.

(b) A person aggrieved by a final order may appeal to the superior court within 30 days after the issuance of the final order. Filing of the appeal does not excuse noncompliance with the order. The court may stay the operation of the order on those terms relating to bonding or other matters that the court finds proper. A stay may not be granted or continued if the court finds that it is against the public interest. (Subsection 10 ch 66 SLA 1955; added by Subsection 1 ch 113 SLA 1957; am Subsection 2 ch 120 SLA 1990)



Introduced by: Acting City Manager
Howell
Date: August 13, 2019
Action:
Vote:

RESOLUTION NO. 19-10

A RESOLUTION OF THE CITY OF BETHEL, ALASKA, AUTHORIZING THE ISSUANCE OF A UTILITY REVENUE BOND OF THE CITY IN A PRINCIPAL AMOUNT NOT TO EXCEED \$8,250,000 TO FINANCE THE AVENUES WATER AND WASTEWATER UTILITY PROJECT; CREATING A LIEN ON NET REVENUES OF THE CITY'S WATER AND WASTEWATER UTILITY SYSTEM FOR THE PAYMENT OF THE BOND; PROVIDING FOR THE DATE, TERMS AND COVENANTS OF THE BOND; AND AUTHORIZING THE SALE OF THE BOND TO FIRST NATIONAL BANK ALASKA, PURSUANT TO THE TERMS AND CONDITIONS PROVIDED IN THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the City of Bethel, Alaska (the "City"), a second class city organized under the Constitution and laws of the State, owns and operates a water and wastewater utility as a revenue producing enterprise (the "Municipal Utility"); and

WHEREAS, monthly facility charges assessed for Municipal Utility services is segregated from all other funds of the City and may be used to finance "The Avenues" water and wastewater project of the City subject to a majority vote of the City Council (the "Council"); and

WHEREAS, the Council wishes to authorize the issuance of a utility revenue bond (the "Bond") in a principal amount not to exceed \$8,250,000 to finance capital improvements to its Municipal Utility; and

WHEREAS, the City, under Section 29.47.420 of the Alaska Statutes, may issue revenue bonds for a public enterprise of the municipality where the only security is the revenue of the public enterprise; and

WHEREAS, Section 29.47.250 of the Alaska Statutes, provides that the issuance and sale of revenue bonds may be issued without an election; and

WHEREAS, it is necessary, and in the best interest of the City and its residents that the City provide for the issuance of the Bond to finance capital improvements to the Municipal Utility.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Bethel, Alaska, as follows:

Section 1. Definitions. As used in this resolution, the following words have the following meanings, unless a different meaning clearly appears from the context:

"Advances" means all advances of the purchase price of the Bond made by the Purchaser pursuant to Section 7 hereof.

"Authorized Denomination(s)" means \$250,000.00 or any greater amount in \$250,000.00 multiples thereof, or if the principal amount is at any time less than \$250,000.00, the principal amount of the outstanding Bond.

"Bond" means the City of Bethel, Alaska, Utility Revenue Bond, 2019, in a principal amount not to exceed \$8,250,000.

"Bondholder" means the Person who owns the Bond.

"Bond Fund" means the City of Bethel Utility Revenue Bond Fund created pursuant to Section 6 of this resolution to pay and secure the payment of the Bond.

"Bond Register" means the registration books for the Bond maintained by the Registrar, for the purpose of complying with the requirements of Section 149 of the Code and listing, inter alia, the names and addresses of the Registered Owner of the Bond.

"City" means the City of Bethel, Alaska, a second class municipal corporation duly organized and existing under the Constitution and laws of the State of Alaska.

"City Manager" means City Manager, or acting City Manager, of the City or the successor to the duties of that office.

"Code" means the Internal Revenue Code of 1986, as amended.

"Costs of Maintenance and Operation" means all necessary operating expenses, current maintenance expenses, expenses of reasonable upkeep and repairs, and insurance and reasonable administrative expense with respect to the Municipal Utility, but excludes depreciation, payments for debt service or into reserve accounts, costs of capital additions to or replacements of the Municipal Utility, municipal taxes, or payments to the City in lieu of taxes.

"Council" means the City Council of the City, the general legislative authority of the City, as duly constituted from time to time, or any successor body.

"Debt Service" means for any particular year and for the Bond, an amount equal to the sum of (i) all interest payable during such year on such bonds outstanding plus (ii) the Principal Installment or Principal Installments during such year on such bonds outstanding, calculated on the assumption that bonds outstanding on the day of calculation cease to be outstanding by reason of, but only by reason of, payment upon maturity, or earlier mandatory redemption, or payments into the Bond Fund, required by the ordinance or resolution authorizing issuance of such bonds.

"Debt Service Account" means the account of that name created within the Bond Fund pursuant to Section 6 of this resolution.

"Finance Director" means the Finance Director, or acting Finance Director, of the City or the successor to the duties of that office.

"Fiscal Year" means the Fiscal Year used by the City at any time. At the time of the passage of this resolution, the Fiscal Year is the twelve-month period beginning on July 1 and ending on June 30 of each year.

"Future Parity Bonds" means any revenue bonds of the City, other than the Parity Bonds, the principal of and interest on which are payable out of money in the Utility Revenue Fund on a parity with the payments required to be made from that Fund for the principal of and interest on the Bond.

"Government Obligations" means any bonds or other obligations that, as to principal and interest, constitute direct obligations of, or are unconditionally guaranteed by, the United States of America.

"Municipal Utility" means the existing water and wastewater system of the City, as the same may be added to, improved and extended for as long as the Bond is outstanding.

"Municipal Utility Revenue Fund" means the fund of the City created by Section 5 of this resolution, into which fund all Revenues of the Municipal Utility must be paid.

"Net Revenues" means all Revenues less the Costs of Maintenance and Operations.

"Parity Bonds" means the City's Utility Revenue Refunding Bond, 2018, the Bond and any Future Parity Bonds.

"Person" means an individual, corporation, firm, association, partnership, limited liability company, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

"Principal Installment" means, as of any date of calculation and with respect to any series of Parity Bonds, the principal amount of such bonds due on a certain future date.

"Project" means the design, construction and equipping of certain delivery systems of the City's Municipal Utility and related costs.

"Project Fund" means the "Project Fund, 2019" created pursuant to Section 7 of this resolution.

"Purchaser" means First National Bank Alaska.

"Registrar" means the Finance Director or acting Finance Director, or her/his designee, for the purposes of registering and authenticating the Bond, maintaining the Bond Register, and paying principal of and interest on the Bond.

"Registered Owner" means the person in whose name the Bond is registered on the Bond Register, initially First National Bank Alaska.

"Revenues" means all gross earnings, revenue and money received from or on account of the operation of the Municipal Utility, including income from the investment of any funds of the Municipal Utility (but excluding income from investments irrevocably pledged to the payment of revenue bonds pursuant to a plan of defeasance or refunding).

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words imparting the singular number shall include the plural numbers and vice versa unless the context shall otherwise indicate. Reference to sections and other subdivisions of this resolution are to the sections and other subdivisions of this resolution as originally adopted unless expressly stated to the contrary. The headings or titles of the sections hereof, and the table of contents appended hereto, are for convenience of reference only and shall not define or limit the provisions hereof.

Section 2. Authorization of the Bond. The City shall now issue and sell the Bond in an amount not to exceed \$8,250,000 principal amount, to finance costs of the Project, including costs of issuance of the Bond. The Bond shall be issued and sold to the Purchaser as a single bond, designated as the "City of Bethel, Alaska, Utility Revenue Bond, 2019." The Bond shall be issued as a "drawdown bond" to be funded over time as necessary to pay costs of the Project. The Bond will be dated as of the date of delivery of the Bond to the Purchaser, will mature on a date no later than forty-eight months from the date of delivery of the Bond, will be fully registered as to both principal and interest, will be identified in such manner as the Registrar shall determine, will bear interest at the rate or rates and be payable on the dates as established in accordance with Sections 14 and 18 hereof. The principal amount due under the terms of the Bond shall be paid on

maturity. Interest on the Bond will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Principal of, and interest on, the Bond, and all other amounts which may be payable in connection with the Bond, are payable solely from the Revenues of the Municipal Utility and neither the full faith and credit or taxing power of the City are pledged for their payment.

Section 3. Registration, Payment and Transfer. The Finance Director, or her/his designee, shall act as authenticating agent, transfer agent, paying agent and registrar for the Bond (collectively, the "Registrar"). Both principal of and interest on the Bond shall be payable in lawful money of the United States of America. Interest on the Bond shall be paid by check or draft of the Registrar mailed (on the date such interest is due) to the Registered Owner or nominee at the addresses appearing on the Bond Register on the fifteenth day of the month preceding each interest payment date. Principal of the Bond shall be payable upon presentation and surrender of the Bond to the Registrar by the Registered Owner or nominee at the office of the Registrar in Bethel, Alaska.

The Bond may be transferred only on the Bond Register maintained by the Registrar for that purpose upon the surrender thereof by the Registered Owner or nominee or its duly authorized agent and only if endorsed in the manner provided thereon, and thereupon a new fully registered Bond of Authorized Denomination, of equal principal amount, maturity and interest rate shall be issued to the transferee in exchange therefor. Upon surrender thereof to the Registrar, the Bond is interchangeable for a bond or bonds of Authorized Denominations, of an equal aggregate principal amount and of the same interest rates and principal payment amounts as the Bond. Such transfer or exchange shall be without cost to the Registered Owner or transferee.

Notwithstanding the foregoing, the Bond may only be transferred in Authorized Denominations and must be in compliance with the securities laws of the United States of America and only to (i) an affiliate of the Purchaser, (ii) a trust or other custodial arrangement established by the Purchaser, the owners of the beneficial interests in which are limited to "qualified institutional buyers" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended, or (iii) a person that is a qualified institutional buyer and a commercial bank having capital and surplus, determined as of the date of any transfer, of \$5,000,000,000 or more that has executed and delivered to the Purchaser and City an investor letter in the form of Exhibit A hereto. The persons and entities identified in clauses (i) and (ii) of the foregoing sentence shall be referred to as the "Eligible Transferee(s)." Notwithstanding the foregoing, if the principal amount of the outstanding Bond is less than \$250,000.00, the Bond may not be transferred to any Eligible Transferee without the prior written consent of City.

The City may deem the person in whose name the Bond is registered to be the absolute owner thereof for the purpose of receiving payment of the principal of and interest on the Bond and for any and all other purposes whatsoever.

Section 4. Redemption Provisions.

(a) Optional Redemption. The Bond shall be subject to optional redemption by the City, in whole or in part, at any time, without penalty. If the Bond is redeemed in part, the portion of the Bond to be redeemed shall be in an Authorized Denomination or any multiple thereof.

(b) Notice of Redemption. Notice of redemption shall be given by the City not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption by first class mail, postage prepaid, to the Registered Owner of the Bond at the address appearing on the Bond Register. The requirements of this section shall be deemed complied with when notice is mailed as herein provided, regardless of whether it is actually received by the owner of the Bond. Each official notice of redemption shall be dated and shall state: (i) the redemption date, (ii) the redemption price payable upon such optional redemption; (iii) if less than all of the principal amount outstanding is to be redeemed, the principal amount to be redeemed; (iv) that the interest on the Bond, or on the principal amount thereof to be redeemed, designated for redemption in such notice, shall cease to accrue from and after such redemption date; and (v) that on such date there will become due and payable on the Bond the principal amount thereof to be redeemed and the interest accrued on such principal amount to the redemption date. In the event of a partial redemption of the Bond, the Bondholder shall reflect the principal amount of the Bond being redeemed in the Table of Partial Redemptions attached to the Bond without further action.

Section 5. Municipal Utility Revenue Fund. There is hereby created and established a special fund of the City known as the "Municipal Utility Revenue Fund," which fund is hereby authorized to be continued so long as the Bond remains outstanding, into which fund is deposited as collected all Revenues of the Municipal Utility, except the interest earned and income derived from investments of money in a bond redemption fund and the accounts therein. The Municipal Utility Revenue Fund shall be held separate and apart from all other funds and accounts of the City, and the Revenues deposited in the Municipal Utility Revenue Fund shall be used only for the following purposes and in the following order of priority; provided, however, that any payments in lieu of taxes shall be subordinate to the payments required to be made into the Bond Fund out of the Municipal Utility Revenue Fund:

First, to pay the Costs of Maintenance and Operation;

Second, to make all payments required to be made into the Debt Service Account to pay interest on any Parity Bonds;

Third, to make all payments required to be made into the Debt Service Account to pay the principal of any Parity Bonds;

Fourth, to make all payments required to be made into a reserve account, if established;

Fifth, to make all payments required to be made into any revenue bond redemption fund, revenue warrant redemption fund, debt service account, reserve account or sinking fund account created to pay and secure the payment of the principal of and interest on any revenue bonds, or revenue warrants or other revenue obligations of the City having a lien upon the Revenue junior and inferior to the lien thereon for the payment of the principal of and interest on the Parity Bonds; and

Sixth, to retire by redemption or purchase in the open market any outstanding revenue bonds or revenue warrants of the City, to make necessary additions, betterments, improvements and repairs to or extensions and replacements of the Municipal Utility, or for any other lawful City purposes.

Section 6. Bond Fund.

(a) *Bond Fund and Accounts Therein.* A special fund of the City known as the "City of Bethel Municipal Utility Revenue Bond Fund" (the "Bond Fund"), was authorized to be created in the office of the Finance Director and is hereby authorized to be continued so long as Parity Bonds and Future Parity Bonds remain outstanding. The Bond Fund shall be drawn upon for the sole purpose of paying the principal of, premium, if any, and interest on Parity Bonds as the same shall become due and payable. The Debt Service Account has been established within the Bond Fund.

(b) *Payments into Debt Service Account.* The City hereby obligates and binds itself to set aside and pay into the Debt Service Account Net Revenues, on or before the date due, the amounts necessary to pay the principal of, premium, if any, and interest on the Parity Bonds as the same become due and payable.

Whenever and so long as the assets of the Debt Service Account are sufficient to provide money to pay when due the principal of, and interest on Parity Bonds in full, no payments need be made into the Debt Service Account pursuant to this resolution during any period in which such excess continues.

Money in the Debt Service Account shall be held for the benefit of the owners of all Parity Bonds then outstanding and payable equally and ratably and without preference or distinction as between different series, installments or maturities.

(c) *Lien of Bond.* The amounts pledged by this resolution to be paid out of the Municipal Utility Revenue Fund into the Bond Fund and the Debt Service Account are hereby declared to be a prior lien and charge upon all the money in the Municipal Utility

Revenue Fund superior to all other charges of any kind or nature, except the charges required to pay the Costs of Maintenance and Operation.

(d) *Due Regard.* The City, in fixing the amounts to be paid into the Bond Fund, has exercised due regard to the Costs of Maintenance and Operation of the Municipal Utility and the amounts necessary to pay the principal of and interest on the Parity Bonds.

Section 7. Application of Bond Proceeds. The City acknowledges and agrees that proceeds of the Bond will be disbursed in installments through the making of Advances by the Purchaser in accordance with the terms hereof. The date and amount of each Advance shall be noted on the Table of Advances attached to the Bond; provided, that the failure to record any such Advance on the Table of Advances shall not affect the Principal Amount due. In no event may the total amount of all Advances exceed \$8,250,000. Notwithstanding anything else herein contained, interest payable on the Bond shall be determined based on the outstanding principal amount of the Bond. Each Advance shall be made only upon the receipt by the Purchaser of a requisition and certificate, substantially in the form of Exhibit B hereto (each, a "Requisition") signed by the Finance Director or her/his designee and approved by the Purchaser and otherwise meeting the requirements and conditions of this resolution. The City acknowledges and agrees that the Purchaser shall not be obligated to make Advances except in accordance with the terms of this resolution.

A special fund of the City known as the "Utility Revenue Fund 2019" (the "Project Fund") is hereby authorized to be created in the office of the Finance Director. Proceeds of the Bond shall be deposited into the Project Fund and used to pay costs of the Project. Any amounts remaining in the Project Fund after all costs of the Project have been paid or reimbursed shall be deposited into the Bond Fund.

Section 8. Municipality Utility Covenants. The City hereby covenants with the registered owner of the Bond as follows:

(a) *Maintain in Good Order.* That it will at all times maintain and keep the Municipal Utility and all additions and improvements thereto and extensions thereof in good repair, working order and condition, and will from time to time make or cause to be made all necessary and proper repairs, renewals and replacements thereto so that the business carried on in connection therewith may be properly conducted. In addition, that it will at all times operate the Municipal Utility and the business in connection therewith in an efficient manner and at a reasonable cost.

(b) *Sale or Disposition.* That, so long as the Bond remains outstanding, it will not sell or otherwise dispose of all of the properties of the Municipal Utility unless provision is made for payment into the Bond Fund of a sum sufficient to pay the principal and interest of the outstanding Bond in accordance with the terms thereof.

(c) *Insurance.* That the City will at all times carry fire and extended coverage, commercial general liability and property damage and such other forms of insurance with responsible insurers and with policies payable to the City on such of the buildings, equipment, works, plants, facilities and properties of the Municipal Utility as are ordinarily carried by municipal or privately owned utilities engaged in the operation of like systems, and against such claims for damages as are ordinarily carried by municipal or privately owned utilities engaged in the operation of like systems, or it will self-insure or will participate in an insurance pool or pools with reserves adequate, in the reasonable judgment of the City, to protect the Municipal Utility and the owners of the Parity Bonds against loss.

(d) *No Free Service.* That it will not furnish Municipal Utility service to any customer whatsoever free of charge.

(e) *Use of funds held in the Utility Revenue Fund.* That the City will not expend amounts held in the Utility Revenue Fund for an extensions or betterments which are not economically sound and which will not contribute to the operation of the Municipal Utility in an efficient and economical manner unless such extensions or betterments are required by law or regulatory body having valid jurisdiction.

(f) *Books and Accounts.* That the City will keep and maintain proper books and accounts with respect to the operation of the Municipal Utility and that it will cause its books and accounts to be audited annually by a certified public accounts.

(g) *Litigation.* The City shall give notice to the Bondholder of any default under the terms of this resolution and material litigation or governmental proceedings relating to the Municipal Utility within thirty (30) days following notification of the City.

Section 9. *Future Parity Bonds.* The City hereby covenants and agrees with the owner of the Bond for as long as it remains outstanding that the City will not create any special fund or funds for the payment of any other utility revenue bonds that will rank on a parity with or have any priority over the payments out of the Municipal Utility Revenue Fund into the Bond Fund; except that it hereby reserves the right, for the purpose of refunding any outstanding bonds that have a lien upon the Revenues of the Municipal Utility and/or the money in the Municipal Utility Revenue Fund, or for the purpose of acquiring, constructing and installing additions and improvements to and extensions of and making necessary replacements or other capital improvements to the Municipal Utility or any of them, to issue Future Parity Bonds and to pay into the Bond Fund amounts from the Municipal Utility Revenue Fund sufficient to pay the principal of, premium, if any, and interest on such bonds, and to maintain an adequate reserve therefor, which payments may rank equally with the payments out of the Municipal Utility Revenue Fund into the Bond Fund, upon compliance with the following conditions:

(1) That at the time of the issuance of such Future Parity Bonds there is no deficiency in the Bond Fund or any accounts therein.

(2) The City may issue Future Parity Bonds if, at or prior to the delivery of such Future Parity Bonds, the Finance Director shall have certified that the Net Revenues for a period of any 12 consecutive months out of the 24 months immediately preceding the date of delivery of such proposed Future Parity Bonds equals at least 1.1 times maximum annual Debt Service on all Parity Bonds then outstanding, including the Future Parity Bonds proposed to be issued.

(3) Notwithstanding the foregoing requirements, if Future Parity Bonds are to be issued for the purpose of refunding at or prior to their maturity any part or all of the then outstanding Parity Bonds and the issuance of such refunding bonds results in a debt service savings, the certificate or certificates required by subsection (2) of this section need not be obtained.

Section 10. Junior Lien Bond. Other than as set forth in Section 11 below, nothing contained in this resolution shall prevent the City from issuing utility revenue bonds or warrants that are a charge upon the Revenues of the Municipal Utility or the money in the Municipal Utility Revenue Fund junior, subordinate or inferior to the payments to be made into the Bond Fund, or from issuing such bonds or warrants to refund maturing bonds or warrants for the payment of which money is not otherwise available.

Section 11. Additional Debt. Notwithstanding anything contrary set forth in this resolution, for so long as the Bond is outstanding, the City shall not incur any additional debt or debt or obligation (other than in the ordinary course of business and consistent with past practice) or issue bonds or warrants that are secured by a pledge of or a charge upon Net Revenues, the Municipal Utility or the Municipal Utility Revenue Fund without the prior written consent of the Bondholder. Notwithstanding the foregoing, refunding bonds may be issued without the prior written consent of the Bondholder so long as proceeds of such refunding bond are applied to redeem the Bond is full.

Section 12. Defeasance. If money and/or Government Obligations, maturing at such time or times and bearing interest to be earned thereon in amounts sufficient to redeem and retire the Bond or a portion thereof (in Authorized Denominations) in accordance with its terms, are set aside in a special account to effect such prepayment and retirement, and such money and the principal of and interest on such obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on the Bond or portion thereof so provided for, and the Bond or portion thereof shall cease to be entitled to any lien, benefit or security of this resolution except the right to receive the money so set aside and pledged, and the Bond or portion thereof shall be deemed not to be outstanding hereunder.

Section 13. Lost or Destroyed Bond. If the Bond is lost, stolen or destroyed, the Registrar may authenticate and deliver a new Bond of like amount, date, and tenor to the Registered Owner upon such owner's paying the expenses and charges of the City in connection with preparation and authentication of the replacement Bond and upon his or

her filing with the Registrar evidence satisfactory to the Registrar that the Bond was actually lost, stolen or destroyed and of his or her ownership, and upon furnishing the City with indemnity satisfactory to the Registrar.

Section 14. Form of the Bond. The Bond shall be in substantially the following form:

No. R-1

Not to Exceed \$8,250,000

UNITED STATES OF AMERICA
STATE OF ALASKA

CITY OF BETHEL
UTILITY REVENUE BOND, 2019
("Drawdown Bond")

INTEREST RATE: _____

FINAL MATURITY DATE: _____

SEE BELOW

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: Eight Million Two Hundred Fifty Thousand and 00/100 Dollars
(\$8,250,000.00)

The City of Bethel, Alaska (the "City"), a municipal corporation organized and existing under and by the laws and Constitution of the State of Alaska, hereby acknowledges itself to owe and for value received promises to pay (but only out of the Revenues, as defined in the Bond Resolution hereinafter mentioned) to the Registered Owner identified above, or registered assigns, the principal amount specified above (subject to terms and conditions herein described), together with accrued interest thereon. Principal amounts outstanding under the terms this Bond shall bear interest at a fixed rate of interest equal to _____ percent per annum (the "Applicable Rate").

Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on this Bond shall be payable monthly following initial disbursement of Bond proceeds to the City. Interest shall only accrue on the outstanding principal amount of the Bond during each month, determined as the sum of all Advances as reflected on the Table of Advances attached to this Bond, less any redemptions of Bond as reflected on the Table of Partial Redemptions attached to this Bond. Interest shall be payable monthly on the 5th business day following the end of the prior month, until _____ 1, 2023, when the outstanding principal balance of this Bond, plus accrued but unpaid interest, shall be due and payable.

This bond is a drawdown bond; draws are permitted up to the face amount of this bond beginning on the date hereof through _____, 2023, for payment of Municipal Utility capital improvements.

Principal of, interest, and premium, if any, on this Bond are payable solely out of the special fund of the City known as the "City of Bethel Utility Revenue Bond Fund" (the "Bond Fund") created and established by Resolution No. 19-__ of the City. Both principal of and interest on this Bond are payable in lawful money of the United States of America by check or draft of the Finance Director of the City as registrar and paying agent for this Bond (the "Registrar"). Upon final payment of all principal of and interest on this Bond, this Bond shall be submitted to the Registrar for cancellation and surrender.

THIS BOND IS A SPECIAL AND LIMITED OBLIGATION OF THE CITY PAYABLE SOLELY FROM AND SECURED BY A LIEN ON REVENUES DERIVED FROM THE CITY'S MUNICIPAL UTILITY. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND.

This Bond is issued pursuant to Resolution No. 19-__, passed by the City Council on _____, 2019 (the "Bond Resolution"), to finance capital costs of the City's Municipal Utility delivery system and related costs. Capitalized terms used in this Bond and not otherwise defined herein shall have the meanings assigned those terms in the Bond Resolution.

The City does hereby pledge and bind itself to set aside from the Municipal Utility Revenue Fund of the City, and to pay into the Bond Fund and the Accounts therein, the various amounts required by the Bond Resolution to be paid into and maintained in said Fund and Accounts, all within the times provided by the Bond Resolution. The City has further pledged and bound itself to pay into the Municipal Utility Revenue Fund as collected, all Revenues of the Municipal Utility.

The amounts so pledged to be paid out of the Municipal Utility Revenue Fund into the Bond Fund and Accounts are hereby declared to be a prior lien and charge upon the money in the Municipal Utility Revenue Fund superior to all other charges of any kind or nature except the Costs of Maintenance and Operation of the Municipal Utility and equal in rank to the charges on the money in the Bond Fund to pay and secure the payment of the Bond and Parity Bonds outstanding and payable equally and ratably and without preference or distinction as between different series, installments or maturities.

This Bond is subject to optional redemption as set forth in the Bond Resolution.

The obligations of the City under the Bond Resolution may be discharged upon the defeasance of this bond on the terms and conditions set forth in the Bond Resolution.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by the Registrar.

THIS BOND MAY ONLY BE TRANSFERRED IN AUTHORIZED DENOMINATIONS TO (I) AN AFFILIATE OF PURCHASER, (II) A TRUST OR OTHER CUSTODIAL ARRANGEMENT ESTABLISHED BY PURCHASER OR ONE OF ITS AFFILIATES, THE OWNERS OF THE BENEFICIAL INTERESTS IN WHICH ARE LIMITED TO "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (III) A PERSON THAT IS A QUALIFIED INSTITUTIONAL BUYER AND A COMMERCIAL BANK HAVING CAPITAL AND SURPLUS, DETERMINED AS OF THE DATE OF ANY TRANSFER, OF \$50,000,000 OR MORE THAT HAS EXECUTED AND DELIVERED TO PURCHASER AND CITY INVESTOR LETTERS IN THE FORM OF EXHIBIT A TO THE BOND RESOLUTION. THE PERSONS AND ENTITIES IDENTIFIED IN CLAUSES (I) AND (II) OF THE FOREGOING SENTENCE SHALL BE REFERRED TO AS THE "ELIGIBLE TRANSFEREE(S)." NOTWITHSTANDING THE FOREGOING, IF THE PRINCIPAL AMOUNT OF THE OUTSTANDING BOND IS LESS THAN \$250,000, THE BOND MAY NOT BE TRANSFERRED TO ANY ELIGIBLE TRANSFEREE WITHOUT THE PRIOR WRITTEN CONSENT OF THE CITY.

It is hereby certified and declared that this Bond is issued pursuant to and in strict compliance with the Constitution and laws of the State of Alaska and ordinances and resolutions of the City, that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have happened, been done and performed, and that this Bond does not exceed any Constitutional or statutory limitations.

IN WITNESS WHEREOF, the City of Bethel, Alaska, has caused this Bond to be signed on behalf of the City with the manual or facsimile signature of the City Manager, to be attested by the manual or facsimile signature of the Clerk, and the seal of the City to be imprinted or impressed hereon, as of this ____ day of _____, 2019.

CITY OF BETHEL, ALASKA

By _____/s/_____
City Manager

[SEAL]

ATTEST:

_____/s/_____
Clerk

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This is the City of Bethel, Alaska, Utility Revenue Bond, 2019 dated _____, 2019, as described in the Bond Resolution.

City of Bethel, Alaska, as Registrar

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER OF TRANSFEREE

(Please print or typewrite name and address, including zip code of Transferee)

the within bond and all rights thereunder and does hereby irrevocably constitute and appoint _____ of _____, or its successor, as agent to transfer said bond on the books kept by the Registrar for registration thereof, with full power of substitution in the premises.

DATED: _____, _____.

SIGNATURE GUARANTEED:

NOTE: The signature of this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

SCHEDULE A

TABLE OF ADVANCES

Upon receipt of any Advance described in the Bond Resolution, the owner of this bond shall make the appropriate notation on the table below:

<u>Date</u>	<u>Installment Amount Paid</u>	<u>Total Principal Payments</u>	<u>Signature of Owner</u>

TABLE OF PARTIAL REDEMPTIONS

Upon all partial redemptions (whether optional, mandatory or otherwise) the owner shall make the appropriate notation itself on the table below. The owner's records relating to the outstanding principal amount of this bond shall in all cases prevail:

<u>Date</u>	<u>Amount Redeemed</u>	<u>Remaining Unpaid Principal Amount</u>	<u>Signature of Owner</u>

[END OF FORM OF BOND]

Section 15. Execution of the Bond. The Bond shall be signed on behalf of the City by the manual or facsimile signature of the City Manager, shall be attested by the manual or facsimile signature of the City Clerk, and the seal of the City shall be impressed or imprinted thereon. The Bond shall be delivered in physical form to the Bondholder.

Only a Bond that bears a Certificate of Authentication in the form set forth in Section 12 hereof, manually executed by the Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution. The executed Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated, registered, and delivered hereunder and is entitled to the benefits of this resolution.

In case any of the officers of the City who have signed, attested, authenticated, registered or sealed the Bond cease to be such officers before the Bond so signed, attested, authenticated, registered or sealed has been actually issued and delivered, that Bond shall be valid nevertheless and may be issued by the City with the same effect as though the persons who had signed, attested, authenticated, registered or sealed that Bond had not ceased to be such officers. The Bond may also be signed, attested, authenticated, registered or sealed on behalf of the City by such persons as at the actual date of execution of the Bond shall be the proper officers of the City although at the original date of the Bond any such person was not such officer.

Section 16. Covenants and Agreements of the City.

(a) In addition to any other covenants and agreements of the City contained in this resolution, the City further covenants and agrees that no placement agent shall be involved in the sale of the Bond and that the Bond shall not be (i) assigned a rating by any credit rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) offered for sell pursuant to any type of offering document or official statement, or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service.

(b) The City shall furnish the Purchaser with a copy of each of the following: (i) as soon as available, and in any event within 210 days after the close of each Fiscal Year of the City, the audited financial statements of the City which shall be certified to the City by a certified public accountant as (A) having been prepared in accordance with GAAP (applied on a basis consistent with that of the preceding Fiscal Year) and (B) fairly presenting the financial condition of the City as of the end of such Fiscal Year and reflecting its operations during such Fiscal Year and (C) showing all material liabilities, direct or contingent, and disclosing the existence of any off-balance sheet liability, and shall include, without limitation, balance sheets, profit and loss statements and statements of cash flows, together with notes and supporting schedules, all on a consolidated and consolidating basis and in reasonable detail and including a copy of any management letter or audit report provided to the City by such certified public accountant; (ii) as soon as available and in any event within 45 days of the beginning of each Fiscal Year, the annual operating budget of the City for such upcoming Fiscal Year. The operating budget shall include all amounts expected to be payable to the Bondholder in connection with the Bond in such Fiscal Year. Additionally, promptly after the adoption thereof, any amendments to the annual operating budget which may have an impact on any amount expected to be payable to the Bondholder; and (iii) as soon as available, a

copy of each interim wastewater utility project inspection report, minutes of each project meeting, if any, and USDA disbursement approvals during the course of construction of the City's wastewater utility project.

(c) The City agrees that it shall use proceeds of the United States Department of Agriculture long term funding of Utility improvements to refund the Bond.

(d) The City agrees that, for the term of the Bond, the Bondholder shall receive the benefit of all existing and subsequent covenants, defaults and remedies made by the City with respect to Parity Bonds.

Section 17. Sale of the Bond. The City Manager and Finance Director are each authorized to complete the sale of the Bond to the Purchaser on terms and conditions consistent with this resolution.

The City Manager and Finance Director are each hereby authorized to approve the final maturity date and interest rate on the Bond; provided, however, the true interest cost on the Bond shall not exceed five percent (5.0%).

Section 18. General Authorization; Prior Acts. The Mayor, City Manager, Finance Director, City Attorney, City Clerk, and other appropriate officers of the City are each hereby authorized and directed to take such steps, to do such other acts and things, and to execute such letters, certificates, agreements, papers, financing statements, assignments or instruments as in their judgment may be necessary, appropriate or desirable to carry out the terms and provisions of, and complete the transactions contemplated by, this resolution. The City Manager is hereby authorized to execute the Bond on behalf of the City. All acts taken pursuant to the authority of this resolution but prior to its effective date are hereby ratified and confirmed.

Section 19. Event of Default.

(a) The term "Event of Default" shall mean any one or more of the following events:

- i. Failure by the City to make any payment required to be paid hereunder;
- ii. Any representation or warranty made by or on behalf of the City contained in this resolution or in any instrument furnished in compliance with this resolution proves false or misleading in any material respect as of the date of the making or furnishing thereof;
- iii. Failure by the City to observe or perform any of its other covenants, conditions, payments or agreements under this resolution or the Bond for a period of thirty (30) days after receipt of written notice,

specifying such failure and requesting that it be remedied, is given to the City by the Bondholder;

- iv. The City shall (A) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, assignee, sequestrator, trustee, liquidator or similar official of the Borrower of all or a substantial part of its property, (B) admit in writing its inability, or be generally unable, to pay its debts as such debts become due, (C) make a general assignment for the benefit of its creditors, (D) commence a voluntary case under the Bankruptcy Code (as now or hereafter in effect), (E) file a petition seeking to take advantage of any other federal or state law relating to bankruptcy, insolvency, reorganization, arrangement, winding up or composition or adjustment of debts, (F) fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against the Borrower in an involuntary case under the Bankruptcy Code, or (G) take any corporate action for the purpose of effecting any of the foregoing; or
- v. A proceeding or case shall be commenced, without the application or consent of the City, in any court of competent jurisdiction, seeking (A) the liquidation, reorganization, arrangement, dissolution, winding up, composition or adjustment of the City's utility debts, (B) the appointment of a trustee, receiver, custodian, assignee, sequestrator, liquidator or similar official of the Borrower or of all or any substantial part of its assets, or (C) similar relief in respect of the Borrower under any law relating to bankruptcy, insolvency, reorganization, arrangement, winding up, composition or adjustment of debts or an order for relief against the City shall be entered in an involuntary case under the Bankruptcy Code.

(b) Rights and Remedies.

Upon the occurrence of an Event of Default, the Bondholder (A) may cure any default, event of default or event of nonperformance under this resolution or the Bond (in which event the City shall reimburse the Bondholder therefor); and (B) may proceed to protect its rights by suit in equity, action at law or other appropriate proceedings, whether for specific performance of any covenant or agreement of the City herein contained or in and of the exercise of any power or remedy granted to the Bondholder hereunder. The rights and remedies of the Bondholder specified herein are for the sole and exclusive benefit, use and protection of the Bondholder, and the Bondholder is entitled, but shall have no duty or obligation to the City or otherwise, (I) to exercise or to refrain from exercising any right or remedy reserved to the Bondholder, or (II) to cause

any other party to exercise or to refrain from exercising any right or remedy available to it under this resolution.

(c) Application of Moneys.

All of the moneys realized through the exercise of the remedies provided in Subsection (b)(i) shall be used to pay principal of and interest on the Bond then due or overdue and costs incurred in the collection thereof (including reasonable attorneys' fees). If the available moneys are not sufficient on any payment date to pay principal of and interest on the Bond then due or overdue and costs incurred in the collection thereof (including reasonable attorneys' fees), they shall be applied first to the payment of costs incurred in the collection thereof (including reasonable attorneys' fees), second to interest then due on the Bond, in the order of maturity of the installments of such interest, and third to the payment of the unpaid principal of the Bond which shall have become due, by reason of maturity, redemption, acceleration or otherwise.

(d) No Waiver; Remedies.

No failure on the part of the Bondholder to exercise, and no delay in exercising, any right, power or privilege under this resolution shall operate as a waiver of such right, power or privilege; nor shall any single or partial exercise of any right, power or privilege under this resolution preclude any other further exercise of such right, power or privilege or the exercise of any other right, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law or which the Bondholder would otherwise have.

Section 20. General Authorization, Prior Acts. The Mayor, City Manager, Finance Director, City Attorney, City Clerk, and other appropriate officers of the City are each hereby authorized and directed to take such steps, to do such other acts and things, and to execute such letters, certificates, agreements, papers, financing statements, assignments or instruments as in their judgment may be necessary, appropriate or desirable to carry out the terms and provisions of, and complete the transactions contemplated by, this resolution. All acts taken pursuant to the authority of this resolution but prior to its effective date are hereby ratified and confirmed.

Section 21. Severability. If any one or more of the covenants or agreements provided in this resolution to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Bond.

Section 22. Tax Covenants. If the Bond is issued on a tax-exempt basis, the City covenants to comply with any and all applicable requirements set forth in the Internal Revenue Code of 1986, as amended, and all applicable Treasury Regulations, in effect

from time to time to the extent that such compliance shall be necessary for the exclusion of the interest on the Bond from gross income for federal income tax purposes. If the Bond is issued on a tax-exempt basis, the City covenants that it will make no use of the proceeds of the Bond that will cause the Bond to be an "arbitrage bonds" subject to federal income taxation by reason of Section 148 of the Code and that it will not take or permit any action that would cause the Bond to be "private activity bonds" as defined in Section 141 of the Code.

In addition, if the Bond is issued on a tax-exempt basis, the City will include in a federal tax certificate written procedures to facilitate post-issuance compliance with federal tax covenants therein stated.

Section 23. Effective Date. This resolution shall be in full force and effect immediately upon passage by the Council and publication.

PASSED AND APPROVED by the City Council of the City of Bethel, Alaska, at a regular meeting of the Council held on _____, 2019.

Fred Watson, Mayor

ATTEST:

Lori Strickler
City Clerk

EXHIBIT A
FORM OF INVESTOR LETTER

The undersigned, an authorized representative of the Purchaser, hereby represents to the City of Bethel, Alaska ("Issuer"):

1. The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Issuer's Utility Revenue Bond, 2019 ("Bond").

2. The Purchaser has authority to purchase the Bond and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bond.

3. The undersigned is a duly appointed, qualified and acting representative of the Purchaser and is authorized to cause the Purchaser to make the certifications, representations and warranties contained herein by execution of this letter on behalf of the Purchaser.

4. The Purchaser understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Bond. The Purchaser has made its own inquiry and analysis with respect to the Issuer, the Bond and the security therefor, and other material factors affecting the security for and payment of the Bond.

5. The Purchaser acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Issuer, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer, the Bond and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase the Bond.

6. The Purchaser understands that the Bond (i) is not registered under the 1933 Act and is not registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (ii) is not listed on any stock or other securities exchange, and (iii) carries no rating from any credit rating agency.

7. The Bond is being acquired by the Purchaser for investment for its own account and not with a present view toward resale or distribution; provided, however, that the Purchaser reserves the right to sell, transfer or redistribute the Bond, but agrees that any such sale, transfer or distribution by the Purchaser shall be to a Person:

- (a) that is an affiliate of First National Bank Alaska;
- (b) that is a trust or other custodial arrangement established by First National Bank Alaska or one of its affiliates, the owners of any beneficial interest in which are limited to qualified institutional buyers or accredited investors; or
- (c) that is a qualified institutional buyer and a commercial bank having capital and surplus of \$5,000,000,000 or more.

8. Notwithstanding the foregoing, the Bond may not be transferred to any eligible transferee if the outstanding principal is less than \$250,000 without the prior written consent of the Issuer.

By_____

Name_____

Title_____

EXHIBIT B
FORM OF REQUISITION

\$ _____

Requisition No. _____

REQUISITION AND CERTIFICATE

[DATE]

[ADDRESS]

Ladies and Gentlemen:

On behalf of the City of Bethel, Alaska (the "City"), I hereby requisition from the funds representing the proceeds of the sale of the City's Utility Revenue Bond, 2019 (the "Bond"), and dated [DATE], which funds have been or are to be deposited in the City's Project Fund as described in Section 7 of the Bond Resolution, approved by the City's Council on [DATE] (the "Resolution") of the City, the sum of \$_____ to be paid to the person or persons indicated below:

(1) \$_____ for _____

_____ payable to _____, and
(2) \$_____ for _____

_____ payable to _____.

I hereby certify that (a) the obligation to make such payment was incurred by the City in connection with the water and wastewater utility project, is a proper charge against the costs of such project, and has not been the basis for any prior requisition which has been paid; (b) to the City's knowledge, it has not received written notice of any lien, right to lien or attachment upon, or claim affecting the right of such payee to receive payment of, any of the money payable under this requisition to any of the persons, firms or corporations named herein, or if any notice of any such lien, attachment or claim has been received such lien, attachment or claim has been released or discharged or will be released or discharged upon payment of this requisition; (c) this requisition contains no items representing payment on account of any retained percentages which the City is entitled to retain at this date; and (d) no "Event of Default," or event which after notice or lapse of time or both would constitute such an "Event of Default" has occurred and not been waived.

Capitalized terms used in this requisition and certificate and not defined herein shall have the meanings assigned thereto in the Resolution.

City Representative

APPROVED this ____ day of _____, ____.

_____, as Purchaser

By: _____

Name: _____

Title: _____

CERTIFICATE

I, the undersigned, duly chosen, qualified and acting City Clerk of the City of Bethel, Alaska (the "City") and keeper of the records of the City Council of the City (the "Council"), DO HEREBY CERTIFY:

1. That the attached is a true and correct copy of Resolution No. 19-__ of the Council (the "Resolution"), as adopted at a regular meeting of the Council held on _____, 2019, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum of the Council was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of the Resolution; that all other requirements and proceedings incident to the proper passage of said Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2019.

City Clerk, City of Bethel

CITY OF BETHEL, ALASKA

RESOLUTION NO. 19-__

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* Neither this table of contents nor the preceding cover page is a part of this Resolution.

City of Bethel Action Memorandum

Action memorandum No.	19-45		
Date action introduced:	August 13, 2019	Introduced by:	Mayor Watson
Date action taken:		Approved	Denied
Confirmed by:			

Appointment of Commission/Committee members.

Gary Fredericks- Finance Committee

Stanley Hoffman Jr.- Planning Commission

Jim Chevigny- Finance Committee, Port Commission

Marybeth Whalen- Finance Committee

Amount of fiscal impact:		Account information:
x	No fiscal impact	

Action Memorandum 19-45 is sponsored by Mayor Watson at the request of the City Clerk.

Gary Fredericks has requested appointment to the Finance Committee. If appointed, the term would be three years as a regular member with a term expiration of December 31, 2021.

Stanley Hoffman Jr. has requested appointment to the Planning Commission. If appointed, the term would be three years as an alternate member with a term expiration of December 31, 2021.

Jim Chevigny has requested appointment to the Finance Committee and Port Commission. If appointed, the term would be three years as an alternate member for the Finance Committee and three years as a regular member for the Port Commission with a term expiration of December 31, 2021.

Marybeth Whalen has requested appointment to the Finance Committee. If appointed, the term would be three years as an alternate member with a term expiration of December 31, 2021.

City of Bethel Action Memorandum

Action memorandum No.	19-47		
Date action introduced:	August 13, 2019	Introduced by:	Acting City Manager Howell
Date action taken:		Approved	Denied
Confirmed by:			

Authorize the Acting City Manager to negotiate and execute and agreement with the University of Alaska to authorize the financial contributions to the University of Alaska Cooperative Extension 4-H Program.

Amount of fiscal impact:		Account information:
\$112,000	No fiscal impact	10-72-798

2020 marks the 25th Anniversary the City of Bethel has supported the annual operation of the University of Alaska's Cooperative Extension 4-H program which is operated out of the City's property commonly known as the Teen Center. In addition to the financial contributions made through the reduced leased rate and utilities to the facility, the City Council has approve in the Fiscal Year 2020 Budget \$112,000 to the University in exchange for the management and operation through trained personnel the 4-H program.

Alaska 4-H is the state's premier youth development program that is open to all youth from kindergarten through high school. 4-H is the only youth program affiliated with a university and using research-based information and strategies. 4-H gives young people the extra edge for life success by teaching essential life skills such as confidence, competence, character and community service. In 4-H, youth work together with adults to make a difference in their communities, helping build a stronger nation. Bethel 4-H provides an after school program that can support up to 60 kids per day with about 300 youth annually enrolled. They oversee traditional clubs such as the popular Kusko Kicker's soccer club which enrolls about 90 participants per season and the Sports camp at the Fitness Center is a chartered 4-H Club.

CITY OF
BETHEL AND
THE UNIVERSITY OF ALASKA
FAIRBANKS SCHOOL OF NATURAL
RESOURCES & EXTENSION

This Agreement is made between the City of Bethel, hereinafter referred to as the "City" and the University of Alaska a Fairbanks, School of Natural Resources and Extension, hereinafter referred to as "UAF." This Memorandum of Agreement is effective July 1, 2019 through June 30, 2020 unless terminated by the City or UAF in accordance with the terms of this Agreement.

Whereas, the University and the City have determined that it is in the public interest to provide and operate a 4-H program in Bethel;

The parties do mutually agree as follows:

ARTICLE I

UAF shall:

- A. Manage and provide a UAF Cooperative Extension 4-H Program to accommodate and include:
 - 1. Access for youth;
 - 2. Trained personnel;
- B. Provide all personnel to manage the program.
- C. Provide 4-H programs to meet the needs of the community as possible with existing 4-H staff and volunteers.

City shall:

- A. Grant the sum of One Hundred Twelve Thousand (\$112,000) Dollars to UAF for operation of the 4-H Program as UAF deems most appropriate;
- B. The above sum is to be paid by the City in two (2) equal payments of Fifty-Six Thousand (\$56,000) Dollars, on or about August 15, 2019 and the other on or about January 15, 2020.

ARTICLE II

It is further mutually agreed that:

- A. This Agreement pertains to programming only;
- B. Equipment, furnishings, and holdings shall remain the property of the respective owner/purchaser;
- C. All programming at the Teen Center will be exclusively conducted by UAF and their staff. The City of Bethel has no authority, control or oversight of any of the programs or activities at the Teen Center and takes no responsibilities whatsoever for any of UAF's activities or personnel;
- D. UAF shall indemnify, hold harmless, and defend the City from and against any claim or liability for negligent acts, errors or omissions of UAF under Agreement. UAF shall not be required to indemnify the City for a claim of, or liability for, the independent negligence of the City. If there is a claim of, or liability for, the joint negligent error or omission of UAF and the independent negligence of the City, the indemnification and hold harmless obligation shall be apportioned on comparative fault bases. "City" and "UAF," as used within this article, include the employees, agents, representatives and contractors who are directly responsible, respectively, to each.
- E. To the extent that the UAF is required to indemnify the City, the obligation to indemnify is effective only to the extent permitted by law. The obligation to indemnify is further conditioned on the availability of a valid existing appropriation to cover the obligation. The parties to this Agreement recognize and agree that the UAF has no current appropriation available to it to indemnify under the provisions of this Agreement and that the enactment of an appropriation in the future to finance a payment under these provisions remains in the sole discretion of the legislature and the legislature's failure to make the appropriations creates no further obligation or liability of the UAF. ;
- F. This Agreement is subject to renegotiations and amendment annually upon a six (6) month written notice.

The signatories of this Agreement warrant that they have the authority and are authorized to sign this Agreement.

Acting City Manager Howell
City of Bethel

Date

[NAME]
University of Alaska

Date

CITY OF BETHEL ACTION MEMORANDUM

Action Memorandum No.	19- 48		
Date Action Introduced:	August 13, 2019	Introduced By:	Acting CM W. Howell, III
Date Action Taken:	August 13, 2019	☐ Approved	☐ Denied
Confirmed By:			

Authorize the City Manager to negotiate and execute a Purchase Agreement with Quality Equipment and Sales, LLC.. for the purchase of a Sander Box.

Route To:	Department/Individual	Initials	Remarks
☒	Purchasing Agent	RF	
☒	City Manager		
☒	City Attorney	<i>PH</i>	Procurement complied w/BMC
☒	PW Director		

Attachment(s): Draft Purchase Agreement

Amount of Fiscal Impact		Account Information
	No fiscal impact	
\$36,000	Funds are Budgeted for	10-66-692
	Funds are not budged for Budget modification required	

On July 22, 2019 a Request for Bids (RFB) was issued to purchase an identical sander box to the one the city had purchased in the past (same specs and size).

The RFB closed on August 1, 2019. While open, no addenda were issued as no questions were posed by the public asking for information not in the RFB documentation. No protests were received regarding the bid process while it was open. On opening day, a total of one bid was received for the requested equipment.

The bid received was as follows:

- Quality Equipment and Sales, LLC.: \$36,000 FOB Bethel

The City seeks to enter into a Purchase Agreement with the lowest responsive bidder for the purchase of the sander box. The draft Purchase Agreement is attached.

Attachment C

Purchase Agreement

This Purchase Agreement (this "Agreement") is entered into this 14th day of August, 2019 by and between the City of Bethel, a municipal corporation (hereinafter "Buyer or "City") and Quality Equipment and Sales, LLC. (hereinafter "Seller"). Buyer and Seller may be referred to in this Agreement individually as a "Party" and/or collectively as the "Parties."

The Parties agree as follows:

1. **Sale of a [description of HI-WAY Model E2020XT Spreader]** (hereinafter "Spreader"). Seller agrees to sell and City agrees to purchase [detailed description of spreader and any accessory pieces to be inserted upon receipt of bid].

2. **Purchase Price.** Buyer will pay Seller as follows:

\$36,000

3. **Method of Payment.**

Upon delivery of the Property to Bethel, Seller will provide a detailed invoice showing all costs, including shipping, less deposit already paid. Payment on the remaining balance will be processed by Buyer upon receipt of invoice and in no event will payment be issued more than thirty (30) calendar days from receipt of invoice (provided Spreader has been delivered to Bethel, Alaska and accepted by Buyer).

All invoices must be submitted and addressed as follows:

Public Works Director
City of Bethel Public Works
PO Box 1388
Bethel, AK 99559-1388

Except as provided in this Purchase Agreement, the City shall not provide any additional compensation, payment, service or other thing of value to Seller in connection with performance of this Agreement. The parties understand and agree that, except as otherwise provided in this Agreement, all costs, whether indirect or direct, incurred by Seller have been built into the Purchase Price.

4. **Taxes.** Seller shall be responsible for payment of all federal, state and local taxes incurred as a result of this Purchase Agreement.

5. **Delivery.** Buyer is entitled to take possession of the Spreader upon arrival in Bethel, Alaska. Buyer shall not be responsible for taking delivery of property that has been delivered in a damaged condition.

6. **Indemnification.** Seller is solely responsible for all loss, damage or liability arising from procurement of the Spreader prior to sale. The sale is not considered complete until the item(s) has been delivered to Bethel, Alaska, and inspected and accepted by Buyer. Except for the sole negligence of the City and except for liability for loss or damage to the Spreader itself, which City will assume upon transfer of the Spreader to its possession, to the fullest extent permitted by law, the Seller shall defend, indemnify and hold harmless City from any and all claims demands, losses, and liabilities to or by any third party, including, but not limited to costs, attorney's fees, expenses and claims for any damages, contributions, or indemnification arising from, resulting from, or connected with contract services or supplies provided by, or performed under this Agreement by the Seller, it's agents, sub-contractors, suppliers, and employees, even though such claims may prove to be false, groundless, or fraudulent. The indemnification obligation under this Agreement shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable to or for any third party, or any employee under any worker's compensation act, disability benefit act, or other employee benefit act.

Entitlement to recovery of costs, attorney fees and expenses under the indemnification obligation shall include all fees, costs, and expenses incurred in good faith by City.

7. **Seller's Representations.** Seller represents and warrants that he/she has good and marketable title to the Spreader and full authority to sell the Spreader. Seller also represents that the Spreader is sold free and clear of all liens, indebtedness, or liabilities. Seller further represents that the Spreader sold meets or exceeds the minimum specifications set out in the RFB issued by the City.
8. **Termination for Cause.** If, through any cause, Seller shall fail to fulfill in a timely and proper manner the obligations under this Agreement, then City shall thereafter have the right to immediately terminate this Agreement by giving written notice to Seller and specifying the effective date thereof. In that event, all finished or unfinished deliverable items under this Agreement shall, at the option of the City, become its property, and Seller shall be entitled to receive just and equitable compensation for any satisfactory materials provided. In such event, Seller shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of this Agreement, and the City may withhold any payment due Seller for the purpose of setoff until such time as the exact amount of damages due the City from such breach can be determined. Notwithstanding the foregoing, Seller shall be entitled to not less than fifteen (15) calendar days written notice to cure any reasonably curable condition alleged to constitute a default by City before a breach of this Agreement shall be declared by City as a result thereof.

In case of default by Seller, the City may procure the Spreader from other sources and hold Seller responsible for any excess cost occasioned thereby. In addition, in the event of default by Seller under this Agreement, or upon the Seller filing a petition for bankruptcy or the entering of a judgment of bankruptcy by or against the Seller, the City may immediately cease doing business with Seller, immediately terminate for cause all

existing contracts the City has with Seller, and de-bar Seller from doing future business with the City.

- 9. Time is of the Essence.** Buyer understands and agrees that with respect to delivery of the Spreader, time is of the essence. The Spreader must be delivered no later than the last barge arriving in Bethel, Alaska in the 2019 barge sailing season.
- 10. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska.
- 11. Modification.** The Parties may mutually agree to modify the terms of this Agreement. Modifications to the Agreement shall be incorporated into the Agreement by written amendments.
- 12. Disputes.** In an effort to resolve any conflicts that arise between the Parties under this Agreement, the Buyer and Seller agree that all disputes between them arising out of or relating to this Agreement shall be submitted first to nonbinding mediation.
- 13. Severability.** If any section or clause of this Agreement is held invalid by a court of competent jurisdiction, or is otherwise invalid under the law, the remainder of this Agreement shall remain in full force and effect.
- 14. Binding Effect.** This Agreement shall inure to the benefit of and shall be binding upon Buyer and Seller and their respective successors and assigns.
- 15. Headings.** The captions or headings in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provision of this Agreement.
- 16. Entire Agreement.** This Agreement shall be the exclusive agreement between the Parties and supersedes any and all prior oral or written agreements or understandings between the Parties concerning the subject matter of this Agreement.
- 17. Execution in Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document.
- 18. Facsimile Signatures.** The delivery of signatures to this Agreement by facsimile transmission shall be binding as original signatures.

[SELLER]

CITY OF BETHEL [BUYER]

By: Jonathan Belanger
Quality Equipment and Sales, LLC

By: William F. Howell, III
Acting City Manager

CITY OF BETHEL ACTION MEMORANDUM

Action Memorandum No.	19-49		
Date Action Introduced:	August 13, 2019	Introduced By:	Acting CM W. Howell, III
Date Action Taken:	August 13, 2019	☐ Approved	☐ Denied
Confirmed By:			

Authorize the City Manager to negotiate and execute a Purchase Agreement with Totem Equipment and Supply, Inc. for the purchase of a self-contained culvert road steamer.

Route To:	Department/Individual	Initials	Remarks
☒	Purchasing Agent	RF	Same equipment purchased previously
☒	City Manager		
☒	City Attorney	<i>PH</i>	Procurement complied w/BMC
☒	PW Director		

Attachment(s): Draft Purchase Agreement

Amount of Fiscal Impact		Account Information
	No fiscal impact	
\$48,000	Funds are Budgeted for	10-66-690
	Funds are not budged for Budget modification required	

On July 5, 2019 a Request for Bids (RFB) was issued to purchase an identical road steamer to the one the city had purchased in the past (same specs).

The RFB closed on July 25, 2019. While open, no addenda were issued as no questions were posed by the public asking for information not in the RFB documentation. No protests were received regarding the bid process while it was open. On opening day, a total of one bid was received for the requested equipment.

The bid received was as follows:

- Totem Equipment and Supply, Inc.: \$48,000 shipped via AML.

The City seeks to enter into a Purchase Agreement with the lowest responsive bidder for the purchase of the culvert road steamer. The draft Purchase Agreement is attached.

Attachment D

Purchase Agreement

This Purchase Agreement (this "Agreement") is entered into this 14th day of August, 2019 by and between the City of Bethel, a municipal corporation (hereinafter "Buyer or "City") and Totem Equipment and Supply Inc. (hereinafter "Seller"). Buyer and Seller may be referred to in this Agreement individually as a "Party" and/or collectively as the "Parties."

The Parties agree as follows:

1. **Sale of a [description of Steamer/Culvert Thawer and Trailer]** (hereinafter "Steamer"). Seller agrees to sell and City agrees to purchase [detailed description of steamer, trailer and any accessory pieces to be inserted upon receipt of bid]

2. **Purchase Price.** Buyer will pay Seller as follows:

\$48,000

3. **Method of Payment.** Within fifteen (15) calendar days of executing the Purchase Agreement, Seller shall submit an itemized invoice to Buyer detailing all items to be delivered, including shipping costs. Within thirty (30) calendar days from receipt of the itemized invoice, Buyer shall submit to Seller a deposit of twenty (20%) percent of the estimated total cost.

Upon delivery of the Property to Bethel, Seller will provide a detailed invoice showing all costs, including shipping, less deposit already paid. Payment on the remaining balance will be processed by Buyer upon receipt of invoice and in no event will payment be issued more than thirty (30) calendar days from receipt of invoice (provided Steamer has been delivered to Bethel, Alaska and accepted by Buyer).

All invoices must be submitted and addressed as follows:

Public Works Director
City of Bethel Public Works
PO Box 1388
Bethel, AK 99559-1388

Except as provided in this Purchase Agreement, the City shall not provide any additional compensation, payment, service or other thing of value to Seller in connection with performance of this Agreement. The parties understand and agree that, except as otherwise provided in this Agreement, all costs, whether indirect or direct, incurred by Seller have been built into the Purchase Price.

4. **Taxes.** Seller shall be responsible for payment of all federal, state and local taxes incurred as a result of this Purchase-Sale Agreement.

5. **Delivery.** Buyer is entitled to take possession of the Steamer upon arrival in Bethel, Alaska via air freight service. Buyer shall not be responsible for taking delivery of property that has been delivered in a damaged condition.
6. **Indemnification.** Seller is solely responsible for all loss, damage or liability arising from procurement of the Steamer prior to sale. The sale is not considered complete until the item(s) has been delivered to Bethel, Alaska, and inspected and accepted by Buyer. Except for the sole negligence of the City and except for liability for loss or damage to the Steamer itself, which City will assume upon transfer of the Steamer to its possession, to the fullest extent permitted by law, the Seller shall defend, indemnify and hold harmless City from any and all claims demands, losses, and liabilities to or by any third party, including, but not limited to costs, attorney's fees, expenses and claims for any damages, contributions, or indemnification arising from, resulting from, or connected with contract services or supplies provided by, or performed under this Agreement by the Seller, it's agents, sub-contractors, suppliers, and employees, even though such claims may prove to be false, groundless, or fraudulent. The indemnification obligation under this Agreement shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable to or for any third party, or any employee under any worker's compensation act, disability benefit act, or other employee benefit act.

Entitlement to recovery of costs, attorney fees and expenses under the indemnification obligation shall include all fees, costs, and expenses incurred in good faith by City.

7. **Seller's Representations.** Seller represents and warrants that he/she has good and marketable title to the Steamer and full authority to sell the Steamer. Seller also represents that the Steamer is sold free and clear of all liens, indebtedness, or liabilities. Seller further represents that the Steamer sold meets or exceeds the minimum specifications set out in the RFB issued by the City.
8. **Termination for Cause.** If, through any cause, Seller shall fail to fulfill in a timely and proper manner the obligations under this Agreement, then City shall thereafter have the right to immediately terminate this Agreement by giving written notice to Seller and specifying the effective date thereof. In that event, all finished or unfinished deliverable items under this Agreement shall, at the option of the City, become its property, and Seller shall be entitled to receive just and equitable compensation for any satisfactory materials provided. In such event, Seller shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of this Agreement, and the City may withhold any payment due Seller for the purpose of setoff until such time as the exact amount of damages due the City from such breach can be determined. Notwithstanding the foregoing, Seller shall be entitled to not less than fifteen (15) calendar days written notice to cure any reasonably curable condition alleged to constitute a default by City before a breach of this Agreement shall be declared by City as a result thereof.

In case of default by Seller, the City may procure the Steamer from other sources and

hold Seller responsible for any excess cost occasioned thereby. In addition, in the event of default by Seller under this Agreement, or upon the Seller filing a petition for bankruptcy or the entering of a judgment of bankruptcy by or against the Seller, the City may immediately cease doing business with Seller, immediately terminate for cause all existing contracts the City has with Seller, and de-bar Seller from doing future business with the City.

9. Time is of the Essence. Buyer understands and agrees that with respect to delivery of the Steamer time is of the essence. The Steamer must be delivered no later than the last barge arriving in Bethel, Alaska in the 2019 barge sailing season.

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

11. Modification. The Parties may mutually agree to modify the terms of this Agreement. Modifications to the Agreement shall be incorporated into the Agreement by written amendments.

12. Disputes. In an effort to resolve any conflicts that arise between the Parties under this Agreement, the Buyer and Seller agree that all disputes between them arising out of or relating to this Agreement shall be submitted first to nonbinding mediation.

13. Severability. If any section or clause of this Agreement is held invalid by a court of competent jurisdiction, or is otherwise invalid under the law, the remainder of this Agreement shall remain in full force and effect.

14. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Buyer and Seller and their respective successors and assigns.

15. Headings. The captions or headings in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provision of this Agreement.

16. Entire Agreement. This Agreement shall be the exclusive agreement between the Parties and supersedes any and all prior oral or written agreements or understandings between the Parties concerning the subject matter of this Agreement.

17. Execution in Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document.

18. Facsimile Signatures. The delivery of signatures to this Agreement by facsimile transmission shall be binding as original signatures.

[SELLER]

CITY OF BETHEL [BUYER]

By: Michael Huston
Totem Equipment and Supply, Inc.

By: William F. Howell, III
Acting City Manager

City of Bethel Action Memorandum

Action memorandum No.	19-50		
Date action introduced:	August 13, 2019	Introduced by:	Peter Williams, City Manager
Date action taken:		Approved	Denied
Confirmed by:			

Action Title: Direct Administration to negotiate and execute a Memorandum of Understanding or similar agreement between the City of Bethel and Orutsararmuit Native Council for the City to manage the purchase and installation of up to \$89,000 worth of expenditures on the Pinky's Park Boardwalk Lighting project.

Attachment(s): Memorandum of Understanding between the City of Bethel and Orutsararmuit Native Council for the City to manage the purchase and installation of up to \$89,000 worth of expenditures on the Pinky's Park Boardwalk Lighting project.

Amount of fiscal impact:		Account information:
	No fiscal impact at this time.	
\$89,000	ONC to reimburse City	TBD

Summary Statement

The City of Bethel and Orutsararmuit Native Council are interested in the safety of pedestrians, bicyclists, runners, and other users of the boardwalk inside Pinky's Park. There have been a number of unsafe and emergency response situations on or near the Pinky's Park boardwalk that justify the need for additional lighting.

Orutsararmuit Native Council has \$89,000 available in Tribal Transportation Funds that it chooses to use for the provision of lighting along the boardwalk. ONC is willing and able to reimburse the City for the City's purchase, installation, and management of the project.

The project involves the purchase and installation of 14-foot light poles with LEDs that would be attached to the boardwalk with heavy brackets. Electricity would run in conduit along the boardwalk and be powered by AVEC. The cost per installed light is approximately \$3,000. Therefore, the \$89,000 would allow for the purchase and installation of about 30 lights spaced 90-100 feet from each other to complete a portion of the 1.2 mile boardwalk.

**Memorandum of Understanding
Between the Orutsararmuit Native Council
and the City of Bethel**

Pinky's Park Boardwalk Lighting Project

Article 1: Purpose

The purpose of the Pinky's Park Boardwalk Lighting Project is to provide light year-round to sections of boardwalk located in Pinky's Park in Bethel, Alaska. Pinky's Park is a City-owned 26-acre space in Bethel, Alaska dedicated to outdoor recreation in perpetuity.

Orutsararmuit Native Council (ONC) and the City of Bethel (COB) promise to work together and provide resources for the betterment of the community. ONC intends to contribute Tribal Transportation Program funds to accomplish this project. The City intends to allow for the lighting project to be installed on its land. The City of Bethel shall act as Project Manager to coordinate the work, oversee the work, and pay the contractors, before seeking reimbursement from ONC.

Article 2: Scope of Work

Both parties agree on the following scope of work elements:

The Orutsararmuit Native Council shall:

1. Instruct City on the format, paperwork, and details to be included in reimbursement requests.
2. Review and approve project-related reimbursement requests made by the City. Issue checks to the City of Bethel for reimbursement amounts. Reimbursements will be completed within ten (10) business days of ONC receiving invoices and supporting documentation.
3. Provide input, comments, suggestions, and intended outcomes to the Project Manager or City Manager in-person or through emails or telephone calls.
5. Ensure that Tribal Transportation Program funds to be reimbursed by ONC to the City will only be used for allowable activities under TIP regulations, 25 C.F.R., Part 170 and applicable federal laws and that the City is performing those allowable activities in the completion of this project.

The City of Bethel shall:

1. Set up a unique account in the City's accounting system and track all project expenditures related to the project. Electronically file all expenditure-related documents.
2. Oversee the Work: City Public Works Director will be the Project Manager for this project and oversee the work. The Project Manager will complete the purchase of the lights and related equipment, parts, and supplies.
3. Purchase and Install Lights: The type, shape, size, and configuration of light fixtures and related apparatuses to be installed was reviewed and approved by ONC and City. The City intends to purchase the equipment approved, but retains the authority and responsibility over all purchase and installation decisions.
4. Space lights a distance of 90-100 linear feet.
5. Arrange to have City contracted electrician, Vango Enterprises, LLC, perform most or all of the work.
6. Obtain site plan permits and post them as appropriate.
7. Prepare and submit to ONC project reimbursement requests that shall not exceed \$89,000 (eighty nine thousand dollars) in total.
8. Operate and maintain the boardwalk lights and related facets in City control over the equipment's useful life.

Article 3: Duration of MOU

This Agreement shall take effect on the latest signature date by both parties and remain in effect until the project is completed and funds are reimbursed in total. The ONC and COB expect the project to require one summer construction season to complete.

Revision of MOU

The terms of this MOU may be revised by mutual consent of all parties, issuance of a new written agreement or addendum hereto, signed and dated by the proper representative of each governmental entity.

Termination of MOU

This MOU may be terminated by either party, with or without cause, with ten (10) working days written notice. Any expenses incurred prior to termination notice shall be reimbursed, per the terms of this MOU.

In the event of termination, both parties agree to continue to work together on this and other projects for the betterment of the community and its visiting friends, relatives, and business associates.

Article 4: Signatures

IN WITNESS WHEREOF, the City of Bethel and the Orutsararmuit Native Council, through their authorized representatives, execute this Agreement on dates set forth below.

CITY OF BETHEL

ORUTSARARMUIT NATIVE COUNCIL

William Howell, III, City Manager

Peter Evon, Executive Director

Date

Date

CITY OF BETHEL ACTION MEMORANDUM

Action Memorandum No.	19-51		
Date Action Introduced:	August 13, 2019	Introduced By:	Acting CM W. Howell, III
Date Action Taken:	August 13, 2019	☐ Approved	☐ Denied
Confirmed By:			

Authorize the City Manager to negotiate and execute a Purchase Agreement with Delta Western for the bulk purchase of Glycol.

Route To:	Department/Individual	Initials	Remarks
☒	Purchasing Agent	RF	Delta offered most gallons
☒	City Manager		
☒	City Attorney	<i>PH</i>	Procurement complied w/BMC
☒	PW Director		

Attachment(s): Draft Purchase Agreement

Amount of Fiscal Impact		Account Information
	No fiscal impact	
\$70,000 Total (64K + 6K)	Funds are Budgeted for	51-56-590/10-70-590 (6K)
	Funds are not budged for Budget modification required	

On July 17, 2019 a Request for Bids (RFB) was issued to purchase a bulk order of glycol to be used in the various City buildings.

The RFB closed on August 6, 2019. While open, three addenda were issued to answer questions about information not in the RFB documentation. No protests were received regarding the bid process while it was open. On opening day, a total of two bids were received for the requested glycol.

The bids received were as follows:

- Delta Western: \$70,000 (135 Drums)
- Frontier Supply: \$70,000 (101 Drums)

The City seeks to enter into a Purchase Agreement with the lowest responsive bidder offering the most drums for the bulk purchase of glycol. The draft Purchase Agreement is attached.

Attachment C

(Draft) PURCHASE AGREEMENT (GLYCOL)

This Purchase Agreement (this “Agreement”) is entered into this 14th day of August, 2019 by and between the City of Bethel, a municipal corporation (hereinafter “Buyer”) and Delta Western (hereinafter “Seller”). Buyer and Seller may be referred to in this Agreement individually as a “Party” and/or collectively as the “Parties.”

The Parties agree as follows:

1. Term of Agreement. This Agreement shall be valid from the date of the last signature until November 1, 2019.

2. Sale of Glycol. Seller agrees to sell and Buyer agrees to purchase a blend of 60-40 glycol in the quantity and in the container sizes set out herein:

[\$70,000]

3. Purchase Price. Buyer will pay Seller for the Property and for all obligations specified in this Agreement, if any, as the full and complete purchase price. Said purchase price shall be all inclusive. The Purchase Price for the items set out in Section 2 of this Agreement is: [fill in from Bid]

4. Delivery Deadline. Seller shall have the full order delivered to and receipted by the Shipper no later than October 5, 2019. Seller shall submit a delivery and shipment receipt to Buyer dated **on or before October 5, 2019** showing that the barge company has accepted the entire order for shipment to Buyer before the Order deadline and showing the approximate date of arrival in Bethel, Alaska.

5. Method of Payment. Seller shall submit an itemized invoice to Buyer upon delivery of a glycol order (“Property”) to Bethel. Payment will be processed promptly by Buyer upon receipt of invoice. In no event will payment be issued more than thirty (30) calendar days from receipt of invoice (provided property have been delivered to Buyer).

All invoices must be submitted in duplicate and addressed as follows:

Public Works Director
City of Bethel Public Works
PO Box 1388
Bethel, AK 99559 -1388

City Manager
City Manager
PO Box 1388
Bethel, AK 99559-1388

Except as provided in this Purchase-Sale Agreement, the Buyer shall not provide any additional compensation, payment, service or other thing of value to Seller in connection with performance of this Agreement. The parties understand and agree that, except as otherwise

provided in this Agreement, all costs, whether indirect or direct, incurred by Seller have been built into the Purchase Price.

6. **Taxes.** Seller shall be responsible for payment of all federal, state and local taxes incurred as a result of this Purchase-Sale Agreement.
7. **Delivery.** Buyer is entitled to take possession of the Property upon arrival in Bethel, Alaska via barge service and only after inspection. Buyer shall not be responsible for taking delivery of property that has been delivered in a damaged condition.
8. **Liquidated Damages.** Buyer and Seller recognize that time is of the essence for Buyer and the failure of Seller to deliver the chemicals in a timely manner will cause financial and other losses to Buyer. The parties also recognize the delays, expenses, and difficulties involved in proving a legal or arbitration proceeding for actual loss to Buyer. Accordingly, instead of requiring any such proof, Buyer and Seller agree that as liquidated damages for delay (but not as penalty): Seller shall pay Buyer Fifty (\$50) Dollars for each day that expires after the time specified, in writing, for delivery of an order for chemicals, until such chemicals are delivered.
9. **Seller's Representations.** Seller represents and warrants that he/she has good and marketable title to the Property and full authority to sell the Property. Seller also represents that the Property is sold free and clear of all liens, indebtedness, or liabilities.
10. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska.
11. **Modification.** The Parties may mutually agree to modify the terms of this Agreement. Modifications to the Agreement shall be incorporated into the Agreement by written amendments.
12. **Disputes.** In an effort to resolve any conflicts that arise between the Parties under this Agreement, the Buyer and Seller agree that all disputes between them arising out of or relating to this Agreement shall be submitted first to nonbinding mediation.
13. **Severability.** If any section or clause of this Agreement is held invalid by a court of competent jurisdiction, or is otherwise invalid under the law, the remainder of this Agreement shall remain in full force and effect.
14. **Binding Effect.** This Agreement shall inure to the benefit of and shall be binding upon Buyer and Seller and their respective successors and assigns.
15. **Headings.** The captions or headings in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provision of this Agreement.
16. **Entire Agreement.** This Agreement shall be the exclusive agreement between the Parties and supersedes any and all prior oral or written agreements or understandings between the Parties concerning the subject matter of this Agreement.

17. Execution in Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document.

18. Facsimile Signatures. The delivery of signatures to this Agreement by facsimile transmission shall be binding as original signatures.

DELTA WESTERN [SELLER]

CITY OF BETHEL [BUYER]

By: Robert Herron
Site Manager

By: William F. Howell, III
Acting City Manager

Date Signed: _____

Date Signed: _____

City of Bethel Information Memorandum

Information Memo No.	19-08		
Date introduced:	August 13, 2019	Introduced by:	William Howell, Acting City Mgr.
Amended actions:			
Confirmed by:			

Title: Presentation of the City's Water & Sewer Services Expenditures Compared to Budget from July 1, 2019 to July 31, 2019 – Utilities Maintenance – Water & Wastewater Activity Report.

Attachment(s): (1) City of Bethel Water & Sewer Services Expenditures Compared to Budget from July 1, 2019 to July 31, 2019 and (2) July 2019 – Utilities Maintenance – Water & Wastewater Activity Report.

Department/Individual:	Initials:	Remarks:
Administration, William Howell	WH	
Finance, Christine Blake	CB	
Amount of fiscal impact:	Account information:	
None	No fiscal impact at this time.	
	Funds in City Budget.	
	Funds not in City Budget.	

Summary Statement

The attached financial report for FY 2020 contains months of data from July 1, 2019 to July 31, 2019. The information contained therein and the contents of the Water & Wastewater Activity Report are distributed to Bethel City Council members for their review. This Information Memorandum documents the dissemination of this report to Bethel City Council members, as required by the Alaska Department of Commerce, Community and Economic Development, Division of Community and Regional Affairs, in their administration of the Best Practices protocol.

The process of preparing and submitting a monthly financial report and a water and wastewater activity report to City Council helps the City earn points on the Water and Sewer Utility Best Practices Operation and Maintenance Reports. The City must have a score of 60 or greater out of 100 points in order to be approved for funding from the Environmental Protection Agency (EPA) and the Alaska Department of Environmental Conservation (DEC). In other capital grants administered by DEC's Village Safe Water Program, the City's Best Practices score is an application scoring criterion.



City of Bethel - Public Works Department

Utilities Maintenance Activity Report

FY20 - July 2019

Public Works Director - William Arnold

City Sub Water Treatment Plant

Bethel Heights Water Treatment Plant

July
Fiscal Year to Date

Water				Chemical Usage			Water				Chemical Usage		
Plant Production (Gallons)	Hauled Water (Gallons)	Piped Water (Gallons)	Backwash Usage (Gallons)	Calcium Hypochlorite (lbs)	Polymer (mL)	Potassium Permanganate (lbs)	Plant Production (Gallons)	Hauled Water (Gallons)	Piped Water (Gallons)	School Water (Gallons)	Calcium Hypochlorite (lbs)	Polymer (mL)	Potassium Permanganate (lbs)
6,672,173	2,464,000	2,094,822	875,000	1,350	14,850	303	1,965,418	73,401	2,795,849	33,618	375	1,850	102
6,672,173	2,464,000	2,094,822	875,000	1,350	14,850	303	2,058,559	105,001	2,893,354	36,158	375	1,850	102

Bethel Heights WTP	Monthly water logs to ADEC from BHWTP and CSWTP.
City Sub WTP	Institutional Corridor is complete and in operation. Monthly water logs for BHWTP and CSWTP to ADEC. We also conducted a Lead and Copper test, results exceeded Federal Limits and in process of Corrosion Control with DOWL. OEH monthly water test for BHWTP and CSWTP.
Sewer Lagoon	DMR report to ADEC. Lagoon spring operations were started on 5/27/19 and stopped on 6/17/19.
Piped Sewer	12 alarms on residential lift stations were responded to. Multiple issues with heat trace, grinder pumps, and float systems were resolved. Repairs were made to Yukon Kuskokwim Fitness Center Lift Station. Main Lift Station pump work –Pump #1 parts have arrived. Expected to be completed and returned in 2-3 weeks. FAA lift station thawed out and in operation. Line flushing and leveling activities on low flow and frozen sewer lines. Non-compliance reports were filled out per DEC requirements.
Piped Water	Monthly meter readings, service connections, and disconnects were performed. Hospital (new & old), Bethel Youth Facility, Correctional Facility, Fish & Wildlife, and YKHC housing are all connected to new Institutional Corridor Line. Additional fire hydrant testing was performed to accommodate information requests from YKHC fire protection contractors.
Other	Daily safety meetings are held. All 3 Utility Maint trucks are having issues that require repairs. Several of these are major safety issues. Continue to work with V&E to repair them, but some issues are arising since 2 of the vehicles are more than 10 years old.

Prepared by - Water/Wastewater Utilities Foreman

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

WATER & SEWER SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>WATER</u>					
51-42-410 TRUCKED WATER	2,039.01	2,039.01	2,798,807.00	2,796,767.99	.1
51-42-412 METERED PIPED WATER COMM.	.00	.00	1,035,290.00	1,035,290.00	.0
51-42-414 UNMETERED PIPED WTR RESID	.00	.00	808,639.00	808,639.00	.0
51-42-416 CONTRACT WATER	.00	.00	10,675.00	10,675.00	.0
51-42-436 PUMPHOUSE WATER	4,219.65	4,219.65	18,859.00	14,639.35	22.4
TOTAL WATER	6,258.66	6,258.66	4,672,270.00	4,666,011.34	.1
<u>SEWER</u>					
51-43-411 TRUCKED SEWER (EVAC/HB)	450.71	450.71	1,648,000.00	1,647,549.29	.0
51-43-412 METERED PIPED SEWER COMM.	.00	.00	867,887.00	867,887.00	.0
51-43-414 UNMETERED PIPED SEWER RES	.00	.00	242,255.00	242,255.00	.0
51-43-416 CONTRACT SEWER	.00	.00	24,828.00	24,828.00	.0
TOTAL SEWER	450.71	450.71	2,782,970.00	2,782,519.29	.0
<u>MISCELLANEOUS</u>					
51-45-434 UTILITY PENALTY/INTEREST	.00	.00	38,163.00	38,163.00	.0
51-45-435 RECONNECT FEES	70.00	70.00	2,758.00	2,688.00	2.5
51-45-450 SENIOR DISCOUNT	.00	.00	46,000.00	46,000.00	.0
51-45-467 NSF CHECKS AND FEES	35.00	35.00	130.00	95.00	26.9
51-45-468 UTILITY INSPECTION FEES	200.00	200.00	2,000.00	1,800.00	10.0
51-45-471 WATER SUBSCRIPTION FEES	.00	.00	168,395.00	168,395.00	.0
51-45-472 SEWER SUBSCRIPTION FEES	.00	.00	177,428.00	177,428.00	.0
51-45-487 INVESTMENT INCOME	.00	.00	16,000.00	16,000.00	.0
TOTAL MISCELLANEOUS	305.00	305.00	450,874.00	450,569.00	.1
<u>MISCELLANEOUS</u>					
51-49-466 CASH OVER/SHORT	60.00	60.00	100.00	40.00	60.0
51-49-495 MISCELLANEOUS INCOME	.00	.00	3,226.00	3,226.00	.0
TOTAL MISCELLANEOUS	60.00	60.00	3,326.00	3,266.00	1.8
TOTAL FUND REVENUE	7,074.37	7,074.37	7,909,440.00	7,902,365.63	.1

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

WATER & SEWER SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>UTILITY BILLING</u>					
51-80-501 SALARIES	2,665.42	2,665.42	90,127.00	87,461.58	3.0
51-80-502 OVERTIME	.00	.00	1,025.00	1,025.00	.0
51-80-508 LEAVE CASHOUT	.00	.00	4,396.00	4,396.00	.0
51-80-511 MEDICARE FICA	38.28	38.28	1,322.00	1,283.72	2.9
51-80-512 GROUP HEALTH INSURANCE	1,216.92	1,216.92	42,189.00	40,972.08	2.9
51-80-515 UNEMPLOYMENT	.00	.00	1,322.00	1,322.00	.0
51-80-516 WORKERS' COMPENSATION	.00	.00	244.00	244.00	.0
51-80-518 PERS	586.39	586.39	20,053.00	19,466.61	2.9
51-80-519 UTILITY BENEFIT	.00	.00	7,980.00	7,980.00	.0
51-80-545 TRAINING/TRAVEL	.00	.00	2,000.00	2,000.00	.0
51-80-561 SUPPLIES	.00	.00	4,000.00	4,000.00	.0
51-80-649 ONLINE BILL PAY	.00	.00	3,000.00	3,000.00	.0
51-80-683 MINOR EQUIPMENT	.00	.00	1,500.00	1,500.00	.0
51-80-721 INSURANCE	.00	.00	932.00	932.00	.0
51-80-727 ADVERTISING	.00	.00	500.00	500.00	.0
51-80-733 POSTAGE	674.99	674.99	13,000.00	12,325.01	5.2
51-80-736 BANK CHARGES	.00	.00	36,500.00	36,500.00	.0
51-80-777 PROJECT-BOILER & HVAC REBUILD	1,085.00	1,085.00	.00 (	1,085.00)	.0
51-80-799 MISCELLANEOUS EXPENSES	.00	.00	500.00	500.00	.0
51-80-996 ADMIN OVERHEAD-IT SVCS	.00	.00	14,256.00	14,256.00	.0
51-80-998 ADMINISTRATIVE OVERHEAD-GF	.00	.00	28,839.00	28,839.00	.0
TOTAL UTILITY BILLING	6,267.00	6,267.00	273,685.00	267,418.00	2.3

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

WATER & SEWER SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>HAULED WATER</u>					
51-81-501 SALARIES	18,132.92	18,132.92	463,487.00	445,354.08	3.9
51-81-502 OVERTIME	6,647.55	6,647.55	125,000.00	118,352.45	5.3
51-81-508 LEAVE CASHOUT	.00	.00	22,313.00	22,313.00	.0
51-81-511 MEDICARE	381.82	381.82	8,533.00	8,151.18	4.5
51-81-512 EMPLOYEE GROUP BENEFITS	15,710.24	15,710.24	210,945.00	195,234.76	7.5
51-81-515 UNEMPLOYMENT	.00	.00	6,379.00	6,379.00	.0
51-81-516 WORKERS' COMPENSATION	.00	.00	15,202.00	15,202.00	.0
51-81-518 PERS	5,451.71	5,451.71	129,467.00	124,015.29	4.2
51-81-519 UTILITY BENEFIT	.00	.00	39,900.00	39,900.00	.0
51-81-545 TRAINING/TRAVEL	.00	.00	2,000.00	2,000.00	.0
51-81-561 SUPPLIES	.00	.00	10,000.00	10,000.00	.0
51-81-563 WEARING APPAREL	.00	.00	10,000.00	10,000.00	.0
51-81-600 TIRES	.00	.00	42,000.00	42,000.00	.0
51-81-601 VEHICLE MT. (PARTS & TOOLS)	2,344.91	2,344.91	180,000.00	177,655.09	1.3
51-81-602 GASOLINE/DIESEL/OIL	268.50	268.50	120,000.00	119,731.50	.2
51-81-621 ELECTRICITY	.00	.00	10,500.00	10,500.00	.0
51-81-622 TELEPHONE	2.75	2.75	650.00	647.25	.4
51-81-623 HEATING FUEL	.00	.00	14,500.00	14,500.00	.0
51-81-626 WATER/SEWER/GARBAGE	.00	.00	8,500.00	8,500.00	.0
51-81-627 STAFF CELLULAR PHONES	52.88	52.88	840.00	787.12	6.3
51-81-650 LAB TESTS	.00	.00	5,000.00	5,000.00	.0
51-81-661 VEHICLE MAINT/REPAIR	.00	.00	310,326.00	310,326.00	.0
51-81-662 PROPERTY MAINT	.00	.00	46,393.00	46,393.00	.0
51-81-665 CITY SAFETY	.00	.00	1,000.00	1,000.00	.0
51-81-669 OTHER PURCHASED SERVICES	.00	.00	5,000.00	5,000.00	.0
51-81-683 MINOR EQUIPMENT	.00	.00	4,000.00	4,000.00	.0
51-81-691 WATER TRUCK	.00	.00	37,323.00	37,323.00	.0
51-81-699 XFER TO F-58 FLEET REPLACEMENT	.00	.00	1,573,938.00	1,573,938.00	.0
51-81-721 INSURANCE	.00	.00	86,739.00	86,739.00	.0
51-81-722 INSURANCE-DED EXP & OTHER	.00	.00	10,000.00	10,000.00	.0
51-81-724 DUES/SUBSCRIPTIONS	.00	.00	80.00	80.00	.0
51-81-738 BAD DEBT EXPENSE	.00	.00	10,000.00	10,000.00	.0
51-81-799 MISCELLANEOUS	.00	.00	2,000.00	2,000.00	.0
51-81-996 ADMIN OVERHEAD-IT SVCS	.00	.00	13,563.00	13,563.00	.0
51-81-998 ADMINISTRATIVE OVERHEAD-GF	.00	.00	174,623.00	174,623.00	.0
 TOTAL HAULED WATER	 48,993.28	 48,993.28	 3,700,201.00	 3,651,207.72	 1.3

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

WATER & SEWER SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
PIPED WATER					
51-82-501 SALARIES	4,356.67	4,356.67	167,422.00	163,065.33	2.6
51-82-502 OVERTIME	1,327.32	1,327.32	30,750.00	29,422.68	4.3
51-82-508 LEAVE CASHOUT	.00	.00	7,575.00	7,575.00	.0
51-82-511 MEDICARE	84.01	84.01	2,874.00	2,789.99	2.9
51-82-512 EMPLOYEE GROUP BENEFITS	2,967.68	2,967.68	55,448.00	52,480.32	5.4
51-82-515 UNEMPLOYMENT	.00	.00	1,634.00	1,634.00	.0
51-82-516 WORKERS' COMPENSATION	.00	.00	5,119.00	5,119.00	.0
51-82-518 PERS	1,250.48	1,250.48	43,598.00	42,347.52	2.9
51-82-519 UTILITY BENEFIT	.00	.00	10,488.00	10,488.00	.0
51-82-545 TRAINING/TRAVEL	.00	.00	5,000.00	5,000.00	.0
51-82-561 SUPPLIES	.00	.00	6,000.00	6,000.00	.0
51-82-563 WEARING APPAREL	.00	.00	3,000.00	3,000.00	.0
51-82-592 PLUMBING SUPPLIES	.00	.00	15,000.00	15,000.00	.0
51-82-600 TIRES AND WHEELS	.00	.00	1,200.00	1,200.00	.0
51-82-601 VEHICLE MT. (PARTS & TOOLS)	1,426.66	1,426.66	8,000.00	6,573.34	17.8
51-82-602 GASOLINE/DIESEL/OIL	1,093.28	1,093.28	15,000.00	13,906.72	7.3
51-82-621 ELECTRICITY-UTIL MT SHOP	.00	.00	5,500.00	5,500.00	.0
51-82-622 TELEPHONE	5.50	5.50	100.00	94.50	5.5
51-82-623 HEATING FUEL	.00	.00	25,000.00	25,000.00	.0
51-82-626 WATER/SEWER/GARB	.00	.00	600.00	600.00	.0
51-82-627 STAFF CELLULAR PHONES	52.88	52.88	1,680.00	1,627.12	3.2
51-82-649 ENGINEERING SERVICES	.00	.00	25,000.00	25,000.00	.0
51-82-661 VEHICLE MAINT/REPAIR	.00	.00	3,003.00	3,003.00	.0
51-82-665 CITY SAFETY	.00	.00	2,000.00	2,000.00	.0
51-82-669 OTHER PURCHASED SERVICES	.00	.00	1,500.00	1,500.00	.0
51-82-683 MINOR EQUIPMENT	524.38	524.38	25,000.00	24,475.62	2.1
51-82-690 GROOVING MACHINE	.00	.00	62,500.00	62,500.00	.0
51-82-721 INSURANCE	.00	.00	6,646.00	6,646.00	.0
51-82-727 ADVERTISING	.00	.00	1,000.00	1,000.00	.0
51-82-996 ADMIN OVERHEAD-IT SVCS	.00	.00	14,801.00	14,801.00	.0
51-82-998 ADMINISTRATIVE OVERHEAD-GF	.00	.00	77,228.00	77,228.00	.0
TOTAL PIPED WATER	13,088.86	13,088.86	629,666.00	616,577.14	2.1

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

WATER & SEWER SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>BETHEL HTS WTR TREATMENT</u>					
51-83-501 SALARIES	5,384.71	5,384.71	124,086.00	118,701.29	4.3
51-83-502 OVERTIME	1,326.60	1,326.60	35,875.00	34,548.40	3.7
51-83-508 LEAVE CASHOUT	4,104.62	4,104.62	5,757.00	1,652.38	71.3
51-83-511 MEDICARE	37.46	37.46	2,319.00	2,281.54	1.6
51-83-512 EMPLOYEE GROUP BENEFITS	3,014.73	3,014.73	42,189.00	39,174.27	7.2
51-83-515 UNEMPLOYMENT	.00	.00	1,243.00	1,243.00	.0
51-83-516 WORKERS' COMPENSATION	.00	.00	4,132.00	4,132.00	.0
51-83-518 PERS	1,476.49	1,476.49	35,192.00	33,715.51	4.2
51-83-519 UTILITY BENEFIT	.00	.00	7,980.00	7,980.00	.0
51-83-545 TRAINING/TRAVEL	.00	.00	4,000.00	4,000.00	.0
51-83-561 SUPPLIES	.00	.00	4,000.00	4,000.00	.0
51-83-563 WEARING APPAREL	.00	.00	1,500.00	1,500.00	.0
51-83-567 CHEMICALS	25,034.80	25,034.80	55,000.00	29,965.20	45.5
51-83-592 PLUMBING SUPPLIES	.00	.00	5,000.00	5,000.00	.0
51-83-621 ELECTRICITY (PUMPHOUSE)	.00	.00	90,000.00	90,000.00	.0
51-83-622 TELEPHONE	.00	.00	500.00	500.00	.0
51-83-623 HEATING FUEL (PUMPHOUSE)	1,149.19	1,149.19	130,000.00	128,850.81	.9
51-83-649 ENGINEERING SERVICES	.00	.00	2,000.00	2,000.00	.0
51-83-650 LAB TESTS	.00	.00	12,000.00	12,000.00	.0
51-83-661 VEHICLE MAINT/REPAIR	.00	.00	3,003.00	3,003.00	.0
51-83-665 CITY SAFETY	.00	.00	6,000.00	6,000.00	.0
51-83-669 OTHER PURCHASED SERVICES	.00	.00	10,000.00	10,000.00	.0
51-83-683 MINOR EQUIPMENT	.00	.00	25,000.00	25,000.00	.0
51-83-721 INSURANCE	.00	.00	21,729.00	21,729.00	.0
51-83-727 ADVERTISING	.00	.00	500.00	500.00	.0
51-83-772 PROJECT EXPENSES	.00	.00	50,000.00	50,000.00	.0
51-83-996 ADMIN OVERHEAD-IT SVCS	.00	.00	14,108.00	14,108.00	.0
51-83-998 ADMINISTRATIVE OVERHEAD-GF	.00	.00	44,249.00	44,249.00	.0
 TOTAL BETHEL HTS WTR TREATMENT	 41,528.60	 41,528.60	 737,362.00	 695,833.40	 5.6

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

WATER & SEWER SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
CITY SUB WTR TREATMENT					
51-84-501 SALARIES	3,757.50	3,757.50	189,169.00	185,411.50	2.0
51-84-502 OVERTIME	1,783.30	1,783.30	35,875.00	34,091.70	5.0
51-84-508 LEAVE CASHOUT	.00	.00	8,932.00	8,932.00	.0
51-84-511 MEDICARE	83.91	83.91	3,263.00	3,179.09	2.6
51-84-512 EMPLOYEE GROUP BENEFITS	2,830.89	2,830.89	66,297.00	63,466.11	4.3
51-84-515 UNEMPLOYMENT	.00	.00	1,953.00	1,953.00	.0
51-84-516 WORKERS' COMPENSATION	.00	.00	5,814.00	5,814.00	.0
51-84-518 PERS	1,218.97	1,218.97	49,510.00	48,291.03	2.5
51-84-519 UTILITY BENEFIT	.00	.00	12,540.00	12,540.00	.0
51-84-545 TRAINING/TRAVEL	.00	.00	5,000.00	5,000.00	.0
51-84-561 SUPPLIES	.00	.00	2,500.00	2,500.00	.0
51-84-563 WEARING APPAREL	.00	.00	1,500.00	1,500.00	.0
51-84-567 CHEMICALS	78,104.38	78,104.38	100,000.00	21,895.62	78.1
51-84-592 PLUMBING SUPPLIES	.00	.00	3,000.00	3,000.00	.0
51-84-600 TIRES & WHEELS	.00	.00	1,500.00	1,500.00	.0
51-84-602 GASOLINE/DIESEL/OIL	.00	.00	1,000.00	1,000.00	.0
51-84-621 ELECTRICITY (CS WTF)	.00	.00	60,000.00	60,000.00	.0
51-84-622 TELEPHONE	2.75	2.75	100.00	97.25	2.8
51-84-623 HEATING FUEL(CS WTF)	6,045.77	6,045.77	150,000.00	143,954.23	4.0
51-84-650 LAB TESTS	1,755.00	1,755.00	10,000.00	8,245.00	17.6
51-84-661 VEHICLE MAINT (ISF)	.00	.00	3,003.00	3,003.00	.0
51-84-665 CITY SAFETY	.00	.00	2,500.00	2,500.00	.0
51-84-669 OTHER PURCHASED SERVICES	.00	.00	5,000.00	5,000.00	.0
51-84-683 MINOR EQUIPMENT	.00	.00	20,000.00	20,000.00	.0
51-84-721 INSURANCE	.00	.00	13,560.00	13,560.00	.0
51-84-996 ADMIN OVERHEAD-IT SVCS	.00	.00	15,494.00	15,494.00	.0
51-84-998 ADMINISTRATIVE OVERHEAD-GF	.00	.00	63,841.00	63,841.00	.0
TOTAL CITY SUB WTR TREATMENT	95,582.47	95,582.47	831,351.00	735,768.53	11.5

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

WATER & SEWER SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>HAULED SEWER</u>					
51-85-501 SALARIES	14,552.30	14,552.30	524,733.00	510,180.70	2.8
51-85-502 OVERTIME	1,760.42	1,760.42	125,000.00	123,239.58	1.4
51-85-508 LEAVE CASHOUT	907.73	907.73	25,301.00	24,393.27	3.6
51-85-511 MEDICARE	266.44	266.44	9,421.00	9,154.56	2.8
51-85-512 EMPLOYEE GROUP BENEFITS	19,368.06	19,368.06	234,571.00	215,202.94	8.3
51-85-515 UNEMPLOYMENT	.00	.00	6,910.00	6,910.00	.0
51-85-516 WORKERS' COMPENSATION	.00	.00	18,393.00	18,393.00	.0
51-85-518 PERS	3,588.78	3,588.78	142,941.00	139,352.22	2.5
51-85-519 UTILITY BENEFIT	.00	.00	44,346.00	44,346.00	.0
51-85-545 TRAINING/TRAVEL	.00	.00	300.00	300.00	.0
51-85-561 SUPPLIES	.00	.00	7,000.00	7,000.00	.0
51-85-563 WEARING APPAREL	.00	.00	7,000.00	7,000.00	.0
51-85-600 TIRES & WHEELS	.00	.00	12,000.00	12,000.00	.0
51-85-601 VEHICLE MT. (PARTS & TOOLS)	1,853.15	1,853.15	50,000.00	48,146.85	3.7
51-85-602 GASOLINE/DIESEL/OIL	2,068.50	2,068.50	110,000.00	107,931.50	1.9
51-85-621 ELECTRICITY	.00	.00	8,300.00	8,300.00	.0
51-85-622 TELEPHONE	.00	.00	400.00	400.00	.0
51-85-623 HEATING FUEL	.00	.00	12,000.00	12,000.00	.0
51-85-626 WATER/SEWER/GARBAGE	.00	.00	9,000.00	9,000.00	.0
51-85-627 CELL PHONE	.00	.00	840.00	840.00	.0
51-85-661 VEHICLE MAINT/REPAIR	.00	.00	310,326.00	310,326.00	.0
51-85-662 PROPERTY MAINT	.00	.00	46,393.00	46,393.00	.0
51-85-669 OTHER PURCHASED SERVICES	.00	.00	7,000.00	7,000.00	.0
51-85-683 MINOR EQUIPMENT	.00	.00	3,100.00	3,100.00	.0
51-85-721 INSURANCE	.00	.00	70,082.00	70,082.00	.0
51-85-722 INSURANCE-DED EXP & OTHER	.00	.00	20,000.00	20,000.00	.0
51-85-724 DUES/SUBSCRIPTIONS	.00	.00	30.00	30.00	.0
51-85-799 MISCELLANEOUS	.00	.00	1,200.00	1,200.00	.0
51-85-996 ADMIN OVERHEAD-IT SVCS	.00	.00	13,563.00	13,563.00	.0
51-85-998 ADMINISTRATIVE OVERHEAD-GF	.00	.00	193,499.00	193,499.00	.0
 TOTAL HAULED SEWER	 44,365.38	 44,365.38	 2,013,649.00	 1,969,283.62	 2.2

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

WATER & SEWER SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
PIPED SEWER					
51-86-501 SALARIES	4,123.18	4,123.18	167,074.00	162,950.82	2.5
51-86-502 OVERTIME	1,327.33	1,327.33	30,750.00	29,422.67	4.3
51-86-508 LEAVE CASHOUT	.00	.00	7,575.00	7,575.00	.0
51-86-511 MEDICARE	80.56	80.56	2,868.00	2,787.44	2.8
51-86-512 EMPLOYEE GROUP BENEFITS	2,783.72	2,783.72	55,448.00	52,664.28	5.0
51-86-515 UNEMPLOYMENT	.00	.00	1,634.00	1,634.00	.0
51-86-516 WORKERS' COMPENSATION	.00	.00	5,600.00	5,600.00	.0
51-86-518 PERS	1,199.04	1,199.04	43,521.00	42,321.96	2.8
51-86-519 UTILITY BENEFITS	.00	.00	10,488.00	10,488.00	.0
51-86-545 TRAINING/TRAVEL	.00	.00	3,000.00	3,000.00	.0
51-86-561 SUPPLIES	.00	.00	6,000.00	6,000.00	.0
51-86-563 WEARING APPAREL	.00	.00	3,000.00	3,000.00	.0
51-86-590 GLYCOL SUPPLIES	.00	.00	70,000.00	70,000.00	.0
51-86-592 PLUMBING SUPPLIES	.00	.00	10,000.00	10,000.00	.0
51-86-600 TIRES & WHEELS	.00	.00	2,000.00	2,000.00	.0
51-86-601 VEHICLE MT. (PARTS & TOOLS)	1,426.66	1,426.66	6,500.00	5,073.34	22.0
51-86-602 GASOLINE/DIESEL/OIL	156.29	156.29	15,000.00	14,843.71	1.0
51-86-621 ELECTRICITY-LIFTST & BLDG	.00	.00	100,000.00	100,000.00	.0
51-86-622 TELEPHONE	.00	.00	500.00	500.00	.0
51-86-623 HEATING FUEL	166.55	166.55	35,000.00	34,833.45	.5
51-86-626 WATER/SEWER/GARB	.00	.00	600.00	600.00	.0
51-86-661 VEHICLE MAINT/REPAIR	.00	.00	3,003.00	3,003.00	.0
51-86-665 CITY SAFETY	.00	.00	5,000.00	5,000.00	.0
51-86-669 OTHER PURCHASED SERVICES	.00	.00	20,000.00	20,000.00	.0
51-86-683 MINOR EQUIPMENT	.00	.00	125,000.00	125,000.00	.0
51-86-691 FORD F350 1 TON	.00	.00	40,000.00	40,000.00	.0
51-86-721 INSURANCE	.00	.00	6,561.00	6,561.00	.0
51-86-736 LEASED PROPERTY-LIFT STATIONS	.00	.00	15,000.00	15,000.00	.0
51-86-996 ADMIN OVERHEAD-IT SVCS	.00	.00	14,801.00	14,801.00	.0
51-86-998 ADMINISTRATIVE OVERHEAD-GF	.00	.00	55,566.00	55,566.00	.0
TOTAL PIPED SEWER	11,263.33	11,263.33	861,489.00	850,225.67	1.3

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

WATER & SEWER SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>SEWER LAGOON</u>					
51-87-501 SALARIES	1,420.56	1,420.56	68,912.00	67,491.44	2.1
51-87-502 OVERTIME	370.55	370.55	10,250.00	9,879.45	3.6
51-87-508 LEAVE CASHOUT	.00	.00	2,211.00	2,211.00	.0
51-87-511 MEDICARE	26.64	26.64	1,148.00	1,121.36	2.3
51-87-512 EMPLOYEE GROUP BENEFITS	978.07	978.07	21,697.00	20,718.93	4.5
51-87-515 UNEMPLOYMENT	.00	.00	639.00	639.00	.0
51-87-516 WORKERS' COMPENSATION	.00	.00	2,241.00	2,241.00	.0
51-87-518 PERS	394.13	394.13	17,416.00	17,021.87	2.3
51-87-519 UTILITY BENEFIT	.00	.00	4,104.00	4,104.00	.0
51-87-545 TRAINING/TRAVEL	.00	.00	3,000.00	3,000.00	.0
51-87-561 SUPPLIES	.00	.00	1,500.00	1,500.00	.0
51-87-563 WEARING APPAREL	.00	.00	2,000.00	2,000.00	.0
51-87-592 PLUMBING SUPPLIES	.00	.00	1,000.00	1,000.00	.0
51-87-602 GASOLINE	217.09	217.09	20,000.00	19,782.91	1.1
51-87-650 LAB TESTS (SAMPLES)	360.00	360.00	12,000.00	11,640.00	3.0
51-87-665 CITY SAFETY	.00	.00	2,000.00	2,000.00	.0
51-87-669 OTHER PURCHASED SERVICES	.00	.00	1,000.00	1,000.00	.0
51-87-683 MINOR EQUIPMENT	.00	.00	2,500.00	2,500.00	.0
51-87-721 INSURANCE	.00	.00	443.00	443.00	.0
51-87-724 DUES & SUBSCRIPTIONS	.00	.00	7,920.00	7,920.00	.0
51-87-727 ADVERTISING	.00	.00	500.00	500.00	.0
51-87-998 ADMINISTRATIVE OVERHEAD-GF	.00	.00	21,993.00	21,993.00	.0
TOTAL SEWER LAGOON	3,767.04	3,767.04	204,474.00	200,706.96	1.8
TOTAL FUND EXPENDITURES	264,855.96	264,855.96	9,251,877.00	8,987,021.04	2.9
NET REVENUE OVER EXPENDITURES	(257,781.59)	(257,781.59)	(1,342,437.00)	(1,084,655.41)	(19.2)



Kasigluk Traditional Council
Post Office Box 19
Kasigluk, Alaska 99609
Ph: (907) 477-6405 / 6406 Fx: (907) 477-6212
kasigluk.admin@gmail.com
kasigluk.bookkeeper@gmail.com

RESOLUTION 19-13

Alcoholic Sales to Kasigluk Tribal Members

WHEREAS: The Kasigluk Traditional Council of the Tribal Village of Kasigluk are recognized by the Federal Government under P.L. 93-638 as a governing body of the Native village.

WHEREAS: The Kasigluk Traditional Council are maintaining the welfare of the residents and Community of Kasigluk through public services paid for by the local Governing body; and

WHEREAS: The community of Kasigluk has been having problems with Kasigluk Tribal members importing alcohol into our dry community; and

WHEREAS: The Kasigluk Traditional Council would like all liquor store(s) in Bethel Alaska to stop serving alcoholic beverages to all individuals with Kasigluk based addresses on their Identification Cards; and

WHEREAS: The Kasigluk Police Department has been stressed and over worked with alcohol related calls and the crimes committed and multiple drownings in our river(s) due to alcohol; and

WHEREAS: The Kasigluk Traditional Council seeks support from Bethel City Council to enforce all Liquor Store(s) in Bethel Alaska to stop serving alcoholic beverages to Kasigluk Residents.

NOW THEREFORE BE IT RESOLVED: The Kasigluk Traditional Council gives the responsibility to the Bethel City Council and to all Liquor Store(s) in Bethel Alaska to take action towards this Resolution 19-13.

CERTIFICATION

I certify that the foregoing resolution was adopted at a convened meeting of the Kasigluk Traditional Council on 23 of July, 2019. Was passed by a vote of 7 in favor, 0 opposed, and 0 Absent.


Natalia Brink, President


Dora Wassillie, Secretary

Save the date!

A partnership of: Calista Energy Management Assistance Initiative (CEMAI), Adapt YK Delta, and YK Comprehensive Economic Development Strategies (CEDS)

August 6-7, 2019

Alaska Bible Seminary, Bethel, Alaska

This two-day work session will focus on developing and acting upon an integrated set of actions that will support the prosperity and quality of life in the context of a changing YK Delta environment.

Register free of charge by July 26, 2019 at:

<https://forms.gle/C7GpRztAnFhAJQt17>. Limited travel assistance is available; please RSVP and request by July 26, 2019. To request a paper registration form or for questions about the summit or registration, please contact: Heather Stewart, Agnew Beck Consulting 907-222-5424 or heather@agnewbeck.com

- **Energy:** The purpose of CEMAI is to develop and implement a sustainable regional energy strategy that saves energy, money, and creates jobs and opportunities within the Calista region. This effort is supported by a grant from the U.S. Department of Energy-Office of Indian Energy.
- **Environment:** The Adapt YK Delta project aims to bring together local and regional decision-makers, researchers and knowledge-bearers, public agencies and private organizations to create actionable strategies that bring climate adaptation into local and regional plans, projects and programs. This effort is funded by the U.S. Fish and Wildlife Service via the Western Alaska Landscape Conservation Cooperative, the U.S. Army Corps of Engineers via the Silver Jackets Partnership, and Alaska Sea Grant.
- **Economy:** The YK Comprehensive Economic Development Strategies (CEDS) reflects the thinking and planning of regional partners who aim to create more economic opportunity for YK Delta businesses, communities and residents. The CEDS effort is supported by the Association of Village Council Presidents and partners.



CALISTA CORPORATION
www.calistacorp.com



Harnessing Our Collective Strength to Create More Resilient Communities
YK Energy/Environment/Economic Work Session
August 6-7, 2019; Alaska Bible Seminary
481B 3rd Ave, Bethel, AK 99559

DRAFT Agenda

Work Session Objectives: Collectively and holistically address energy, economy, and rapid environmental change in the Y-K Delta by identifying and committing to shared, achievable actions that:

- Improve our quality of life, land, and resources.
- Leverage opportunities and have tangible impacts on regional challenges.
- Identify delegates for action who are supported by regional organizations.
- Energize and build momentum through creative and collaborative action.

Day One: Tuesday, August 6, 2019

8:00 – 8:30 **Registration and Breakfast** (provided)

8:30 – 9:00 **Welcome and Gratitude to Our Land and People**

9:00 – 9:30 **Setting the Stage:** Why the “Three E’s”? Why an integrated approach?

9:30 – 9:50 **Foundation for Action:** Confirming a Shared Vision and Goals

9:50 – 10:00 **BREAK** – Introduce yourself to three people you don’t know and one hope you have for the work session

10:00 – 10:30 **Informing Our Integrated Efforts #1** – The YK Story + Looking Ahead: **Relevant Infrastructure Policies/Programs**

10:30 – 12:00 Achieving Our Vision Through **Collective Infrastructure Strategies + Actions**

12:00 – 1:00 **LUNCH (provided) Presentation**

1:00 – 1:30 **Informing Our Integrated Efforts #2** – The YK Story + + Looking Ahead: **Relevant Housing Policies/Programs**

1:30 – 3:00 Achieving Our Vision Through **Collective Housing Strategies + Actions**

3:00 – 3:15 **BREAK** – Introduce yourself to three people you don’t know and one hope you have for the work session

3:15 – 4:15 **Regional Activation:** Strength in Numbers and the Importance of Political Engagement

4:15 – 4:30 **Day 1 Summary, Comments and Prep for Day 2**

Day Two: Wednesday, August 7, 2019

- 8:00 – 8:30 **Breakfast** (provided)
- 8:30 – 9:00 **Administrative and Legislative Updates for the YK Region**
- 9:00 – 9:30 **Informing Our Integrated Efforts #3** – The YK Story + Looking Ahead: **Relevant Subsistence and Travel Policies/Programs**
- 9:30 – 10:30 Achieving Our Vision Through **Collective Subsistence and Travel Strategies + Actions**
- 10:30 – 10:45 **BREAK** – Introduce yourself to three people you don't know and one hope you have for the work session
- 10:45 – 11:15 **Informing Our Integrated Efforts #4** – The YK Story + Looking Ahead: **Relevant Energy Policies/Programs**
- 11:15 – 12:00 Achieving Our Vision Through **Collective Energy Strategies + Actions (Part 1)**
- 12:00 – 1:00 **LUNCH** (provided) and concurrent meetings/opportunities
- 1:00 – 1:45 Achieving Our Vision Through **Collective Energy Strategies + Actions (Part 2)**
- 1:45 – 2:15 **Informing Our Integrated Efforts #4** – The YK Story + Looking Ahead: **Relevant Economic Development Policies/Programs**
- 2:15 – 2:30 **BREAK** – Introduce yourself to three people you don't know and one hope you have for the work session
- 2:30 – 4:00 Achieving Our Vision Through **Collective Economic Development Strategies + Actions**
- 4:00 – 4:40 **Activation:** Confirming Our Priorities for Action
- 4:40 – 5:00 **Wrap-Up + Adjourn**



CITY OF BETHEL
Managers Office

William F. Howell III
P.O. Box 1388, Bethel, Alaska 99559
Phone: (907)-543-2131
Fax: (907)-543-2702
Cell: (907) 545-4998
bhowell@cityofbethel.net

Celebrating 50 Years of Service

DATE: August 6, 2019
TO: Fred Watson, Mayor
FROM: Bill Howell, Acting City Manager
SUBJECT: Manager's Report – July 16 through August 6, 2019

Current Events

- On July 17, 2019, I participated in interviews for the City Planner position. We hired a new planner. We welcome back Ted Meyer to the City fold. Ted will start work on August 7th.
- Community assistance payment data for FY 19 is attached to this report. The City expects to receive \$161,880.08 from this program.
- On July 17, I conducted a review with the Planning Dept. of the Alaska Grown C.U.P.
- On July 18, a meeting was held with FNBA to discuss the interim loan (bond) for the Avenues Water and Sewer Improvements project.
- On July 18, it was brought to the attention of Administration that three homes in City Subdivision had tested positive for lead and copper in the water. Administration is working with the City's engineer firm and ADEC to address concerns. The recent public notices and public education pieces sent out bring the City into compliance with the DEC. This matter is being reviewed and tended to daily by the Administration and Public Works Director.

A public meeting has been scheduled to address any citizen concerns regarding lead and copper in the water. The meeting will be held in Chambers on August 20, 2019 from 5:30-7:00 P.M. Chase Nelson with

DOWL and DEC representatives will be at the meeting to present information and answer questions.

- A list of missing street signs was sent to the DOT&PF and Road Maintenance Division for replacement. The City portion of these missing signs is in review and KYUK was hired for interpreting services to verify all Yup'ik spellings on the new signs prior to production.
- Bethel Search and Rescue requested slip space be donated for two boats at the Small Boat Harbor. This request is an effort to reduce search response times for incidents on the river. The request letter is attached to this report.
- Administration, Fire, and Finance Depts. attended a webinar for the GEMT cost reporting required to allow the City of Bethel to receive supplemental reimbursements from Medicaid for ambulance transports. Cost reports are due at the end of August.
- On July 24, a post-award public meeting for the Ridgecrest Drive and Chief Eddie Hoffman Highway was held in Chambers from 5:30 P.M. to 7:00 P.M. I received a briefing on a number of projects in the City by attending DOT staff. DOT Meeting agenda is attached.
- July 24, DOWL has been hired to produce a structural condition report for the South floor (garage entry area) of the Public Works building. The floor has significant rot of the wood support members. A local contractor quoted the city \$100,000 for the repairs. A proposal for repair will be brought to the Council in the next few meetings. In the meantime, water and sewer trucks are being parked outside.
- On July 28, I attended the Yuut Elitnaurviat board meeting. The meeting agenda and minutes are attached.
- I received 23 contacts/requests for assistance from citizens and businesses during the period July 16, through August 6, 2019.

Ongoing Business

- At the request of the City Attorney, a letter requesting review of several joint purchasing contracts was sent to Attorney Michael Gatti. We hope to have his comments by the end of the week.
- We are waiting for a draft of the Long Range Transportation Plan (LRTP) from DOWL.

- A preliminary meeting was held with the Public Works Director to begin the planning and RFB process for the City Hall roof project.
- Police Dispatch Center project and installation of three repeaters for emergency responder communications will occur August 5-11, 2019. ProComm "engineer" Richard Johnson is coming to Bethel. Equipment being flown out ahead of his arrival. ProComm in contact with Bo Foley, Russ McDonald (GCI), and Amy Davis for their installs.

Funding for Dispatch Center consoles comes from State of Alaska Legislative Grant and City contribution. Funding for repeaters comes from Homeland Security grant.

- We are working with FNBA on interim financing of the Avenues Water and Sewer Improvements Project. Documents are included in the August 13 packet for Council review and approval.
- We have not received any news, requests or plans for disposal of Kilbuck School debris.
- A Department Head meeting was held on August 1, 2019. The next Department Head meeting is scheduled for August 9, at 10 A.M.
- A meeting with Union leaders was held on August 6, 2019. Topics discussed: funeral leave and upcoming COBEA negotiation schedule.

Response to Council Questions

- At the July 23 Council meeting, Vice Mayor Williams wanted to know the amount of the 2012/2020 insurance premium paid to APEI. The attached invoices detail the amount paid. The FY2020 payment total was \$875,111.28. In contrast, the FY19 premium payment totaled \$629,243.73. The City paid \$245,867.55 more this year than it did for the prior fiscal year.
- At the July 23, 2019 Bethel City Council meeting, Vice Mayor Williams requested an update on the undesignated fund balance impact through the FY 20 Budget and subsequent modifications. Budget Ordinance #19-11(a) approved an additional \$44,201 from this fund to cover additional salary for the Planner and other planned expenditures.

Budget Ordinance #19-11 (c) would authorize an additional 156,200 to pay for Pinky's Park lighting. These two total \$200,401 and represent the only two modifications brought forward in FY 20.

The finance report is attached detailing fund balances. Capital expenditures in the FY 20 Budget that are funded from the General Fund are as follows:

Information Technology Dept.

- o \$28,875 IT Technology Services Firewall (10-55-690)

Fire Dept.

- o \$71,218 Ladder Truck Lease Payment
- o \$165,000 Ambulance remount (fleet replacement fund)
- o \$38,000 Power Cot and Loader

Police Dept.

- o \$110,000 Ford Explorers (2)

Streets and Roads Division

- o \$33,500 Sander Truck Box
- o \$57,880 Culvert Steamer
- o \$500,000 STIP Match or Gravel for Roads
- o \$27,139 Walk-behind compactor

Property Maintenance Division

- o \$435,000 Paving City Parking lots
- o \$1,500,000 City Hall Roof Replacement
- o \$18,138 Scissors Lift

Total \$2,984,750

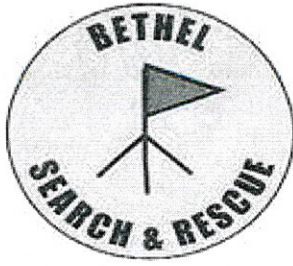
Community Aid and Accountability Status Report
Community Assistance Program - Municipality
Program Year 2020

COMMUNITY	PAYMENT AMOUNT	FY20 CAP APPLICATION	FY20 CAP BUDGET or	FY18 AUDIT/CFS	PAYMENT AUTHORIZED
Aleutians East Borough	\$316,242.16	Yes		Yes	
Bristol Bay Borough	\$359,814.86	Yes		Yes	
City and Borough of Juneau	\$831,662.10	Yes			
City and Borough of Sitka	\$497,524.28	Yes	Yes	Yes	Yes
City and Borough of Wrangell	\$409,355.51	Yes			
City and Borough of Yakutat	\$307,406.40	Yes			
City of Adak	\$79,191.77	Yes	Yes	Yes	Yes
City of Akhiok	\$76,147.07	Yes			
City of Akiak	\$80,749.52	Yes			
City of Akutan	\$89,076.41	Yes			
City of Alakanuk	\$85,309.49	Yes			
City of Aleknagik	\$78,554.51	Yes			
City of Allakaket	\$77,322.47	Yes			
City of Ambler	\$79,064.32	Yes	Yes	Yes	Yes
City of Anaktuvuk Pass	\$80,324.68	Yes			
City of Anderson	\$78,809.41	Yes	Yes	Yes	Yes
City of Angoon	\$80,806.17	Yes	Yes		
City of Aniak	\$81,868.27	Yes	Yes	Yes	Yes
City of Anvik	\$76,132.91	Yes	Yes	Yes	Yes
City of Atka	\$75,665.58	Yes		Yes	
City of Atkasuk	\$78,696.12	Yes			
City of Barrow (Utqiagvik)	\$149,432.23	Yes			
City of Bethel	\$161,880.08	Yes			
City of Bettles	\$75,155.78	Yes	Yes	Yes	Yes
City of Brevig Mission	\$81,542.56	Yes			
City of Buckland	\$82,236.47	Yes	Yes	Yes	Yes
City of Chefnak	\$81,259.33	Yes			
City of Chevak	\$90,209.32	Yes	Yes		
City of Chignik	\$76,387.82	Yes	Yes	Yes	Yes
City of Chuathbaluk	\$76,571.91	Yes	Yes	Yes	Yes
City of Clark's Point	\$75,778.88	Yes		Yes	
City of Coffman Cove	\$77,379.11	Yes		Yes	
City of Cold Bay	\$75,892.17	Yes	Yes	Yes	Yes
City of Cordova	\$108,420.86	Yes	Yes		
City of Craig	\$90,506.71	Yes	Yes	Yes	Yes
City of Deering	\$77,379.11	Yes	Yes	Yes	Yes
City of Delta Junction	\$91,667.95	Yes	Yes	Yes	Yes
City of Dillingham	\$108,732.41	Yes	Yes		
City of Diomedes	\$76,401.98	Yes	Yes	Yes	Yes
City of Eagle	\$76,132.91	Yes			
City of Edna Bay	\$75,608.94	Yes	Yes		
City of Eek	\$79,914.00	Yes	Yes	Yes	Yes

COMMUNITY	PAYMENT AMOUNT	FY20 CAP APPLICATION	FY20 CAP BUDGET or	FY18 AUDIT/CFS	PAYMENT AUTHORIZED
City of Egegik	\$76,090.43	Yes	Yes		
City of Ekwok	\$76,501.11	Yes	Yes	Yes	Yes
City of Elim	\$80,211.39	Yes	Yes		
City of Emmonak	\$87,277.92	Yes		Yes	
City of Fairbanks	\$523,462.66	Yes	Yes		
City of False Pass	\$75,552.29	Yes		Yes	
City of Fort Yukon	\$82,647.15	Yes		Yes	
City of Galena	\$81,514.24	Yes			
City of Gambell	\$85,224.52	Yes			
City of Golovin	\$77,308.31	Yes			
City of Goodnews Bay	\$79,007.67	Yes		Yes	
City of Grayling	\$77,903.08	Yes			
City of Gustavus	\$82,845.41	Yes	Yes	Yes	Yes
City of Holy Cross	\$77,379.11	Yes			
City of Homer	\$152,080.41	Yes	Yes		
City of Hoonah	\$86,173.33	Yes			
City of Hooper Bay	\$92,659.24	Yes			
City of Houston	\$104,738.90	Yes	Yes		
City of Hughes	\$76,472.78	Yes	Yes	Yes	Yes
City of Huslia	\$79,390.03	Yes	Yes	Yes	Yes
City of Hydaburg	\$80,636.23	Yes		Yes	
City of Kachemak	\$82,236.47	Yes	Yes	Yes	Yes
City of Kake	\$83,510.99	Yes	Yes		
City of Kaktovik	\$78,483.70	Yes			
City of Kaltag	\$77,393.27	Yes	Yes	Yes	Yes
City of Kasaan	\$76,147.07	Yes			
City of Kenai	\$174,115.52	Yes	Yes		
City of Ketchikan	\$190,514.40	Yes	Yes		
City of Kiana	\$80,961.94	Yes	Yes	Yes	Yes
City of King Cove	\$88,028.47	Yes			
City of Kivalina	\$81,259.33	Yes	Yes	Yes	Yes
City of Klawock	\$86,003.39	Yes	Yes		
City of Kobuk	\$77,039.24	Yes	Yes	Yes	Yes
City of Kodiak	\$159,146.94	Yes			
City of Kotlik	\$84,275.71	Yes			
City of Kotzebue	\$119,197.68	Yes			
City of Koyuk	\$79,956.48	Yes	Yes		
City of Koyukuk	\$0.00				
City of Kupreanof	\$75,382.36	Yes	Yes		
City of Kwethluk	\$86,598.17	Yes		Yes	
City of Larsen Bay	\$76,132.91	Yes	Yes	Yes	Yes
City of Lower Kalskag	\$78,894.38	Yes	Yes	Yes	Yes
City of Manokotak	\$82,193.98	Yes	Yes	Yes	Yes
City of Marshall	\$81,188.52	Yes			
City of McGrath	\$79,390.03	Yes	Yes	Yes	Yes

COMMUNITY	PAYMENT AMOUNT	FY20 CAP APPLICATION	FY20 CAP BUDGET or	FY18 AUDIT/CFS	PAYMENT AUTHORIZED
City of Mekoryuk	\$78,157.99	Yes			
City of Mountain Village	\$86,385.75	Yes		Yes	
City of Napakiak	\$79,871.52	Yes			
City of Napaskiak	\$81,131.88	Yes			
City of Nenana	\$80,140.58	Yes			
City of New Stuyahok	\$82,024.05	Yes	Yes	Yes	Yes
City of Newhalen	\$78,030.54	Yes	Yes		
City of Nightmute	\$79,262.58	Yes		Yes	
City of Nikolai	\$76,288.69	Yes	Yes		
City of Nome	\$126,858.98	Yes	Yes	Yes	Yes
City of Nondalton	\$76,826.82	Yes		Yes	
City of Noorvik	\$83,907.51	Yes	Yes	Yes	Yes
City of North Pole	\$104,753.06	Yes	Yes		
City of Nuiqsut	\$0.00				
City of Nulato	\$77,917.24	Yes			
City of Nunam Iqua	\$78,186.31	Yes		Yes	
City of Nunapitchuk	\$84,162.41	Yes	Yes	Yes	Yes
City of Old Harbor	\$78,172.15	Yes	Yes	Yes	Yes
City of Ouzinkie	\$77,180.85	Yes	Yes		
City of Palmer	\$163,126.28	Yes	Yes		
City of Pelican	\$75,962.97	Yes	Yes	Yes	Yes
City of Pilot Point	\$0.00				
City of Pilot Station	\$84,063.28	Yes		Yes	
City of Platinum	\$0.00				
City of Point Hope	\$85,606.88	Yes	Yes	Yes	Yes
City of Port Alexander	\$75,778.88	Yes	Yes		
City of Port Heiden	\$76,685.20	Yes			
City of Port Lions	\$77,010.92	Yes			
City of Quinhagak	\$85,578.55	Yes		Yes	
City of Ruby	\$77,379.11	Yes		Yes	
City of Russian Mission	\$79,814.87	Yes	Yes	Yes	Yes
City of Saint George	\$75,962.97	Yes			
City of Saint Mary's	\$83,015.34	Yes			
City of Saint Michael	\$80,636.23	Yes	Yes		
City of Saint Paul	\$80,522.94	Yes	Yes		
City of Sand Point	\$87,901.02	Yes			
City of Savoonga	\$85,635.20	Yes	Yes	Yes	Yes
City of Saxman	\$80,961.94	Yes	Yes		
City of Scammon Bay	\$83,468.51	Yes	Yes	Yes	Yes
City of Selawik	\$86,966.37	Yes	Yes	Yes	
City of Seldovia	\$78,115.50	Yes	Yes		
City of Seward	\$111,593.01	Yes	Yes		
City of Shageluk	\$76,189.56	Yes			
City of Shaktoolik	\$78,894.38	Yes	Yes	Yes	Yes
City of Shishmaref	\$83,468.51	Yes			

COMMUNITY	PAYMENT AMOUNT	FY20 CAP APPLICATION	FY20 CAP BUDGET or	FY18 AUDIT/CFS	PAYMENT AUTHORIZED
City of Shungnak	\$78,880.22	Yes			
City of Soldotna	\$136,276.30	Yes		Yes	
City of Stebbins	\$84,148.25	Yes			
City of Tanana	\$77,888.92	Yes	Yes		
City of Teller	\$78,356.25	Yes	Yes	Yes	Yes
City of Tenakee Springs	\$77,039.24	Yes	Yes	Yes	Yes
City of Thorne Bay	\$82,420.56	Yes		Yes	
City of Togiak	\$87,745.24	Yes	Yes	Yes	Yes
City of Toksook Bay	\$84,672.22	Yes	Yes	Yes	Yes
City of Unalakleet	\$85,224.52	Yes	Yes		
City of Unalaska	\$136,361.27	Yes	Yes	Yes	Yes
City of Upper Kalskag	\$78,214.63	Yes	Yes	Yes	Yes
City of Valdez	\$130,271.88	Yes			
City of Wainwright	\$82,859.57	Yes			
City of Wales	\$77,336.63	Yes			
City of Wasilla	\$199,634.33	Yes	Yes	Yes	Yes
City of Whale Pass	\$75,807.20	Yes	Yes		
City of White Mountain	\$77,747.31	Yes			
City of Whittier	\$78,469.54	Yes	Yes		
Denali Borough	\$369,402.11	Yes		Yes	
Fairbanks North Star Borough	\$1,370,830.91	Yes		Yes	
Haines Borough	\$441,698.23	Yes	Yes	Yes	Yes
Kenai Peninsula Borough	\$1,269,915.99	Yes			
Ketchikan Gateway Borough	\$374,559.68	Yes	Yes	Yes	Yes
Kodiak Island Borough	\$408,022.08	Yes		Yes	
Lake and Peninsula Borough	\$455,455.18	Yes	Yes		
Matanuska-Susitna Borough	\$1,839,169.56	Yes			
Metlakatla Indian Community	\$94,797.61	Yes			
Municipality of Anchorage	\$4,557,776.79	Yes			
Municipality of Skagway	\$331,196.58	Yes	Yes	Yes	Yes
North Slope Borough	\$340,898.07	Yes	Yes	Yes	
Northwest Arctic Borough	\$329,228.15	Yes	Yes	Yes	Yes
Petersburg Borough	\$344,905.74	Yes	Yes		



Bethel Search and
Rescue
PO Box 2633
Bethel, AK. 99559

July 19, 2019

Bill Howell
Acting City Manager
Bethel, AK. 99559

Bill,

We at BSAR are requesting two donated slips at the boat harbor so we can have faster and easier access to the river when responding to reports of person(s) in the water. We would like the same boat slips on an annual basis. The slips would be used to park our large and small boats. Normally when we receive a call for service we would go to our building, hook up the boat and launch them at the boat harbor, greatly reducing our response time.

We recently responded this summer to several people that were in the Kuskokwim River that drowned. We thank the City of Bethel for supporting our organization as you have in the past and for the future.

Mike Riley

A handwritten signature in black ink, appearing to read "Mike Riley", with a stylized flourish at the end.

President

PLEASE ATTEND THE POST AWARD CONFERENCE



Project: Chief Eddie Hoffman Hwy MP 0.0 to MP 4.4 Pavement Preservation
Project: Bethel: Ridgecrest Drive MP 0.0 to MP 0.62 Pavement Preservation
Wednesday: July 31, 2019 5:30 PM
Location: City of Bethel Council Chambers

Purpose: The Alaska Department of Transportation & Public Facilities, in conjunction with the Alaska Department of Labor & Workforce Development and the Contractor and other interested parties, will hold an informational meeting with local community officials to promote cooperation between the parties regarding local resources available for the upcoming construction project.

5:30 PM	Registration
5:45 PM	DOT&PF Civil Rights Office: Introduction of participants
6:00 PM	DOT&PF Project Engineer: 1. Brief Project Description 2. Timeline of the Project
6:15 PM	Contractor – Knik Construction 1. Community Impacts 2. Jobs - hiring process, conditions of employment (such as union membership, drug testing, attendance), consideration for provide time for subsistence pursuit 3. Housing - needed for the contractor's core staff 4. Food & Cleaning Services 5. Hiring Process 6. Others- will there be a need for supplies, water, fuel, gravel from local businesses
6:30 PM	Department of Labor and Workforce Development, Division of Employment and Training – Job Center Network Services – via teleconference Rachel O'Brien, Gulf Coast/Southwest Regional Manager
6: 45 PM	Q &A
7:00 PM	Meeting Adjourned

Contact Information:

Project Engineer: Dave Wood, P.E., R&M Consultants
Ronald A. Searcy, P.E. Project Manager, 907-269-0656
Winnie Cichosz, DOT&PF Civil Rights Office, Anchorage-Phone: (907) 269-0854
Kevin Perry, (907) 444-7246, Knik Construction Company Inc.

It is the policy of the DOT&PF that no person will be excluded from participation in, or be denied benefits of any programs, services or activities we provide based on race, religion, color, gender, age, marital status, ability, or national origin. This policy will be implemented regardless of the funding source, including Federal Transit Administration, Federal Aviation Administration, Federal Highway Administration and State of Alaska funds.

DOT&PF will make reasonable efforts to accommodate persons with a disability to facilitate their participation at our meetings, activities or use of our highway, airport, transit vehicles, ferry facilities and public buildings. If you, or someone you represent, requires alternative access or assistance to participate in our meeting or activities or to access one of our public facilities, please call (907) 269 0851 or call Alaska Relay at (800) 770-8973 for TTY, (800) 770-8255 for Voice, (800) 770-3919 for ASCII, (866) 355-6198 for STS, or (866) 335-6199 for Spanish and ask the communication assistant to call the telephone number listed to request alternate access or assistance.

Alternative language translations and accessible formats of this document will be provided upon request.



June 27, 2019

William Howell, Interim City Manager
Christine Blake, Finance Director
City of Bethel
PO Box 1388
Bethel, AK 99559

Re: Insurance program renewal invoice information –
July 1, 2019 to July 1, 2020 Coverage term.

Dear Bill & Christine;

Listed below is the renewal premium invoices for the 2019/2020 coverage term.

PROPERTY: Invoice #39435 in the amount of \$127,923.17 represents the property and mobile equipment insurance and is based upon a total property insured value of \$98,071,730.00 including sub-limits of \$75,000,000.00 earthquake and flood, and \$200,000,000.00 for boiler & machinery. The APEI retention is \$500,000.00. The City's deductible is \$25,000.00. The limit for the Mobile Equipment is \$3,550,925.00

Property premium amount: \$134,262.67 less commission of \$15,440.21 = \$118,822.47

Mobile Equipment amount: \$10,283.28 less commission of \$1,182.58 = \$9,100.70
A Longevity Credit of \$4,470.48 is included in this premium.

LIABILITY: **\$10,000.00 liability deductible option.** Invoice #39436 in the amount of \$486,919.51 represents the general liability, public official liability, employee benefit liability and employment practices liability insurance coverage and provides a limit of insurance of \$15,000,000.00 plus the APEI retention of \$500,000.00. The premium is based upon annual payroll of \$8,546,038.00. A \$10,000.00 Deductible applies to all coverage lines.

Liability premium amount: \$550,191.54 less commission of \$63,272.03 = \$486,919.51
A Longevity Credit of \$17,016.23 is included in this premium.

AUTOMOBILE: **\$10,000.00 liability deductible option.** Invoice #39437 in the amount of \$76,390.12 represents the automobile insurance coverage and provides the same \$15,000,000.00 limits of the liability over the APEI retention of \$500,000.00. Physical damage coverage is included on 88 of the 95 scheduled vehicles.

Automobile premium amount: \$86,316.52 less commission of \$9,926.40 = \$76,390.12
A Longevity Credit of **\$2,473.35** is included in this premium.

WORKERS COMPENSATION: Invoice #39438 in the amount of \$168,502.48 represents the workers compensation insurance and includes the Statutory Requirements of the State of Alaska and \$3,000,000.00 Employer Liability. The APEI retention is \$1,000,000.00. No deductible applies to the City. The premium is based on \$8,546,038.00 total estimated annual payroll for all classifications combined which includes \$8,480,038.00 in employee payroll and \$66,000.00 for the volunteer fire department personnel.

Workers Compensation premium amount: \$190,398.28
less commission of \$21,895.80 = \$168,502.48
A Longevity Credit of **\$5,888.64** is included in this premium.

MARINA LIABILITY: Invoice #39443 represents the Marina Operators Liability insurance which provides limits of \$1,000,000.00 each occurrence and in the annual aggregate.

Marina Liability premium amount: \$10,203.33 less commission of \$1,020.33 = \$9,183.00

PUBLIC OFFICIAL BONDS: The public official bonds will be issued for the City Manager, the Finance Director and the City Clerk.

All three have a premium of \$214.69 less the commission \$24.69 = \$190.00 each.

BROKER FEE – 2019: Invoice #39439 represents the July 2019 broker fee. This same monthly broker fee will be invoiced during this 2019/2020 term.

Cyber Liability with a sublimit of \$2,000,000.00 and \$2,500.00 deductible has been renewed along with the Crime Insurance limit at \$1,000,000.00 with a \$2,500.00 deductible.

A dividend credit was changed in 2018 is no longer provided by APEI for your past premium and claims experience. This was replaced by a Longevity Credit. A total Longevity Credit in the amount of **\$30,045.07** has been immediately included in the first renewal premium information described above.

I have attached a copy of the premium information from APEI, I have checked out the schedules and they appear to be correct.

Summary:

2019/2020		
	Net Renewal Premium.	Invoice#
Property:	\$127,923.17	39435
Mobile Equipment:	Included	included in 39435
General Liability:	\$10K DED \$486,919.51	39436
Automobile:	\$10K DED \$76,390.12	39437
Workers Compensation:	\$168,502.48	39438
Marina Liability:	\$9,183.00	39443
Public Official Bonds:	\$190.00	39440 City Manager
Public Official Bonds:	\$190.00	39441 Finance Director
Public Official Bonds:	\$190.00	39442 City Clerk
July 2019 Broker Fee:	<u>\$5,623.00</u>	39439 (\$67,476.00 annual)
	\$875,111.28	

Comparison:

2018/2019		
	Inception Net Renewal Premium.	Premium Basis.
Property:	\$105,135.46	\$94,316,120. value
Mobile Equipment:	\$8,968.15	\$3,524,225. value
General Liability:	\$215,330.51	\$6,785,419. payroll
Automobile:	\$85,164.61	93 total/83 physical damage
Workers Compensation:	\$140,236.09	\$6,785,419. payroll
Marina Liability:	\$8,350.00	Actual
Public Official Bonds:	\$190.00	City Manager
Public Official Bonds:	\$170.91	Finance Director
Public Official Bonds:	\$190.00	City Clerk
2018 Broker Fee:	<u>\$65,508.00</u>	Monthly (\$5,459.00 x 12)
Total:	\$629,243.73	

Comparison:

2017/2018

	Inception Net Renewal Premium.	Premium Basis.
Property:	\$100,947.28	\$88,186,271. value
Mobile Equipment:	\$10,444.84	\$3,605,000. value
General Liability:	\$181,302.72	\$6,788,679. payroll
Automobile:	\$84,125.27	100 total/82 physical damage
Workers Compensation:	\$163,980.69	\$6,788,679. payroll
Marina Liability:	\$9,771.00	Actual
Public Official Bonds:	\$190.00	City Manager
Public Official Bonds:	\$190.00	Finance Director
Public Official Bonds:	\$190.00	City Clerk
APEI Dividend to City:	\$18,276.31	Credit
2017 Broker Fee:	\$74,200.00	Monthly (\$5,300.00 x 14)
Total:	\$607,065.49	

The summaries listed above include the original coverage term premiums for comparison along with changes and prior period audits.

Please let me know if you have any questions or any changes to be made.

Sincerely,



Michael F. Combs, CIC, CRM
Broker, City of Bethel



341 S. Alaska Street

City of Bethel
PO Box 1388
Bethel, AK 99559

INVOICE NO. 39435		Page 1
ACCOUNT NO.	OP	DATE
BETHE-1	MC	06/26/2019
Property		
POLICY #		
PPC4520239		
COMPANY		
ALASKA PUBLIC ENTITY INSURANCE		
PRODUCER		
Michael F. Combs, CIC, CRM		
EFFECTIVE	EXPIRATION	BALANCE DUE ON
07/01/2019	07/01/2020	07/01/2019

Item #	Eff Date	Type	Description	Amount
178018	07/01/19	PROP	BETHEL PROPERTY 2019	\$127,923.17
Invoice Balance:				\$127,923.17



341 S. Alaska Street

City of Bethel
PO Box 1388
Bethel, AK 99559

INVOICE NO. 39436		Page 1
ACCOUNT NO.	OP	DATE
BETHE-1	MC	06/26/2019
General Liability (3/88)		
POLICY #		
GALPC5520239		
COMPANY		
ALASKA PUBLIC ENTITY INSURANCE		
PRODUCER		
Michael F. Combs, CIC, CRM		
EFFECTIVE	EXPIRATION	BALANCE DUE ON
07/01/2019	07/01/2020	07/01/2019

Item #	Eff Date	Type	Description	Amount
178019	07/01/19	GL-S	BETHEL GENERAL LIABILITY 2019	\$486,919.51

Invoice Balance: \$486,919.51



341 S. Alaska Street

City of Bethel
PO Box 1388
Bethel, AK 99559

INVOICE NO. 39437		Page 1
ACCOUNT NO.	OP	DATE
BETHE-1	MC	06/26/2019
Commercial Auto (3/88)		
POLICY #		
GALPC5520239		
COMPANY		
ALASKA PUBLIC ENTITY INSURANCE		
PRODUCER		
Michael F. Combs, CIC, CRM		
EFFECTIVE	EXPIRATION	BALANCE DUE ON
07/01/2019	07/01/2020	07/01/2019

Itm #	Eff Date	Type	Description	Amount
178020	07/01/19	CA-S	BETHEL AUTOMOBILE 2019	\$76,390.12

Invoice Balance: \$76,390.12



341 S. Alaska Street

City of Bethel
PO Box 1388
Bethel, AK 99559

INVOICE NO. 39438		Page 1
ACCOUNT NO.	OP	DATE
BETHE-1	MC	06/26/2019
Worker's Comp - New (3/88)		
POLICY #		
WCP6520239		
COMPANY		
ALASKA PUBLIC ENTITY INSURANCE		
PRODUCER		
Michael F. Combs, CIC, CRM		
EFFECTIVE	EXPIRATION	BALANCE DUE ON
07/01/2019	07/01/2020	07/01/2019

Itn #	Eff Date	Type	Description	Amount
178021	07/01/19	WC-S	BETHEL WORKERS COMP 2019	\$168,502.48
Invoice Balance:				\$168,502.48



341 S. Alaska Street

City of Bethel
PO Box 1388
Bethel, AK 99559

INVOICE NO. 39443		Page 1
ACCOUNT NO.	OP	DATE
BETHE-1	MC	06/27/2019
General Liability (3/88)		
POLICY #		
SE15LIA948781		
COMPANY		
NAVIGATORS INSURANCE CO		
PRODUCER		
Michael F. Combs, CIC, CRM		
EFFECTIVE	EXPIRATION	BALANCE DUE ON
07/01/2019	07/01/2020	07/01/2019

Itm #	Eff Date	Type	Description	Amount
178027	07/01/19	GL-S	BETHEL MARINA LIABILITY 2019	\$9,183.00

Invoice Balance: \$9,183.00



341 S. Alaska Street

City of Bethel
PO Box 1388
Bethel, AK 99559

INVOICE NO. 39440		Page 1
ACCOUNT NO.	OP	DATE
BETHE-1	MC	06/27/2019
Bond		
POLICY #		
POBC2019008		
COMPANY		
ALASKA PUBLIC ENTITY INSURANCE		
PRODUCER		
Michael F. Combs, CIC, CRM		
EFFECTIVE	EXPIRATION	BALANCE DUE ON
07/01/2019	07/01/2020	07/01/2019

Itm #	Eff Date	Type	Description	Amount
178024	07/01/19	BOND	WILLIAM HOWELL BOND	\$190.00

\$50,000.00 BOND - CITY MANAGER.

Invoice Balance: \$190.00



341 S. Alaska Street

City of Bethel
PO Box 1388
Bethel, AK 99559

INVOICE NO. 39441		Page 1
ACCOUNT NO.	OP	DATE
BETHE-1	MC	06/27/2019
Bond		
POLICY #		
POBC2019009		
COMPANY		
ALASKA PUBLIC ENTITY INSURANCE		
PRODUCER		
Michael F. Combs, CIC, CRM		
EFFECTIVE	EXPIRATION	BALANCE DUE ON
07/01/2019	07/01/2020	07/01/2019

Itm #	Eff Date	Type	Description	Amount
178025	07/01/19	BOND	CHRISTINE BLAKE BOND	\$190.00

\$50,000.00 BOND - FINANCE DIRECTOR.

Invoice Balance: \$190.00



341 S. Alaska Street

City of Bethel
PO Box 1388
Bethel, AK 99559

INVOICE NO. 39442		Page 1
ACCOUNT NO.	OP	DATE
BETHE-1	MC	06/27/2019
Bond		
POLICY #		
POBC2019010		
COMPANY		
ALASKA PUBLIC ENTITY INSURANCE		
PRODUCER		
Michael F. Combs, CIC, CRM		
EFFECTIVE	EXPIRATION	BALANCE DUE ON
07/01/2019	07/01/2020	07/01/2019

Itm #	Eff Date	Type	Description	Amount
178026	07/01/19	BOND	LORI STRICKLER BOND	\$190.00

\$50,000.00 BOND - CITY CLERK.

Invoice Balance: \$190.00

**Alaska Public Entity Insurance**

2233 Jordan Ave. • Juneau, AK 99801
(907) 523.9400

Bond Invoice

Date	7/1/2019
Invoice #	BC20101

Effective Date

July 01, 2019 at 12:01 a.m. to
July 01, 2020 at 12:01 a.m.

E-mail cluck@akpei.com

Broker

Combs Ins. Agency
341 S. Alaska Street
Palmer, AK 99645

Insurance Carrier(s)	APEI
Member Name	City of Bethel
Policy Period	07/01/2019 to 07/01/2020

Program	Description	Policy #	Premium
Muni-Surety Bond	Municipality Surety Bond - # 1Yr \$50,000 Limit Principal: Christine Blake	POBC 2019-009	214.69
Muni-Surety Bond	Municipality Surety Bond - # 1Yr \$50,000 Limit Principal: William Howell	POBC 2019-008	214.69
Muni-Surety Bond	Municipality Surety Bond - # 1Yr \$50,000 Limit Principal: Lori Strickler	POBC 2019-010	214.69
BrkrCom-11.5	Less Broker Commission of 11.5%		-74.07
Total Due 20 days from Invoice Date			\$570.00



341 S. Alaska Street

City of Bethel
PO Box 1388
Bethel, AK 99559

INVOICE NO. 39439		Page 1
ACCOUNT NO.	OP	DATE
BETHE-1	MC	06/26/2019
Broker Fee		
POLICY #		
2019/2020 BROKER FEE		
COMPANY		
BROKER SERVICE FEE		
PRODUCER		
Michael F. Combs, CIC, CRM		
EFFECTIVE	EXPIRATION	BALANCE DUE ON
07/01/2019	07/01/2020	07/01/2019

Item #	Eff Date	Type	Description	Amount
178022	07/01/19	AFEE	BETHEL JUL 2019 BROKER FEE	\$5,623.00

Invoice Balance: \$5,623.00



CITY OF BETHEL

P.O. Box 1388 • Bethel, Alaska 99559

907-543-2047

Fax # 907-543-4171

July 26, 2019

Lori Aldrich
Solid Waste Program Coordinator
Department of Environmental Conservation
555 Cordova St.
Anchorage, AK 99501

Dear Ms. Aldrich:

The City of Bethel requests a modification to Solid Waste Permit No. SW2A002-22 to allow disposal of stabilized sewage solids in the Bethel municipal solid waste facility for use as either daily cover material or final cover material.

Wastewater solids were dredged from the City's wastewater lagoon in 2017 and in 2018 and stored in two separate stockpiles on site. These stockpiles were tested for solids and volatile solids content in June 2018 and then again tested for fecal coliform concentration in May of 2019. Table 1 shows the total solids and volatile solids contents measured in 2018.

Table 1 - Bethel Biosolids Stockpiles Sampling done 6/15/18					
2018 stockpile	%TS	%VS	2017 Stockpile	%TS	%VS
	41.5	30.5		75.2	13.9
	43.7	29.8		75.9	9.28
	42.8	30.3		67.2	29.2
	43.4	30.4		61.1	22.8
	40.9	36		67.3	25.8
	41.1	36.2		81.9	16.5
Average	42.2	32.2		71.4	19.6
% VS Reduction based on average					39.2%
Geometric Mean		32.1			18.2
% VS Reduction based on mean					43.2%

In anaerobic digestion, a 38% VS destruction is necessary to achieve US EPA Class B standards for land application of biosolids. Based on the results of the six samples collected and tested in 2018, the volatile solid reduction between the two years shows that storing the material for a year in a stockpile achieves significant volatile solids reduction, at or above the digestion standard for achieving Class B.

In addition, 8 samples of solids were collected from the two stockpiles (4 from the 2017 stockpile and 4 from the 2018 stockpile) in May 2019 and tested for % solids and fecal coliform. All 8 samples showed no fecal coliform measured and solids contents were similar to those measured in 2018. (laboratory results are provided in the attached file). Although none of EPA's

listed vector attraction reduction methods were used to treat these solids, the low volatile solids content indicates the solids are very stable. The fact that the solids were stockpiled and stored for 1-2 years allowed for additional volatile solids reduction and testing showed no presence of fecal coliform.

Due to these laboratory analysis results, the City requests a waiver of the US EPA VAR requirement to allow use of the dredged biosolids as either daily cover or final cover material on their landfill. Historically, the City has been challenged to find adequate sources of daily cover material to meet their needs. Approval of this practice will allow the City to not only provide a safe disposal method for these stockpiled biosolids, but will also help meet their needs of providing suitable daily and final cover material for the landfill.

Please let us know if you have further questions. We look forward to your favorable reply.

Sincerely,

A handwritten signature in blue ink, appearing to read 'W. Howell, III', with a long horizontal flourish extending to the right.

William F. Howell, III
Acting City Manager



EMLab P&K
10900 Brittmoore Park Dr, Suite G Houston TX 77041
(800) 651-4802 Fax (623) 780-7695 www.emlab.com

Client: City of Bethel
C/O: William Arnold
Re: 600-187172

Date of Sampling: 05/14/2019
Date of Receipt: 05/29/2019
Date of Report: 06/27/2019

MEMBRANE FILTRATION REPORT

Location:	600-187172-1	600-187172-2	600-187172-3	600-187172-4
Comments (see below)	A	A	A	A
Lab ID-Version†	10312289-1	10312290-1	10312291-1	10312292-1
Fecal coliform (cfu) / gram D.W.	0	0	0	0
Dilutions	1:100 & 1:1,000	1:100 & 1:1,000	1:100 & 1:1,000	1:100 & 1:1,000
Media used	mFC	mFC	mFC	mFC
Total Dry Solid (mg/L)	638,000	439,000	382,000	600,000
Percent Dry Solid (%)	63.8	43.9	38.2	60

Location:	600-187172-5	600-187172-6	600-187172-7	600-187172-7
Comments (see below)	A	A	A	A
Lab ID-Version†	10312293-1	10312294-1	10312295-1	10312296-1
Fecal coliform (cfu) / gram D.W.	0	0	0	0
Dilutions	1:100 & 1:1,000	1:100 & 1:1,000	1:100 & 1:1,000	1:100 & 1:1,000
Media used	mFC	mFC	mFC	mFC
Total Dry Solid (mg/L)	879,000	745,000	843,000	459,000
Percent Dry Solid (%)	87.9	74.5	84.3	45.9

cfu = colony forming units D.W. = Dry Weight

Comments: A) Sample Prep Date and Time: 05/31/2019 15:00 and Analysis Date and Time: 06/01/2019 16:00 for Fecal Coliform method: SM chapter 9222D., 22nd edition (2006)

† A "Version" indicated by "-x" after Lab ID# with a value greater than 1 indicates a sample with amended data. The revision number is reflected by the value of "x".

Interpretation is left to the company and/or persons who conducted the field work.

EMLab P&K, LLC

EMLab ID: 2171838, Page 1 of 1

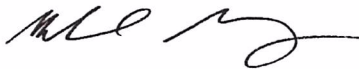
Report for:

William Arnold
City of Bethel
PO BOX 1338
Bethel, AK 99559

Regarding: Project: Lagoon Biosolids
EML ID: 2171838

Approved by:

Dates of Analysis:
MF-Fecal Coliform (Sludge/Biosolids Only): 06-27-2019



Laboratory Manager
Michael Manning

Project SOPs: MF-Fecal Coliform (Sludge/Biosolids Only) (EM-BT-S-1223)

All samples were received in acceptable condition unless noted in the Report Comments portion in the body of the report. Due to the nature of the analyses performed, field blank correction of results is not applied. The results relate only to the samples as received.

EMLab P&K ("the Company") shall have no liability to the client or the client's customer with respect to decisions or recommendations made, actions taken or courses of conduct implemented by either the client or the client's customer as a result of or based upon the Test Results. In no event shall the Company be liable to the client with respect to the Test Results except for the Company's own willful misconduct or gross negligence nor shall the Company be liable for incidental or consequential damages or lost profits or revenues to the fullest extent such liability may be disclaimed by law, even if the Company has been advised of the possibility of such damages, lost profits or lost revenues. In no event shall the Company's liability with respect to the Test Results exceed the amount paid to the Company by the client therefor.



Yuut Elitnaurviat

P E O P L E ' S L E A R N I N G C E N T E R

Striving to prepare local workers for higher wage jobs through career preparation and employment training programs

Full Board Report

July 29, 2019

2:00 PM



Yuut Elitnaurviat

P E O P L E ' S L E A R N I N G C E N T E R

Striving to prepare local workers for higher wage jobs through career preparation and employment training programs

Full Board

July 29, 2019

Meeting Agenda

- I. Call to Order**
- II. Establishment of Quorum**
- III. Adoption of Agenda**
- IV. Approval of Previous Meeting Minutes**
- V. Executive Director's Report**
- VI. Operations Director's Report**
- VII. Programs Director's Report**
- VIII. Discussion Item(s)**
 - a. Loan for Shop Build



YE Executive Board Meeting April 29, 2019; 2:06 PM – 3:28 PM Meeting Minutes

I. Call to Order – Dan Walker @ 2:06 PM

II. Establishment of a Quorum – 9 members

#	Name	Organization	P/A
1	Vivian Korthuis	AVCP	P
2	Shantel O'Brien	AVCP-RHA	P
3	Michelle DeWitt	BCSF	P
4	Thom Leonard	Calista	P
5	Bill Howell	City of Bethel	P
6	Linda Curda	KuC	P
7	Dan Walker	LKSD	P
8	Peter Evon	ONC	P
9	Dan Winkleman	YKHC	P

III. Adoption of Agenda – Motion to adopt the agenda put forward by Dan Walker and seconded by Vivian Korthuis. Motion passed unanimously.

IV. Adoption of Minutes – Motion made to adopt the previous meeting minutes with the corrected spelling of Wayne Morgan's name put forward by Bill Howell and seconded by Peter Evon. Motion passed unanimously.

V. Executive Director's Report

- i. Discussion concerning the cost of building the new shop without the waiver from EDA, possible solutions and alternative ideas for funding the construction of the new shop, questions about the teacher housing partnership between YE, AVCP, and LKSD, and comments about regional partnership opportunities.

VI. Operations Director's Report

- i. Discussion about some of the items in the report and YE's need for front desk and accounting staff.



Yuut Elitnaurviat

P E O P L E ' S L E A R N I N G C E N T E R

Striving to prepare local workers for higher wage jobs through career preparation and employment training programs

VII. Program Director's Report

- i. Discussion concerning public safety needs in the region, and how YE can potentially address said needs through training and partnerships.

VIII. Additional Discussion

- i. Signatories
 - a. After discussion, a motion to approve Peter Evon and Vivian Korthuis as signatories was put forward by Michelle DeWitt and seconded by Bill Howell. Motion passed unanimously.
- ii. Kuskokwim Campus
 - a. Campus Director Linda Curda invited the YE Executive Board to KuC's 45th Graduation ceremony and gave updates on the state of KuC.

IX. Adjournment – Meeting adjourned at 3:28 PM by Dan Walker.



Yuut Elitnaurviat

P E O P L E ' S L E A R N I N G C E N T E R

Striving to prepare local workers for higher wage jobs through career preparation and employment training programs

Executive Director Summary

July 29, 2019

As we survive one of the hottest summers recorded on the Kuskokwim we have to wonder if this is the norm for the future.

We are happy to say that we received a letter from the Department of Commerce stating that EDA proposes to subordinate the Federal Share to the First National Bank Alaska. Our next step has been to work with AIDEA on language for them to be the guarantor for the loan. We are waiting for their August meeting to see what or if they have issues with the structure of the loan. It appears we have missed another construction season on the expansion, but we have a chance to construct the shop this summer (we have had the package on campus for over two years) and would like your input on the best way to complete the project.

We continue to watch the everyday developing saga of the State of Alaska. As our Governor and Legislature have been working to come together with the capital budget, we know that it will have a direct effect on program activities and will eventually decide some of what we at Yuut Elitnaurviat will be teaching in the future.

I would like to again thank Calista (STG) for donating the dump truck and Dale Construction for taking the time to work on it and give us a list of parts we will need in the future. This truck will give us the opportunity to instruct a Class B CDL class instead of using the huge semi for Class A. Many of our organizations in Bethel would rather have the Class B, and we are listening.

As summer ends, look for us to reach out to all of our partner organizations to determine your training needs as we put the fall schedule together.

Quyana Cakneq

Mike



Operations Director Summary

Grant Funding & Revenue Streams for FY19

FY18 grant activity:

- TVEP: TVEP FY19 TVEP is fully expended and closed out. TVEP for FY20 does have an overall increase, but it is also a reauthorization year.
- STEP: Re did not fully expend the grant due to instructor availability. But we do have a new STEP grant for Class B CDL for FY20
- ANE-LPN: This grant is underspent again this year. We are still trying to find an instructor, but have been moving forward getting program approvals.

Contracts & MOAs:

- DHAT: Yuut is continuing our relationship with the DHAT Program. We provide student support and they rent clinic space. 10 students graduated in June and the new class of 3 began instruction in July.
- LKSD: We continue to lease dormitory space, shop usage, and meal services for students in residential programs. KLA is leasing approximately half of the TESS Building and all three of our permanent dorms. We are still working on the build-out for additional class and dorm space for KLA, which is detailed below.
 - For FY20 we will ONLY be providing residential meals and the MOA is only through December.
- AVCP: We are currently working on the contracts for FY20 classes and GED facilitation.
- Arctic Catering: Arctic Catering continues to be our contract caterer and we are using their staff for maintenance and janitorial.
- Kilbuck Dorm: Since we were not able to proceed with construction this summer we are working on a 4th year lease for the man camp so we can house adult students.

Finance

- **Financial Statements:** Audit prep will not happen until August. Very rough financial statements are attached. Depreciation and Capitalization will not be entered until Audit Prep and it will drastically reduce the gain in net assets for the year.

Notes for Financial Reports:

- The "Ask My Accountant" Line contains expenses involving the moving of the Duplexes. The expenses will be capitalized all at once during audit prep.



- The balance sheet does not currently include the A&P School or Duplexes. When they are added it will increase our net worth by approximately \$5 million
- AR looks high but it is just because we still have \$500K in design bills LKSD will eventually pay for on the books as well as all of our year end receivables.
- Audit Prep will take place in August. The financials will change a lot after the year is officially closed out and things get capitalized and/or depreciated. I will send out 6-30-18 reports to the board after we do audit prep so you have a current look at year end financials.

Capital Projects

- **TESS/Campus Expansion:** We continue to work on the financing packages for TESS expansion, Modular Dorms, a second Trades Shop, and a new Modular unit for the DHAT Clinic.
 - There has been some progress with EDA. They are reviewing our request again.
- **A&P Facilities:** A&P hangar is fully operational and programs are underway. The duplexes have been in service for a few months and we continue to tie up odds and ends as the ground has thawed and a few things have shifted. We also still need to hook up a lift station for the buildings. The city has been incredibly supportive and have been giving us hauled service until the lift station can be installed.

Maintenance

- The maintenance worker we have been working with has been doing a great job. I wish we could afford one 100% of the time but even at 50% it is better than what we have had in the past.
- The Water Damage from December should be fully repaired before freeze up.
- Our buildings are shifting wildly due to the warm weather. We have had crushed sewer pipes in the shop, the electrical main nearly ripped off of the side of the Yukon dorm and the fuel lines nearly snapped off of the Rasmuson/Kusko dorms. We are trying to be vigilant but it has been a wild summer.

Shop Construction

We purchased a metal shop kit 2 years ago and have been waiting for TESS construction to proceed with putting it together. This packet includes three options from our Banker about how to finance the completion of the building.



Yuut Elitnaurviat

P E O P L E ' S L E A R N I N G C E N T E R

Striving to prepare local workers for higher wage jobs through career preparation and employment training programs

INVESTMENT

Over the years we have circled around and around about investing some of our unrestricted cash. After consulting with our CPA I plan to meet with an agent she has worked with for years who is not affiliated with any bank, but specifically works with nonprofits. Our CPA recommends at minimum we have three months of operating funds segregated for emergencies. With the current political climate, I actually think a year might be more prudent. We will be contacting board members to speak with the agent once we get things going and hopefully we will have a plan to present at the next board meeting.

Programs Director Summary

FY19 Q4 (April - June 2019)

Adult Basic Education

	4th Quarter	Year to Date
ABE Services	317	1551
GED Graduates	10	17
ABE Intensive	15	33
Pearson Vue Testing	6	16
DEVS 102 - Intro to Excel	0 (Not offered this quarter)	18
DEVS 120 - Quick Books Training	0 (Not offered this quarter)	8
OUPV Six Pack License	18	18



We reached a record high in GED graduates this quarter, bringing our total graduates to 17, exceeding what Yuut reached last year. Our partnership with AVCP's TANF and Tribal Workforce Development departments is certainly paying off. We also contribute our success to the implementation of our online ABE instruction, making it easier to support students and monitor their programs remotely. We plan to continue hosting GED intensives in the coming year.

Aviation Maintenance

	4th Quarter	Year to Date
YAMT 101 - General	8	8
YAMT 201 - Airframe	0 (Not offered this quarter)	0
YAMT 202 - Powerplant	0 (Not offered this quarter)	0

Yuut Elitnaurviat's Aviation Maintenance Technician (AMT) program started on April 23 with 8 students. AVCP has been an excellent partner all the way through the process to ensure student success. Interested in the new program continues to grow, and we are currently recruiting for a second cohort to start in September 2019.





Construction Trades

	4th Quarter	Year to Date
CONS 106 - Construction Mathematics	7	16
CONS 110 - Residential Carpentry Level I	0 (Not offered this quarter)	9
CONS 115 - Residential Carpentry Level II	7	7
CONS 150 - Residential Plumbing Level I	0 (Not offered this quarter)	10
CONS 170 - Residential Electrical Level I	10	10
RFMT 100 - Workplace Fundamentals	0 (Not offered this quarter)	26
RFMT 105 - Maintenance Carpentry I	12	12
RFMT 108 - Toyo Troubleshooting and Repair	16	26
RFMT 120 - Electrical Maintenance Fundamentals	0 (Not offered this quarter)	12
RFMT 160 - Plumbing and Electrical Fixtures	13	22
RFMT 501 - NCCER Instructor Training Program	0 (Not offered this quarter)	7
RFMT 502 - NCCER Instructor Training Program	0 (Not offered this quarter)	5
WELD 206 - Structural Tubing, Vertical, and Overhead Welding	0 (Not offered this quarter)	6
WELD 304 - Specialty Equipment Welding and Design	0 (Not offered this quarter)	6
YK Delta Apprenticeship Program	0 (No qualified candidates)	6

We held 6 different Construction Trades training courses this quarter. Two of them were in our Construction Laborer certificate program, three were to finish the Residential Construction and Maintenance certificate program, and the final course was the Toyo Troubleshooting and Repair. We have started reaching out to our partners to determine training needs for the next year.





Driver Education

	4th Quarter	Year to Date
Class D Written Test	18	20
Permit Class	25	48
Defensive Driving Class	0 (Not offered this quarter)	3
Winter Driving Class	0 (Not offered this quarter)	0
Road Test	32	147
Driving Academy	3	15
DRIV 150 - Commercial Driver License	4	7
CDL Road Test	5	15

Our driving program continues to train local commercial and Class D drivers for jobs that exist in the region. We are working with our instructor to confirm his availability for the coming year, and are in the middle of submitting paperwork to onboard our new CDL tester. We will discontinue the Class A program to start training on Class B, for which there is a higher need for in the YK Delta.



Healthcare

	4th Quarter	Year to Date
KuC/YE/YKHC CNA	0 (Not offered this quarter)	0
HLTH F107 - Nurse Aide Training	0 (Not offered this quarter)	0
State CNA Testing	0 (Not offered this quarter)	0

The Bethel CNA program was unable to hold any CNA training this year due to our instructor having a family emergency, but we will be back on track in October 2019. We are working on an MOA with Ilisagvik college up in Utqiagvik to get the LPN program up and running. We are on track to turn it in for Alaska Board of Nursing approval this Fall. When we would actually be able to start the class will depend on when the Alaska Board of Nursing reviews and approves our application.





Public Safety

	4th Quarter	Year to Date
SAFT 100 - VPO/TPO Academy	13	26
VPSO Regional Training	0 (Not offered this quarter)	0

Yuut Elitnaurviat has almost fully taken over rural Public Safety training in our region. We are now pulling away from the Department of Public Safety for travel and instructors, and will now do all of the recruiting and coordinating. Our partnership with AVCP has allowed us to still hold these trainings, which are very needed in the region and offer a way to professionalize rural Public Safety positions while exposing participants to amazing instructors and other officers from around the state. We will continue to offer this training, with our next one scheduled on October 2019.





CORE PURPOSE Preparing Local People for Local High-Wage Jobs

CORE VALUES Integrity ♦ Health and Wellness ♦ Hope ♦ Self-Sufficiency ♦ Student-Centered
Culturally Relevant ♦ Regionally Responsive

LONG-TERM GOAL (2023): Yuut Elitnaurviat is growing and thriving – internally, it is on solid financial footing, effectively meeting the needs of emerging regional industries, and widely recognized throughout the region for its student success as the region's workforce development center.

To achieve this long-term goal, the Yuut board and executive leadership will focus on successfully addressing a number of essential strategic priorities:

- 1) *Prepare Yuut to meet the needs of emerging industries in the region*
- 2) *Build and maintain sustainable facilities that position Yuut for the next 20 years*
- 3) *Develop and support strong feeder programs, preparing students for local, high-wage jobs*
- 4) *Improve community and partner engagement to ensure Yuut is connected to its many stakeholders*
- 5) *Maximize governance and leadership to guarantee sustainable management of the Yuut organization*
- 6) *Ensure financial sustainability through strong financial/investment policies, and growing reserves*

STRATEGIC OPERATING PRIORITIES (2018- 2020)

PRIORITY: Prepare Yuut to effectively meet the needs of emerging industries in the region

- Fully functioning LPN program that catches up with the existing and growing need
 - Hire master's level instructor
 - Provisional license/time line for completion
 - National certification/accreditation
 - Then licensed LPN program
- Explore ramping up the Dental Assistant program
 - Re-envision the program with a focus on standardization to make it more relevant to health care partners today
- With regard to resource development careers, work to build cross-industry soft skills training
- Explore the telecommunications industry
- Explore the growth of cultural tourism as an industry
- Explore programs and services that encourage students to pursue internet-based businesses

PRIORITY: Build and maintain sustainable facilities that position Yuut strongly for the next 20 years

- Develop a long-term Sustainable Facilities/Land Use Plan
 - Focused on increased energy efficiency and energy independence – we make more of our own power – solar, wind, alternative sources
- Building a Maintenance and Operations Reserve Policy to fund ongoing/deferred maintenance

PRIORITY: Develop and support strong feeder programs, preparing students for local, high-wage jobs

- Aviation and Powerplant MOU/MOA completed – A & P program is in place
- Explore the addition of a Y-K Corridor Program
- Improve the Alaska Driver's Education and CDL programs
- Begin to explore the place of child care opportunities – for work, and to eliminate barriers
- Figure how to partner with others (school district) to make sure we can grow our own teachers
- Establish and maintain a "Job Bank" for partner organizations
- Explore the concept of a more intentional Boarding School presence at Yuut – "Stop here in Bethel, don't need to go to Mt. Edgecumbe or Galena"



PRIORITY: Improve community and partner engagement to ensure Yuut is connected to its many stakeholders

- Pursue more opportunities to engage with the community, partners and potential partners
 - Connect with other school districts in the region
 - Emmonak (NOT SURE WHAT THIS WAS...)

PRIORITY: Maximize governance and leadership to guarantee sustainable management of the Yuut organization

- Develop a Five-year Sustainable Staffing Plan
 - What kind of staffing does Yuut need and when – to effectively meet the long-term goal
 - Look again at compensation and benefits, including the potential for self-insurance by 2023
- Determine how to best take advantage of legal expertise – in-house or external?
- Explore shared services opportunities with partner organizations
 - Legal, benefits, specifically with LKSD

PRIORITY: Ensure financial sustainability through strong financial policies and growing reserves

- Establish and live a culture based on a belief that each new program develop a Sustainability Assessment/Business Plan Lite made for any new program
- Within the next five years, have in place \$3.5 million in reserves equal to one year of operations
- Board to develop a formal Investment Policy



April 30, 2019

✓ Michael J. Hoffman
Yuut Elitnaurviat – People's Learning Center
PO Box 869
Bethel, AK 99559

Peter A. Williams
City Manager
300 State Highway
PO Box 1388
Bethel, AK 99559

Mr. Hoffman and Mr. Williams,

As you are aware, EDA and Yuut Elitnaurviat – People's Learning Center (Yuut) have explored a number of options to support Yuut's proposed \$13 million expansion. These options were ultimately found unworkable either by the City of Bethel (alternative Special Award Condition) or Yuut (reducing the footprint of Yuut property subject to EDA's first position lien and taking a pari-passu position on the remainder with First National Bank Alaska).

While EDA previously did not find Yuut's financial position stable enough to warrant full subordination, Yuut's most recent financial statements have shown substantial improvement. On top of the improvement, Yuut has presented a business plan for the \$13 million expansion. The combination of these two factors has led EDA to have greater confidence in Yuut's financial situation and the likelihood of success for the expansion.

As such, EDA proposes to subordinate the Federal Share to the First National Bank Alaska Senior Secured Construction Loan (for \$13,000,000) and Senior Secured Term Loan (for \$6,500,000) that will partially replace it as described in the May 11, 2018 letter from First National Bank Alaska with the regarding line "Proposal for Construction Loan and Term Loan" (May 11 Letter) subject to all of the below conditions:

1. All loan terms and conditions remain as described in the May 11 Letter.
2. The August 25, 2017 lease with Lower Kuskokwim School District terms and conditions remain the same except: (a) the blank rental amount must equal or exceed the actual loan servicing payments, plus utility and operating costs plus 8%; (b) Yuut will make any revision necessary to ensure that the rental amount will be adjusted annually to reflect changes in utility costs and anticipated increases for maintenance over time as the building ages; and (c) Yuut and Lessee shall not make any other changes to the Lease without prior written consent of EDA.

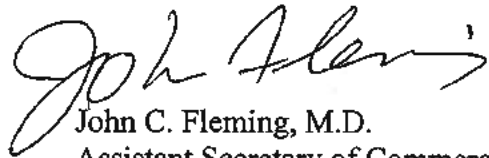
3. A mutually agreeable written subordination agreement signed by the First National Bank Alaska and EDA, which shall be submitted to escrow, recorded and effective only upon closing.
4. Yuut must send written documentation to EDA affirming at Construction Loan Closing and again at Term Loan Closing that there has been no material adverse change to Yuut's financial condition.
5. All proceeds secured by the encumbrance on the Property shall be available only to the Yuut and City of Bethel and shall be used only for the EDA Project for which the EDA Investment Assistance applies, for related activities of which the EDA Project is an essential part, or other activities that EDA determines are authorized under PWEDA.

This subordination proposal does not extend to any other potential encumbrances, including the proposed AIDEA loan. EDA is willing to take a pari-passu position with AIDEA.

EDA kindly reminds Yuut and City of Bethel that the City of Bethel is a co-recipient who signed the original grant. This means that Yuut and the City of Bethel have been, and remain, jointly responsible for the EDA award. Yuut should ensure that the City of Bethel is informed of any and all actions related to the award. This subordination proposal does not change this on-going relationship.

If you have any questions or concerns, please contact A. Leonard Smith, Regional Director of EDA's Seattle Regional Office at (206) 220-7660.

Sincerely,



John C. Fleming, M.D.
Assistant Secretary of Commerce
for Economic Development

CITY OF BETHEL
COMBINED CASH INVESTMENT
JULY 31, 2019

COMBINED CASH ACCOUNTS

01-10200	CASH-GENERAL WELLS FARGO	(1,913,486.05)
01-10210	CASH-PAYROLL WELLS FARGO	(434,633.09)
01-10220	CASH-UTILITY WELLS FARGO	1,502,442.97
01-10225	CASH-XPRESS PAY DEPOSIT ACCT	77,325.21
01-11750	CASH CLEARING - UTILITY	(612,023.05)
01-11755	CASH CLEARING - A/R	(31,172.95)
01-11756	CASH CLEARING - BUS.LICENSE	(1,600.00)
01-11757	CASH CLEARING - BUSINESS TAX	(884,934.56)
01-20100	VOUCHERS PAYABLE	50.00

	TOTAL COMBINED CASH	(2,298,031.52)
01-10100	CASH IN COMBINED FUND	2,298,031.52

	TOTAL UNALLOCATED CASH	.00
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CASH ALLOCATION RECONCILIATION

10	ALLOCATION TO GENERAL FUND	(1,525,782.44)
20	ALLOCATION TO AVENUES W&S LOAN USDA	(2,308.30)
26	ALLOCATION TO PARKS DEVELOPMENT FUND	(61,970.00)
27	ALLOCATION TO COMMUNITY SERVICE PATROL GRANT	(13,304.95)
40	ALLOCATION TO YK REG AQUA HLTH & SAFETY CTR	(124,404.41)
41	ALLOCATION TO E-911 SYSTEM/SURCHARGE	(20,179.79)
42	ALLOCATION TO SOA SEWAGE LAGOON	(54.77)
45	ALLOCATION TO INSTITUTIONAL CORRIDOR PROJECT	(1.89)
46	ALLOCATION TO PUBLIC SAFETY BUILDING-CAP PRJ	(75.15)
50	ALLOCATION TO SOLID WASTE SERVICES	(53,479.39)
51	ALLOCATION TO WATER & SEWER SERVICES	(327,621.70)
52	ALLOCATION TO MUNICIPAL DOCK	(114,350.34)
53	ALLOCATION TO LEASED PROPERTIES	(12,880.20)
56	ALLOCATION TO BETHEL PUBLIC TRANSIT SYSTEM	(10,446.41)
57	ALLOCATION TO VEHICLES & EQUIP MAINTENANCE	(19,416.99)
63	ALLOCATION TO LAGOON UPGRADES DESIGN SERV	(8,620.00)
71	ALLOCATION TO 2016 HOMELAND SECURITY	(2,750.00)
83	ALLOCATION TO FUND 83	(384.79)

	TOTAL ALLOCATIONS TO OTHER FUNDS	(2,298,031.52)
	ALLOCATION FROM COMBINED CASH FUND - 01-10100	2,298,031.52

	ZERO PROOF IF ALLOCATIONS BALANCE	.00
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CITY OF BETHEL
BALANCE SHEET
JULY 31, 2019

GENERAL FUND

ASSETS

10-10100	CASH IN COMBINED FUND	(1,525,782.44)	
10-11300	CASH IN TILL - FINANCE	500.00	
10-19901	SUSPENSE - BULK DIESEL FUEL	20,525.97	
	TOTAL ASSETS		(1,504,756.47)

LIABILITIES AND EQUITY

LIABILITIES

10-20100	VOUCHERS PAYABLE	(1,226,748.42)	
10-20200	PAYABLE - CHILD SUPPORT	(609.70)	
10-21000	PAYABLE - SOCIAL SECURITY	1,903.26	
10-21100	ACCRUED PAYROLL	(215,536.80)	
10-21200	PAYABLE - FWT	38,505.17	
10-21300	PAYABLE - MEDICARE FICA	8,496.72	
10-21600	PAYABLE - PERS	75,626.33	
10-21900	PAYABLE - UNION DUES	(75.00)	
10-22800	PAYABLE - HEALTH INSURANCE	162,116.20	
10-27000	INSURANCE CONTINGENCY	150.00	
	TOTAL LIABILITIES		(1,156,172.24)

FUND EQUITY

UNAPPROPRIATED FUND BALANCE:			
REVENUE OVER EXPENDITURES - YTD	(348,584.23)		
BALANCE - CURRENT DATE		(348,584.23)	
TOTAL FUND EQUITY			(348,584.23)
TOTAL LIABILITIES AND EQUITY			(1,504,756.47)

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>TAXES</u>					
10-40-401 TAX - SALES	1,465.57	1,465.57	.00	(1,465.57)	.0
TOTAL TAXES	1,465.57	1,465.57	.00	(1,465.57)	.0
<u>CHARGES FOR SERVICES</u>					
10-43-435 PARKS & REC OTC SALES	100.00	100.00	.00	(100.00)	.0
TOTAL CHARGES FOR SERVICES	100.00	100.00	.00	(100.00)	.0
<u>LICENSES, PERMITS & FEES</u>					
10-45-451 TAXI PERMITS	14,365.00	14,365.00	.00	(14,365.00)	.0
10-45-453 ANIMAL CONTROL LICENSES	590.00	590.00	.00	(590.00)	.0
10-45-456 SITE REVIEWS	325.00	325.00	.00	(325.00)	.0
10-45-457 PARKS & REC JULY 4TH FEES	350.00	350.00	.00	(350.00)	.0
10-45-469 MISC PERMITS/LICENSES/FEE	985.35	985.35	.00	(985.35)	.0
TOTAL LICENSES, PERMITS & FEES	16,615.35	16,615.35	.00	(16,615.35)	.0
<u>MISCELLANEOUS</u>					
10-49-488 POLICE DEPT MISC	1,052.00	1,052.00	.00	(1,052.00)	.0
10-49-495 MISCELLANEOUS REVENUE	210.00	210.00	.00	(210.00)	.0
TOTAL MISCELLANEOUS	1,262.00	1,262.00	.00	(1,262.00)	.0
TOTAL FUND REVENUE	19,442.92	19,442.92	.00	(19,442.92)	.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>ADMINISTRATION</u>					
10-51-501 SALARIES	7,765.07	7,765.07	346,679.00	338,913.93	2.2
10-51-508 LEAVE CASHOUT	10,301.11	10,301.11	.00	(10,301.11)	.0
10-51-510 SOCIAL SECURITY EXPENSE	.00	.00	744.00	744.00	.0
10-51-511 MEDICARE FICA	271.33	271.33	5,027.00	4,755.67	5.4
10-51-512 EMPLOYEE GROUP BENEFITS	6,400.92	6,400.92	72,324.00	65,923.08	8.9
10-51-515 UNEMPLOYMENT	.00	.00	2,131.00	2,131.00	.0
10-51-516 WORKERS' COMPENSATION	.00	.00	926.00	926.00	.0
10-51-518 PERS	1,708.32	1,708.32	73,629.00	71,920.68	2.3
10-51-519 UTILITY BENEFIT	.00	.00	13,680.00	13,680.00	.0
10-51-545 TRAINING/TRAVEL	192.00	192.00	10,000.00	9,808.00	1.9
10-51-561 SUPPLIES	.00	.00	6,700.00	6,700.00	.0
10-51-602 GASOLINE / DIESEL / OIL	.00	.00	1,500.00	1,500.00	.0
10-51-621 ELECTRICITY	.00	.00	14,400.00	14,400.00	.0
10-51-622 TELEPHONE	1,167.00	1,167.00	20,000.00	18,833.00	5.8
10-51-623 HEATING FUEL	.00	.00	26,400.00	26,400.00	.0
10-51-626 WATER/SEWER/GARB/	.00	.00	11,500.00	11,500.00	.0
10-51-627 STAFF CELLULAR PHONES	91.99	91.99	840.00	748.01	11.0
10-51-642 LEGAL FEES	.00	.00	5,000.00	5,000.00	.0
10-51-646 DRUG TESTING/BCKGRND CKS	260.00	260.00	9,500.00	9,240.00	2.7
10-51-649 PROFESSIONAL FEES	.00	.00	20,000.00	20,000.00	.0
10-51-661 VEHICLE MAINT/REPAIR	.00	.00	1,502.00	1,502.00	.0
10-51-663 JANITORIAL	975.00	975.00	11,400.00	10,425.00	8.6
10-51-669 OTHER PURCHASED SERVICES	105.05	105.05	6,500.00	6,394.95	1.6
10-51-683 MINOR EQUIPMENT	.00	.00	2,000.00	2,000.00	.0
10-51-721 INSURANCE	.00	.00	16,224.00	16,224.00	.0
10-51-724 DUES/SUBSCRIPTIONS	.00	.00	1,200.00	1,200.00	.0
10-51-727 ADVERTISING	.00	.00	1,000.00	1,000.00	.0
10-51-732 EQUIPMENT RENTAL	.00	.00	2,000.00	2,000.00	.0
10-51-733 POSTAGE	.00	.00	1,000.00	1,000.00	.0
10-51-790 ALLOWANCE SPECIAL EVENTS	.00	.00	5,000.00	5,000.00	.0
10-51-799 MISCELLANEOUS EXPENSES	.00	.00	1,000.00	1,000.00	.0
10-51-875 INDIRECT COST RECOVERY	.00	.00	(291,468.00)	(291,468.00)	.0
10-51-996 ADMIN OVERHEAD-IT SVCS	.00	.00	17,028.00	17,028.00	.0
 TOTAL ADMINISTRATION	 29,237.79	 29,237.79	 415,366.00	 386,128.21	 7.0

CITY CLERKS OFFICE

10-52-501 SALARIES	4,574.84	4,574.84	118,364.00	113,789.16	3.9
10-52-502 OVERTIME	.00	.00	500.00	500.00	.0
10-52-511 MEDICARE	69.31	69.31	1,724.00	1,654.69	4.0
10-52-512 EMPLOYEE GROUP BENEFITS	2,157.73	2,157.73	24,108.00	21,950.27	9.0
10-52-515 UNEMPLOYMENT	.00	.00	1,065.00	1,065.00	.0
10-52-516 WORKERS' COMPENSATION	.00	.00	318.00	318.00	.0
10-52-518 P.E.R.S.	1,006.47	1,006.47	26,150.00	25,143.53	3.9
10-52-519 UTILITY BENEFIT	.00	.00	4,560.00	4,560.00	.0
10-52-541 TRAVEL/TRAINING-COUNCIL	.00	.00	10,000.00	10,000.00	.0
10-52-545 TRAINING/TRAVEL-CLERK	.00	.00	6,300.00	6,300.00	.0
10-52-561 SUPPLIES-CLERK	.00	.00	4,300.00	4,300.00	.0
10-52-562 SUPPLIES-COUNCIL	.00	.00	500.00	500.00	.0
10-52-627 STAFF CELLULAR PHONES	59.73	59.73	840.00	780.27	7.1

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
10-52-642 LEGAL FEES	.00	.00	5,000.00	5,000.00	.0
10-52-644 CONSULTING FEES	4,500.00	4,500.00	25,000.00	20,500.00	18.0
10-52-669 OTHER PURCHASE SERVICES	.00	.00	14,600.00	14,600.00	.0
10-52-682 ELECTION EXPENSES	.00	.00	15,000.00	15,000.00	.0
10-52-684 DONATIONS & AWARDS	.00	.00	500.00	500.00	.0
10-52-721 INSURANCE	.00	.00	2,617.00	2,617.00	.0
10-52-724 DUES/SUBSCRIPTIONS	.00	.00	7,000.00	7,000.00	.0
10-52-790 ALLOWANCE FOR SPECIAL EVENTS	.00	.00	600.00	600.00	.0
10-52-875 INDRIECT COST RECOVERY	.00	.00	(129,576.00)	(129,576.00)	.0
10-52-996 ADMIN OVERHEAD-IT SVCS	.00	.00	17,028.00	17,028.00	.0
TOTAL CITY CLERKS OFFICE	12,368.08	12,368.08	156,498.00	144,129.92	7.9

FINANCE

10-53-501 SALARIES	15,426.06	15,426.06	(3,000.00)	(18,426.06)	514.2
10-53-502 OVERTIME	34.99	34.99	3,000.00	2,965.01	1.2
10-53-508 LEAVE CASHOUT	.00	.00	12,035.00	12,035.00	.0
10-53-511 MEDICARE FICA	237.95	237.95	6,906.00	6,668.05	3.5
10-53-512 EMPLOYEE GROUP BENEFITS	8,270.96	8,270.96	150,675.00	142,404.04	5.5
10-53-515 UNEMPLOYMENT	.00	.00	4,439.00	4,439.00	.0
10-53-516 WORKERS' COMPENSATION	.00	.00	1,273.00	1,273.00	.0
10-53-518 PERS	3,401.43	3,401.43	104,786.00	101,384.57	3.3
10-53-519 UTILITY BENEFIT	.00	.00	28,500.00	28,500.00	.0
10-53-545 TRAINING/TRAVEL	.00	.00	36,000.00	36,000.00	.0
10-53-561 SUPPLIES	607.55	607.55	8,000.00	7,392.45	7.6
10-53-601 VEHICLE MT. (PARTS & TOOLS)	.00	.00	1,500.00	1,500.00	.0
10-53-602 GASOLINE	.00	.00	1,200.00	1,200.00	.0
10-53-622 TELEPHONE	11.00	11.00	1,000.00	989.00	1.1
10-53-627 STAFF CELLULAR PHONES	26.44	26.44	840.00	813.56	3.2
10-53-640 SALES TAX AUDITS	.00	.00	15,000.00	15,000.00	.0
10-53-641 AUDITING EXPENSE	.00	.00	95,000.00	95,000.00	.0
10-53-649 OTHER PROFESSIONAL SVS	.00	.00	10,000.00	10,000.00	.0
10-53-661 VEHICLE MAINT/REPAIRS	.00	.00	1,502.00	1,502.00	.0
10-53-668 HARDWARE/SOFTWARE SUP/669	.00	.00	32,000.00	32,000.00	.0
10-53-669 OTHER PURCHASED SERVICES	.00	.00	8,000.00	8,000.00	.0
10-53-683 MINOR EQUIPMENT	2,229.75	2,229.75	4,500.00	2,270.25	49.6
10-53-721 INSURANCE	.00	.00	5,781.00	5,781.00	.0
10-53-724 DUES/SUBSCRIPTIONS	.00	.00	1,500.00	1,500.00	.0
10-53-727 ADVERTISING	.00	.00	2,500.00	2,500.00	.0
10-53-735 FINANCE CHARGES/PENALTIES	(64.80)	(64.80)	5,000.00	5,064.80	(1.3)
10-53-736 BANK CHARGES	.00	.00	35,000.00	35,000.00	.0
10-53-799 MISCELLANEOUS EXPENSES	45.00	45.00	1,000.00	955.00	4.5
10-53-875 INDIRECT COST RECOVERY	.00	.00	(549,832.00)	(549,832.00)	.0
10-53-996 ADMIN OVERHEAD-IT SVCS	.00	.00	22,523.00	22,523.00	.0
TOTAL FINANCE	30,226.33	30,226.33	46,628.00	16,401.67	64.8

PLANNING

10-54-501 SALARIES	2,323.97	2,323.97	131,506.00	129,182.03	1.8
10-54-502 OVERTIME	21.79	21.79	.00	(21.79)	.0
10-54-508 LEAVE CASHOUT	.00	.00	6,575.00	6,575.00	.0

CITY OF BETHEL
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FOR THE 1 MONTHS ENDING JULY 31, 2019

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
10-54-511 MEDICARE FICA	35.73	35.73	1,907.00	1,871.27	1.9
10-54-512 EMPLOYEE GROUP BENEFITS	1,216.92	1,216.92	44,600.00	43,383.08	2.7
10-54-515 UNEMPLOYMENT	.00	.00	1,420.00	1,420.00	.0
10-54-516 WORKERS' COMPENSATION	.00	.00	351.00	351.00	.0
10-54-518 PERS	516.07	516.07	28,931.00	28,414.93	1.8
10-54-519 UTILITY BENEFIT	.00	.00	9,120.00	9,120.00	.0
10-54-545 TRAINING/TRAVEL	.00	.00	17,000.00	17,000.00	.0
10-54-561 SUPPLIES	.00	.00	5,600.00	5,600.00	.0
10-54-563 WEARING APPAREL	.00	.00	300.00	300.00	.0
10-54-601 VEHICLE PARTS	.00	.00	1,000.00	1,000.00	.0
10-54-602 GASOLINE	.00	.00	1,800.00	1,800.00	.0
10-54-621 ELECTRICITY	.00	.00	1,440.00	1,440.00	.0
10-54-622 TELEPHONE	5.50	5.50	200.00	194.50	2.8
10-54-623 HEATING FUEL	.00	.00	2,400.00	2,400.00	.0
10-54-626 WATER/SEWER/GARBAGE	.00	.00	1,400.00	1,400.00	.0
10-54-627 STAFF CELLULAR PHONES	26.44	26.44	840.00	813.56	3.2
10-54-642 LEGAL FEES	.00	.00	5,000.00	5,000.00	.0
10-54-648 CODE ENFORCEMENT ACTIVITIES	.00	.00	3,000.00	3,000.00	.0
10-54-649 OTHER PROFESSIONAL FEES	1,467.50	1,467.50	30,000.00	28,532.50	4.9
10-54-661 VEHICLE MAINT/REPAIRS	.00	.00	1,502.00	1,502.00	.0
10-54-668 HARDWARE/SOFTWARE SUPPORT	.00	.00	7,500.00	7,500.00	.0
10-54-669 PROFESSIONAL SERVICES	.00	.00	4,000.00	4,000.00	.0
10-54-683 MINOR EQUIPMENT	.00	.00	5,500.00	5,500.00	.0
10-54-721 INSURANCE	.00	.00	3,065.00	3,065.00	.0
10-54-724 DUES & SUBSCRIPTION	.00	.00	240.00	240.00	.0
10-54-727 ADVERTISING	.00	.00	2,000.00	2,000.00	.0
10-54-771 NUISANCE ENFORCEMENT EXPENSE	.00	.00	200.00	200.00	.0
10-54-799 MISCELLANEOUS EXPENSES	.00	.00	1,000.00	1,000.00	.0
10-54-996 ADMIN OVERHEAD-IT SVCS	.00	.00	17,028.00	17,028.00	.0
TOTAL PLANNING	5,613.92	5,613.92	336,425.00	330,811.08	1.7

TECHNOLOGY DEPARTMENTS

10-55-501 SALARIES	3,476.62	3,476.62	91,422.00	87,945.38	3.8
10-55-511 MEDICARE FICA	56.65	56.65	1,326.00	1,269.35	4.3
10-55-512 EMPLOYEE GROUP BENEFITS	1,216.92	1,216.92	24,108.00	22,891.08	5.1
10-55-515 UNEMPLOYMENT	.00	.00	710.00	710.00	.0
10-55-516 WORKERS' COMPENSATION	.00	.00	244.00	244.00	.0
10-55-518 PERS	764.86	764.86	20,616.00	19,851.14	3.7
10-55-519 UTILITY BENEFIT	.00	.00	4,560.00	4,560.00	.0
10-55-545 TRAINING/TRAVEL	.00	.00	5,000.00	5,000.00	.0
10-55-561 SUPPLIES	.00	.00	4,500.00	4,500.00	.0
10-55-602 GASOLINE	.00	.00	1,440.00	1,440.00	.0
10-55-627 STAFF CELLULAR PHONES	26.44	26.44	1,800.00	1,773.56	1.5
10-55-649 OTHER PROFESSIONAL SERVICES	13,977.00	13,977.00	185,000.00	171,023.00	7.6
10-55-661 VEHICLE MAINT/REPAIRS	.00	.00	1,502.00	1,502.00	.0
10-55-667 CONNECTIVITY SERVICES	21,285.10	21,285.10	277,000.00	255,714.90	7.7
10-55-668 SOFTWARE/SUPPORT	.00	.00	30,000.00	30,000.00	.0
10-55-683 MINOR EQUIPMENT	.00	.00	20,000.00	20,000.00	.0
10-55-690 CAPITAL EXPENDITURES	.00	.00	27,875.00	27,875.00	.0
10-55-721 INSURANCE	.00	.00	2,392.00	2,392.00	.0
10-55-732 EQUIPMENT RENTAL	.00	.00	3,000.00	3,000.00	.0
10-55-799 MISCELLANEOUS EXPENSES	.00	.00	2,000.00	2,000.00	.0

CITY OF BETHEL
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GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
10-55-875 INDIRECT COST RECOVERY	.00	.00	495,000.00	495,000.00	.0
10-55-996 ADMIN OVERHEAD-IT SVCS	.00	.00	64,598.00	64,598.00	.0
TOTAL TECHNOLOGY DEPARTMENTS	40,803.59	40,803.59	1,264,093.00	1,223,289.41	3.2

CITY ATTORNEY'S OFFICE

10-56-501 SALARIES	4,923.08	4,923.08	131,840.00	126,916.92	3.7
10-56-511 MEDICARE	60.85	60.85	1,912.00	1,851.15	3.2
10-56-512 EMPLOYEE GROUP BENEFITS	2,738.58	2,738.58	24,108.00	21,369.42	11.4
10-56-515 UNEMPLOYMENT	.00	.00	710.00	710.00	.0
10-56-516 WORKERS' COMPENSATION	.00	.00	352.00	352.00	.0
10-56-518 PERS	1,083.08	1,083.08	29,005.00	27,921.92	3.7
10-56-519 UTILITY BENEFIT	.00	.00	4,560.00	4,560.00	.0
10-56-545 TRAINING/TRAVEL	398.00	398.00	6,500.00	6,102.00	6.1
10-56-561 SUPPLIES	.00	.00	3,000.00	3,000.00	.0
10-56-627 STAFF CELLULAR PHONES	26.44	26.44	840.00	813.56	3.2
10-56-642 LEGAL FEES	2,325.00	2,325.00	25,000.00	22,675.00	9.3
10-56-649 PROFESSIONAL SERVICES	.00	.00	65,000.00	65,000.00	.0
10-56-669 OTHER PURCHASED SERVICES	1,575.00	1,575.00	9,600.00	8,025.00	16.4
10-56-721 INSURANCE	.00	.00	1,920.00	1,920.00	.0
10-56-724 DUES AND SUBSCRIPTIONS	.00	.00	1,500.00	1,500.00	.0
10-56-727 ADVERTISING	.00	.00	2,500.00	2,500.00	.0
10-56-799 MISCELLANEOUS EXPENSE	.00	.00	1,200.00	1,200.00	.0
10-56-875 INDIRECT COST RECOVERY	.00	.00	65,146.00	65,146.00	.0
10-56-996 ADMIN OVERHEAD-IT SVCS	.00	.00	14,260.00	14,260.00	.0
TOTAL CITY ATTORNEY'S OFFICE	13,130.03	13,130.03	388,953.00	375,822.97	3.4

FIRE DEPARTMENT

10-60-501 SALARIES	21,914.04	21,914.04	539,282.00	517,367.96	4.1
10-60-502 FLSA OVERTIME	4,081.70	4,081.70	50,225.00	46,143.30	8.1
10-60-506 CALL BACK OVERTIME	1,237.18	1,237.18	45,100.00	43,862.82	2.7
10-60-508 LEAVE CASHOUT	.00	.00	20,905.00	20,905.00	.0
10-60-510 SOCIAL SECURITY EXPENSE	75.33	75.33	694.00	618.67	10.9
10-60-511 MEDICARE FICA	415.66	415.66	9,616.00	9,200.34	4.3
10-60-512 EMPLOYEE GROUP BENEFITS	15,294.58	15,294.58	192,864.00	177,569.42	7.9
10-60-515 UNEMPLOYMENT	.00	.00	5,682.00	5,682.00	.0
10-60-516 WORKERS' COMPENSATION	.00	.00	24,409.00	24,409.00	.0
10-60-518 PERS	5,723.94	5,723.94	133,058.00	127,334.06	4.3
10-60-519 UTILITY BENEFIT	.00	.00	36,480.00	36,480.00	.0
10-60-545 TRAINING/TRAVEL	.00	.00	36,000.00	36,000.00	.0
10-60-561 SUPPLIES	.00	.00	22,500.00	22,500.00	.0
10-60-563 WEARING APPAREL	.00	.00	15,687.00	15,687.00	.0
10-60-567 FIRE PREVENTION PROGRAM	.00	.00	5,200.00	5,200.00	.0
10-60-600 VEHICLE MT. (PARTS & TOOLS)	.00	.00	3,200.00	3,200.00	.0
10-60-601 VEHICLE MT. (PARTS & TOOLS)	342.55	342.55	27,250.00	26,907.45	1.3
10-60-602 GASOLINE/DIESEL/OIL	551.06	551.06	14,400.00	13,848.94	3.8
10-60-621 ELECTRICITY	.00	.00	18,720.00	18,720.00	.0
10-60-622 TELEPHONE	57.68	57.68	2,500.00	2,442.32	2.3
10-60-623 HEATING FUEL	879.38	879.38	24,000.00	23,120.62	3.7
10-60-626 WATER/SEWER/GARBAGE	.00	.00	8,500.00	8,500.00	.0

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	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
10-60-627 STAFF CELLULAR PHONES	105.75	105.75	3,360.00	3,254.25	3.2
10-60-647 COLLECTION/SMALL CLAIMS	.00	.00	31,200.00	31,200.00	.0
10-60-649 VOLUNTEER STIPEND	.00	.00	28,540.00	28,540.00	.0
10-60-661 VEHICLE MAINT/REPAIRS	.00	.00	10,011.00	10,011.00	.0
10-60-662 PROPERTY MAINT	.00	.00	16,500.00	16,500.00	.0
10-60-669 OTHER PURCHASED SERVICES	2,225.79	2,225.79	22,500.00	20,274.21	9.9
10-60-683 MINOR EQUIPMENT	.00	.00	16,800.00	16,800.00	.0
10-60-690 CAPITAL EXPENDITURES	.00	.00	71,218.00	71,218.00	.0
10-60-691 FIRE STATION ROOF REPAIR	.00	.00	165,000.00	165,000.00	.0
10-60-692 FIRE STATION REPAIRS	.00	.00	38,000.00	38,000.00	.0
10-60-721 INSURANCE	.00	.00	87,078.00	87,078.00	.0
10-60-724 DUES/SUBSCRIPTIONS	.00	.00	7,324.00	7,324.00	.0
10-60-727 ADVERTISING	.00	.00	1,500.00	1,500.00	.0
10-60-799 MISCELLANEOUS EXPENSES	.00	.00	1,000.00	1,000.00	.0
10-60-996 ADMIN OVERHEAD-IT SVCS	.00	.00	17,028.00	17,028.00	.0
TOTAL FIRE DEPARTMENT	52,904.64	52,904.64	1,753,331.00	1,700,426.36	3.0

POLICE

10-61-501 SALARIES	51,204.65	51,204.65	1,650,830.00	1,599,625.35	3.1
10-61-502 OVERTIME	7,850.51	7,850.51	180,000.00	172,149.49	4.4
10-61-508 LEAVE CASHOUT	.00	.00	76,799.00	76,799.00	.0
10-61-510 SOCIAL SECURITY EXPENSE	.00	.00	6,377.00	6,377.00	.0
10-61-511 MEDICARE	884.51	884.51	26,547.00	25,662.49	3.3
10-61-512 GROUP HEALTH INSURANCE	32,397.57	32,397.57	552,073.00	519,675.43	5.9
10-61-515 UNEMPLOYMENT	.00	.00	16,264.00	16,264.00	.0
10-61-516 WORKERS' COMPENSATION	.00	.00	56,357.00	56,357.00	.0
10-61-518 PERS	12,992.12	12,992.12	402,783.00	389,790.88	3.2
10-61-519 UTILITY BENEFIT	.00	.00	104,424.00	104,424.00	.0
10-61-520 RELOCATION COSTS	.00	.00	2,500.00	2,500.00	.0
10-61-545 TRAINING/TRAVEL	.00	.00	36,000.00	36,000.00	.0
10-61-561 SUPPLIES	310.55	310.55	10,000.00	9,689.45	3.1
10-61-563 EMPLOYEE WEARING APPAREL	.00	.00	16,250.00	16,250.00	.0
10-61-601 VEHICLE MT. (PARTS & TOOLS)	.00	.00	6,000.00	6,000.00	.0
10-61-602 GASOLINE/DIESEL/OIL	1,765.83	1,765.83	36,000.00	34,234.17	4.9
10-61-621 ELECTRICITY	.00	.00	40,800.00	40,800.00	.0
10-61-622 TELEPHONE	1,324.07	1,324.07	20,500.00	19,175.93	6.5
10-61-623 HEATING FUEL	.00	.00	30,000.00	30,000.00	.0
10-61-626 WATER/SEWER/GARBAGE	.00	.00	10,000.00	10,000.00	.0
10-61-627 STAFF CELLULAR PHONES	290.84	290.84	9,240.00	8,949.16	3.2
10-61-660 VEHICLE MAINT SERVICES	3,437.83	3,437.83	6,000.00	2,562.17	57.3
10-61-661 VEHICLE MAINT/REPAIR	.00	.00	20,021.00	20,021.00	.0
10-61-668 SART EXAMS	.00	.00	10,000.00	10,000.00	.0
10-61-669 OTHER PURCHASED SERVICES	129.06	129.06	30,000.00	29,870.94	.4
10-61-683 MINOR EQUIPMENT	.00	.00	30,000.00	30,000.00	.0
10-61-691 VEHICLES	3,267.60	3,267.60	110,000.00	106,732.40	3.0
10-61-721 INSURANCE	.00	.00	202,503.00	202,503.00	.0
10-61-722 INSURANCE-DED EXP & OTHER	.00	.00	15,000.00	15,000.00	.0
10-61-724 DUES/SUBSCRIPTIONS	.00	.00	1,000.00	1,000.00	.0
10-61-996 ADMIN OVERHEAD-IT SVCS	.00	.00	60,885.00	60,885.00	.0
TOTAL POLICE	115,855.14	115,855.14	3,775,153.00	3,659,297.86	3.1

CITY OF BETHEL
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GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>PUBLIC WORKS-ADMIN</u>					
10-65-501 SALARIES	1,178.30	1,178.30	25,293.00	24,114.70	4.7
10-65-502 OVERTIME	63.83	63.83	.00	(63.83)	.0
10-65-508 LEAVE CASHOUT	.00	.00	354.00	354.00	.0
10-65-511 MEDICARE FICA	18.45	18.45	367.00	348.55	5.0
10-65-512 EMPLOYEE GROUP BENEFITS	895.82	895.82	7,232.00	6,336.18	12.4
10-65-515 UNEMPLOYMENT	.00	.00	213.00	213.00	.0
10-65-516 WORKERS' COMPENSATION	.00	.00	68.00	68.00	.0
10-65-518 PERS	273.27	273.27	5,565.00	5,291.73	4.9
10-65-519 UTILITY BENEFIT	.00	.00	1,368.00	1,368.00	.0
10-65-545 TRAINING/TRAVEL	.00	.00	5,000.00	5,000.00	.0
10-65-561 SUPPLIES	.00	.00	1,000.00	1,000.00	.0
10-65-601 VEHICLE PARTS	.00	.00	1,000.00	1,000.00	.0
10-65-602 GASOLINE/DIESEL/OIL	.00	.00	4,200.00	4,200.00	.0
10-65-622 TELEPHONE	2.75	2.75	150.00	147.25	1.8
10-65-623 HEATING FUEL	.00	.00	9,600.00	9,600.00	.0
10-65-626 WATER/SEWER/GARBAGE	.00	.00	1,233.00	1,233.00	.0
10-65-627 STAFF CELLULAR PHONES	64.75	64.75	1,680.00	1,615.25	3.9
10-65-661 VEHICLE MAINT/REPAIRS	.00	.00	3,003.00	3,003.00	.0
10-65-669 OTHER PURCHASED SERVICES	.00	.00	2,500.00	2,500.00	.0
10-65-721 INSURANCE	.00	.00	2,471.00	2,471.00	.0
10-65-724 DUES/SUBSCRIPTIONS	.00	.00	500.00	500.00	.0
10-65-799 MISCELLANEOUS EXPENSES	.00	.00	500.00	500.00	.0
10-65-996 ADMIN OVERHEAD-IT SVCS	.00	.00	15,642.00	15,642.00	.0
TOTAL PUBLIC WORKS-ADMIN	2,497.17	2,497.17	88,939.00	86,441.83	2.8
<u>PW-STREETS & ROADS</u>					
10-66-501 SALARIES	13,933.14	13,933.14	403,465.00	389,531.86	3.5
10-66-502 OVERTIME	230.18	230.18	20,500.00	20,269.82	1.1
10-66-508 LEAVE CASHOUT	.00	.00	19,378.00	19,378.00	.0
10-66-510 SOCIAL SECURITY EXPENSE	144.89	144.89	.00	(144.89)	.0
10-66-511 MEDICARE FICA	214.02	214.02	6,147.00	5,932.98	3.5
10-66-512 EMPLOYEE GROUP BENEFITS	9,197.62	9,197.62	128,978.00	119,780.38	7.1
10-66-515 UNEMPLOYMENT	.00	.00	3,711.00	3,711.00	.0
10-66-516 WORKERS' COMPENSATION	.00	.00	16,449.00	16,449.00	.0
10-66-517 PERS ON BEHALF	.00	.00	93,272.00	93,272.00	.0
10-66-518 PERS	2,601.80	2,601.80	.00	(2,601.80)	.0
10-66-519 UTILITY BENEFIT	.00	.00	24,168.00	24,168.00	.0
10-66-545 TRAINING/TRAVEL	.00	.00	1,000.00	1,000.00	.0
10-66-561 SUPPLIES	.00	.00	4,500.00	4,500.00	.0
10-66-562 SIGNS	.00	.00	3,800.00	3,800.00	.0
10-66-563 WEARING APPAREL	.00	.00	2,500.00	2,500.00	.0
10-66-567 CALCIUM CHLORIDE	.00	.00	50,000.00	50,000.00	.0
10-66-576 SALT	.00	.00	50,000.00	50,000.00	.0
10-66-577 ASPHALT PRODUCTS/SUPPLIES	.00	.00	3,500.00	3,500.00	.0
10-66-600 TIRES & WHEELS	.00	.00	18,000.00	18,000.00	.0
10-66-601 VEHICLE MT. (PARTS & TOOLS)	493.24	493.24	50,000.00	49,506.76	1.0
10-66-602 GASOLINE/DIESEL/OIL	373.55	373.55	72,000.00	71,626.45	.5
10-66-620 ELECTRICITY (STREET LTS)	.00	.00	60,000.00	60,000.00	.0
10-66-621 ELECTRICITY	.00	.00	14,400.00	14,400.00	.0

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GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
10-66-622 TELEPHONE	2.75	2.75	650.00	647.25	.4
10-66-623 HEATING FUEL	.00	.00	10,000.00	10,000.00	.0
10-66-627 STAFF CELLULAR PHONES	52.88	52.88	1,680.00	1,627.12	3.2
10-66-647 STREET LIGHT MT & POLE RENTAL	.00	.00	19,000.00	19,000.00	.0
10-66-661 VEHICLE MAINT/REPAIR	.00	.00	150,158.00	150,158.00	.0
10-66-669 OTHER PURCHASED SERVICES	.00	.00	10,000.00	10,000.00	.0
10-66-683 MINOR EQUIPMENT	.00	.00	7,000.00	7,000.00	.0
10-66-692 CAP EXP-CULVERTS 6' FY01	.00	.00	33,500.00	33,500.00	.0
10-66-693 NC MACHINERY GRADER FY05	.00	.00	57,880.00	57,880.00	.0
10-66-694 CAT 4WD EXTEND-A-HOE BKHoe	.00	.00	500,000.00	500,000.00	.0
10-66-696 SANDER PLOW TRUCKS FY04	.00	.00	27,139.00	27,139.00	.0
10-66-721 INSURANCE	.00	.00	34,150.00	34,150.00	.0
10-66-727 ADVERTISING	29.50	29.50	200.00	170.50	14.8
10-66-771 GRAVEL (WAS #578)	960.16	960.16	375,000.00	374,039.84	.3
10-66-799 MISCELLANEOUS EXPENSES	.00	.00	500.00	500.00	.0
10-66-996 ADMIN OVERHEAD-IT SVCS	.00	.00	14,256.00	14,256.00	.0
TOTAL PW-STREETS & ROADS	28,233.73	28,233.73	2,286,881.00	2,258,647.27	1.2

PROPERTY MAINTENANCE

10-70-501 SALARIES	11,693.85	11,693.85	321,851.00	310,157.15	3.6
10-70-502 OVERTIME	1,971.96	1,971.96	30,750.00	28,778.04	6.4
10-70-508 LEAVE CASHOUT	758.63	758.63	15,441.00	14,682.37	4.9
10-70-510 SOCIAL SECURITY EXPENSE	92.21	92.21	1,746.00	1,653.79	5.3
10-70-511 MEDICARE FICA	218.60	218.60	5,113.00	4,894.40	4.3
10-70-512 EMPLOYEE GROUP BENEFITS	8,027.99	8,027.99	122,951.00	114,923.01	6.5
10-70-515 UNEMPLOYMENT	.00	.00	4,538.00	4,538.00	.0
10-70-516 WORKERS' COMPENSATION	.00	.00	15,321.00	15,321.00	.0
10-70-518 PERS	2,679.29	2,679.29	77,572.00	74,892.71	3.5
10-70-519 UTILITY BENEFIT	.00	.00	23,028.00	23,028.00	.0
10-70-545 TRAINING/TRAVEL	.00	.00	8,000.00	8,000.00	.0
10-70-561 SUPPLIES	.00	.00	2,000.00	2,000.00	.0
10-70-562 MATERIALS	.00	.00	2,000.00	2,000.00	.0
10-70-563 WEARING APPAREL	.00	.00	5,000.00	5,000.00	.0
10-70-566 CLEANUP GREENUP SUPPLIES	.00	.00	700.00	700.00	.0
10-70-580 BOILER EXPENSE	.00	.00	25,000.00	25,000.00	.0
10-70-590 GLYCOL SUPPLIES	.00	.00	6,000.00	6,000.00	.0
10-70-591 CARPENTRY EXPENSE	.00	.00	15,000.00	15,000.00	.0
10-70-592 PLUMBING SUPPLIES	.00	.00	6,000.00	6,000.00	.0
10-70-593 ELECTRICAL SUPPLIES	.00	.00	8,000.00	8,000.00	.0
10-70-594 PAINT SUPPLIES	.00	.00	3,000.00	3,000.00	.0
10-70-595 BOARDWALK REPAIR SUPPLIES	.00	.00	7,000.00	7,000.00	.0
10-70-601 VEHICLE MT. (PARTS & TOOLS)	.00	.00	5,000.00	5,000.00	.0
10-70-602 GASOLINE/DIESEL/OIL	542.44	542.44	7,200.00	6,657.56	7.5
10-70-621 ELECTRICITY	.00	.00	14,400.00	14,400.00	.0
10-70-622 TELEPHONE	17.88	17.88	100.00	82.12	17.9
10-70-623 HEATING FUEL	.00	.00	36,000.00	36,000.00	.0
10-70-626 WATER/SEWER/GARBAGE	.00	.00	17,400.00	17,400.00	.0
10-70-627 STAFF CELLULAR PHONES	52.88	52.88	1,680.00	1,627.12	3.2
10-70-661 VEHICLE MAINT/REPAIR	.00	.00	6,006.00	6,006.00	.0
10-70-662 WIND TURBINE CONTRACT	.00	.00	6,000.00	6,000.00	.0
10-70-663 WIND TURBINE MAINTENANCE	.00	.00	3,000.00	3,000.00	.0
10-70-668 PARKS MAINTENANCE	.00	.00	25,000.00	25,000.00	.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
10-70-669 OTHER PURCHASED SERVICES	101.00	101.00	40,000.00	39,899.00	.3
10-70-683 MINOR EQUIPMENT	.00	.00	17,000.00	17,000.00	.0
10-70-690 CAPITAL EXPENDITURES	.00	.00	1,953,138.00	1,953,138.00	.0
10-70-721 INSURANCE	.00	.00	11,937.00	11,937.00	.0
10-70-776 4TH OF JULY	.00	.00	2,000.00	2,000.00	.0
10-70-799 MISCELLANEOUS EXPENSES	.00	.00	2,000.00	2,000.00	.0
10-70-875 INDIRECT COST RECOVERY	.00	.00	(306,194.00)	(306,194.00)	.0
10-70-996 ADMIN OVERHEAD-IT SVCS	.00	.00	27,126.00	27,126.00	.0
TOTAL PROPERTY MAINTENANCE	26,156.73	26,156.73	2,574,804.00	2,548,647.27	1.0
COMMUNITY SERVICE					
10-72-745 LIBRARY CONTRIBUTION	.00	.00	67,600.00	67,600.00	.0
10-72-760 COMMUNITY ACTION GRANT	11,000.00	11,000.00	120,000.00	109,000.00	9.2
10-72-798 UAF 4-H CONTRIBUTION	.00	.00	112,000.00	112,000.00	.0
TOTAL COMMUNITY SERVICE	11,000.00	11,000.00	299,600.00	288,600.00	3.7
IN KIND MATCH & TRANSFERS					
10-73-550 CASH XFER POOL F40- SALES TAX	.00	.00	538,513.00	538,513.00	.0
10-73-551 CASH XFER POOL F40- ALCO TAX	.00	.00	16,665.00	16,665.00	.0
10-73-622 CASH XFER- FUND	.00	.00	80,580.00	80,580.00	.0
TOTAL IN KIND MATCH & TRANSFERS	.00	.00	635,758.00	635,758.00	.0
TOTAL FUND EXPENDITURES	368,027.15	368,027.15	14,022,429.00	13,654,401.85	2.6
NET REVENUE OVER EXPENDITURES	(348,584.23)	(348,584.23)	(14,022,429.00)	(13,673,844.77)	(2.5)

CITY OF BETHEL
BALANCE SHEET
JULY 31, 2019

AVENUES W&S LOAN USDA

ASSETS

20-10100	CASH IN COMBINED FUND	(	2,308.30)	
	TOTAL ASSETS		(	2,308.30)

LIABILITIES AND EQUITY

LIABILITIES

20-20100	VOUCHERS PAYABLE	(	628.30)	
	TOTAL LIABILITIES		(	628.30)

FUND EQUITY

UNAPPROPRIATED FUND BALANCE:
REVENUE OVER EXPENDITURES - YTD

(

1,680.00)

BALANCE - CURRENT DATE

(

1,680.00)

	TOTAL FUND EQUITY		(	1,680.00)
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	TOTAL LIABILITIES AND EQUITY		(	2,308.30)
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CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

AVENUES W&S LOAN USDA

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>CITY SHOP FLOOR REPAIR</u>					
20-50-642 LEGAL FEES	1,680.00	1,680.00	.00	(1,680.00)	.0
TOTAL CITY SHOP FLOOR REPAIR	1,680.00	1,680.00	.00	(1,680.00)	.0
TOTAL FUND EXPENDITURES	1,680.00	1,680.00	.00	(1,680.00)	.0
NET REVENUE OVER EXPENDITURES	(1,680.00)	(1,680.00)	.00	1,680.00	.0

CITY OF BETHEL
BALANCE SHEET
JULY 31, 2019

PARKS DEVELOPMENT FUND

ASSETS

26-10100	CASH IN COMBINED FUND	(61,970.00)	
	TOTAL ASSETS		(61,970.00)

LIABILITIES AND EQUITY

LIABILITIES

26-20100	VOUCHERS PAYABLE	(61,970.00)	
	TOTAL LIABILITIES		(61,970.00)
	TOTAL LIABILITIES AND EQUITY		(61,970.00)

CITY OF BETHEL
BALANCE SHEET
JULY 31, 2019

COMMUNITY SERVICE PATROL GRANT

ASSETS

27-10100	CASH IN COMBINED FUND	(	13,304.95)	
	TOTAL ASSETS		(	13,304.95)

LIABILITIES AND EQUITY

LIABILITIES

27-20100	VOUCHERS PAYABLE	(	2,330.69)	
	TOTAL LIABILITIES		(	2,330.69)

FUND EQUITY

UNAPPROPRIATED FUND BALANCE:				
REVENUE OVER EXPENDITURES - YTD	(	10,974.26)		
BALANCE - CURRENT DATE	(	10,974.26)		
TOTAL FUND EQUITY		(	10,974.26)	
TOTAL LIABILITIES AND EQUITY			(	13,304.95)

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

COMMUNITY SERVICE PATROL GRANT

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>CSP PROGRAM</u>					
27-50-501 SALARIES	5,664.75	5,664.75	149,286.00	143,621.25	3.8
27-50-502 OVERTIME	950.42	950.42	10,000.00	9,049.58	9.5
27-50-508 LEAVE CASHOUT	.00	.00	7,042.00	7,042.00	.0
27-50-511 MEDICARE FICA	103.98	103.98	2,310.00	2,206.02	4.5
27-50-512 EMPLOYEE GROUP BENEFITS	2,433.84	2,433.84	72,324.00	69,890.16	3.4
27-50-515 UNEMPLOYMENT	.00	.00	2,131.00	2,131.00	.0
27-50-516 WORKMEN'S COMP	.00	.00	8,568.00	8,568.00	.0
27-50-518 PERS	1,455.34	1,455.34	35,043.00	33,587.66	4.2
27-50-519 UTILITY BENEFIT	.00	.00	13,680.00	13,680.00	.0
27-50-561 SUPPLIES	.00	.00	1,500.00	1,500.00	.0
27-50-563 WEARING APPAREL	.00	.00	1,500.00	1,500.00	.0
27-50-570 IN-KIND EXPENSES	.00	.00	32,308.00	32,308.00	.0
27-50-602 GASOLINE / DIESEL / OIL	313.05	313.05	3,431.00	3,117.95	9.1
27-50-627 STAFF CELLULAR PHONES	52.88	52.88	500.00	447.12	10.6
27-50-683 MINOR EQUIPMENT	.00	.00	1,500.00	1,500.00	.0
27-50-721 INSURANCE	.00	.00	2,904.00	2,904.00	.0
TOTAL CSP PROGRAM	10,974.26	10,974.26	344,027.00	333,052.74	3.2
TOTAL FUND EXPENDITURES	10,974.26	10,974.26	344,027.00	333,052.74	3.2
NET REVENUE OVER EXPENDITURES	(10,974.26)	(10,974.26)	(344,027.00)	(333,052.74)	(3.2)

CITY OF BETHEL
BALANCE SHEET
JULY 31, 2019

YK REG AQUA HLTH & SAFETY CTR

ASSETS

40-10100	CASH IN COMBINED FUND	(124,404.41)	
	TOTAL ASSETS		(124,404.41)

LIABILITIES AND EQUITY

LIABILITIES

40-20100	VOUCHERS PAYABLE	(120,426.13)	
	TOTAL LIABILITIES		(120,426.13)

FUND EQUITY

UNAPPROPRIATED FUND BALANCE:			
REVENUE OVER EXPENDITURES - YTD	(3,978.28)		
BALANCE - CURRENT DATE		(3,978.28)	
TOTAL FUND EQUITY			(3,978.28)
TOTAL LIABILITIES AND EQUITY			(124,404.41)

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

YK REG AQUA HLTH & SAFETY CTR

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>SOURCE 43</u>					
40-43-430 PRO-SHOP REVENUE	.00	.00	44,100.00	44,100.00	.0
40-43-435 CONCESSION REVENUE	.00	.00	64,900.00	64,900.00	.0
40-43-460 ENTRY FEE	.00	.00	115,730.00	115,730.00	.0
40-43-463 FACILITY RENTAL	.00	.00	42,075.00	42,075.00	.0
40-43-465 PROGRAM FEES	.00	.00	83,318.00	83,318.00	.0
TOTAL SOURCE 43	.00	.00	350,123.00	350,123.00	.0
<u>TRANSFERS IN</u>					
40-46-412 LOCAL SOURCES-SALES TAX REV	.00	.00	538,513.00	538,513.00	.0
40-46-413 LOCAL SOURCES-ALCOHOLTAX REV	.00	.00	16,665.00	16,665.00	.0
40-46-414 WELLNESS PROGRAM	.00	.00	394,655.00	394,655.00	.0
TOTAL TRANSFERS IN	.00	.00	949,833.00	949,833.00	.0
<u>MISCELLANEOUS</u>					
40-49-487 INVESTMENT INCOME	.00	.00	50,000.00	50,000.00	.0
TOTAL MISCELLANEOUS	.00	.00	50,000.00	50,000.00	.0
TOTAL FUND REVENUE	.00	.00	1,349,956.00	1,349,956.00	.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

YK REG AQUA HLTH & SAFETY CTR

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>LOCAL FUNDED EXPENDITURES</u>					
40-50-602 GASOLINE/OIL/DIESEL	.00	.00	2,400.00	2,400.00	.0
40-50-621 ELECTRICITY	.00	.00	117,000.00	117,000.00	.0
40-50-622 TELEPHONE	101.00	101.00	750.00	649.00	13.5
40-50-623 HEATING FUEL	3,877.28	3,877.28	240,000.00	236,122.72	1.6
40-50-624 WATER/SEWER/GARBAGE	.00	.00	55,000.00	55,000.00	.0
40-50-646 CONTRACTOR'S FEES	.00	.00	1,044,704.00	1,044,704.00	.0
40-50-649 PROFESSIONAL SVS	.00	.00	148,526.00	148,526.00	.0
40-50-661 VEHICL MAINT/REPAIR	.00	.00	1,000.00	1,000.00	.0
40-50-669 OTHER PURCHASED SERVICES	.00	.00	25,160.00	25,160.00	.0
40-50-721 INSURANCE	.00	.00	63,692.00	63,692.00	.0
40-50-996 ADMIN OVERHEAD-IT SVCS	.00	.00	42,174.00	42,174.00	.0
40-50-997 ICR-PROPERTY MAINTENANCE-5%	.00	.00	46,393.00	46,393.00	.0
40-50-998 ADMINISTRATIVE OVERHEAD-GF	.00	.00	25,362.00	25,362.00	.0
 TOTAL LOCAL FUNDED EXPENDITURES	 3,978.28	 3,978.28	 1,812,161.00	 1,808,182.72	 .2
 TOTAL FUND EXPENDITURES	 3,978.28	 3,978.28	 1,812,161.00	 1,808,182.72	 .2
 NET REVENUE OVER EXPENDITURES	 (3,978.28)	 (3,978.28)	 (462,205.00)	 (458,226.72)	 (.9)

CITY OF BETHEL
BALANCE SHEET
JULY 31, 2019

E-911 SYSTEM/SURCHARGE

ASSETS

41-10100	CASH IN COMBINED FUND	(20,179.79)	
	TOTAL ASSETS		(20,179.79)

LIABILITIES AND EQUITY

FUND EQUITY

UNAPPROPRIATED FUND BALANCE:			
REVENUE OVER EXPENDITURES - YTD	(20,179.79)		
BALANCE - CURRENT DATE		(20,179.79)	
TOTAL FUND EQUITY			(20,179.79)
TOTAL LIABILITIES AND EQUITY			(20,179.79)

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

E-911 SYSTEM/SURCHARGE

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>E-911 SURCHARGE</u>					
41-42-411 SURCHARGE FROM UNITED UTL	11,949.18	11,949.18	144,000.00	132,050.82	8.3
TOTAL E-911 SURCHARGE	11,949.18	11,949.18	144,000.00	132,050.82	8.3
TOTAL FUND REVENUE	11,949.18	11,949.18	144,000.00	132,050.82	8.3

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

E-911 SYSTEM/SURCHARGE

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>E-911 SERVICES</u>					
41-50-501 SALARIES	2,313.12	2,313.12	56,847.00	54,533.88	4.1
41-50-502 OVERTIME	1,034.52	1,034.52	.00	(1,034.52)	.0
41-50-508 LEAVE CASHOUT	.00	.00	2,198.00	2,198.00	.0
41-50-511 MEDICARE FICA	48.18	48.18	824.00	775.82	5.9
41-50-512 EMPLOYEE GROUP BENEFITS	1,216.92	1,216.92	26,519.00	25,302.08	4.6
41-50-515 UNEMPLOYMENT	.00	.00	992.00	992.00	.0
41-50-516 WORKERS' COMPENSATION	.00	.00	215.00	215.00	.0
41-50-518 PERS	736.48	736.48	12,929.00	12,192.52	5.7
41-50-519 UTILITY BENEFIT	.00	.00	4,560.00	4,560.00	.0
41-50-649 OTHER PROFESSIONAL SRVS	26,249.75	26,249.75	35,500.00	9,250.25	73.9
41-50-669 OTHER PURCHASED SERVICES	130.00	130.00	5,000.00	4,870.00	2.6
41-50-721 INSURANCE	.00	.00	2,041.00	2,041.00	.0
41-50-732 RENTS & LEASES	400.00	400.00	4,800.00	4,400.00	8.3
TOTAL E-911 SERVICES	32,128.97	32,128.97	152,425.00	120,296.03	21.1
TOTAL FUND EXPENDITURES	32,128.97	32,128.97	152,425.00	120,296.03	21.1
NET REVENUE OVER EXPENDITURES	(20,179.79)	(20,179.79)	(8,425.00)	11,754.79	(239.5)

CITY OF BETHEL
BALANCE SHEET
JULY 31, 2019

SOA SEWAGE LAGOON

ASSETS

42-10100	CASH IN COMBINED FUND	(	54.77)	
	TOTAL ASSETS		(	54.77)

LIABILITIES AND EQUITY

FUND EQUITY

UNAPPROPRIATED FUND BALANCE:				
REVENUE OVER EXPENDITURES - YTD	(	54.77)		
BALANCE - CURRENT DATE	(	54.77)		
TOTAL FUND EQUITY			(	54.77)
TOTAL LIABILITIES AND EQUITY			(	54.77)

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

SOA SEWAGE LAGOON

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>SEWAGE LAGOON</u>					
42-50-501 SALARIES	27.09	27.09	.00 (	27.09)	.0
42-50-511 MEDICARE FICA	.40	.40	.00 (	.40)	.0
42-50-512 EMPLOYEE GROUP BENEFITS	21.32	21.32	.00 (	21.32)	.0
42-50-518 PERS	5.96	5.96	.00 (	5.96)	.0
TOTAL SEWAGE LAGOON	54.77	54.77	.00 (	54.77)	.0
TOTAL FUND EXPENDITURES	54.77	54.77	.00 (	54.77)	.0
NET REVENUE OVER EXPENDITURES	(54.77)	(54.77)	.00	54.77	.0

CITY OF BETHEL
BALANCE SHEET
JULY 31, 2019

INSTITUTIONAL CORRIDOR PROJECT

ASSETS

45-10100	CASH IN COMBINED FUND	(	1.89)	
	TOTAL ASSETS		(	1.89)

LIABILITIES AND EQUITY

FUND EQUITY

UNAPPROPRIATED FUND BALANCE:				
REVENUE OVER EXPENDITURES - YTD	(	1.89)		
BALANCE - CURRENT DATE	(	1.89)		
TOTAL FUND EQUITY			(	1.89)
TOTAL LIABILITIES AND EQUITY			(	1.89)

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

INSTITUTIONAL CORRIDOR PROJECT

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>INSTITUTIONAL CORRIDOR PROJECT</u>					
45-50-501 SALARIES	.93	.93	.00 (	.93)	.0
45-50-511 MEDICARE FICA	.01	.01	.00 (	.01)	.0
45-50-512 EMPLOYEE GROUP BENEFITS	.74	.74	.00 (	.74)	.0
45-50-518 PERS	.21	.21	.00 (	.21)	.0
45-50-646 IC-SOA GRANT	.00	.00	300,000.00	300,000.00	.0
TOTAL INSTITUTIONAL CORRIDOR PROJECT	1.89	1.89	300,000.00	299,998.11	.0
TOTAL FUND EXPENDITURES	1.89	1.89	300,000.00	299,998.11	.0
NET REVENUE OVER EXPENDITURES	(1.89)	(1.89)	(300,000.00)	(299,998.11)	.0

CITY OF BETHEL
BALANCE SHEET
JULY 31, 2019

PUBLIC SAFETY BUILDING-CAP PRJ

ASSETS

46-10100	CASH IN COMBINED FUND	(	75.15)	
	TOTAL ASSETS		(	75.15)

LIABILITIES AND EQUITY

FUND EQUITY

UNAPPROPRIATED FUND BALANCE:				
REVENUE OVER EXPENDITURES - YTD	(	75.15)		
BALANCE - CURRENT DATE	(	75.15)		
TOTAL FUND EQUITY			(	75.15)
TOTAL LIABILITIES AND EQUITY			(	75.15)

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

PUBLIC SAFETY BUILDING-CAP PRJ

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>SOA POLICE DISPATCH SYS GRANT</u>					
46-51-501 SALARIES	16.13	16.13	.00	(16.13)	.0
46-51-508 LEAVE CASHOUT	40.33	40.33	.00	(40.33)	.0
46-51-511 MEDICARE FICA	.80	.80	.00	(.80)	.0
46-51-512 EMPLOYEE GROUP BENEFITS	14.34	14.34	.00	(14.34)	.0
46-51-518 PERS	3.55	3.55	.00	(3.55)	.0
TOTAL SOA POLICE DISPATCH SYS GRANT	<u>75.15</u>	<u>75.15</u>	<u>.00</u>	<u>(75.15)</u>	<u>.0</u>
 TOTAL FUND EXPENDITURES	 <u>75.15</u>	 <u>75.15</u>	 <u>.00</u>	 <u>(75.15)</u>	 <u>.0</u>
 NET REVENUE OVER EXPENDITURES	 <u>(75.15)</u>	 <u>(75.15)</u>	 <u>.00</u>	 <u>75.15</u>	 <u>.0</u>

CITY OF BETHEL
BALANCE SHEET
JULY 31, 2019

SOLID WASTE SERVICES

ASSETS

50-10100	CASH IN COMBINED FUND	(53,479.39)	
	TOTAL ASSETS		(53,479.39)

LIABILITIES AND EQUITY

LIABILITIES

50-20100	VOUCHERS PAYABLE	(32,478.74)	
	TOTAL LIABILITIES		(32,478.74)

FUND EQUITY

UNAPPROPRIATED FUND BALANCE:			
	REVENUE OVER EXPENDITURES - YTD	(21,000.65)	
	BALANCE - CURRENT DATE	(21,000.65)	
	TOTAL FUND EQUITY		(21,000.65)
	TOTAL LIABILITIES AND EQUITY		(53,479.39)

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

SOLID WASTE SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>SOLID WASTE & RECYLING</u>					
50-44-412 COMMERCIAL GARBAGE PICKUP	.00	.00	762,976.00	762,976.00	.0
50-44-413 RESIDENTIAL GARBAGE PICKUP	.00	.00	325,987.00	325,987.00	.0
50-44-416 LANDFILL DUMP FEE	.00	.00	92,826.00	92,826.00	.0
TOTAL SOLID WASTE & RECYLING	.00	.00	1,181,789.00	1,181,789.00	.0
TOTAL FUND REVENUE	.00	.00	1,181,789.00	1,181,789.00	.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

SOLID WASTE SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>HAULED REFUSE</u>					
50-70-501 SALARIES	4,923.38	4,923.38	227,153.00	222,229.62	2.2
50-70-502 OVERTIME	21.28	21.28	10,250.00	10,228.72	.2
50-70-508 LEAVE CASHOUT	.00	.00	5,586.00	5,586.00	.0
50-70-511 MEDICARE FICA	74.13	74.13	3,442.00	3,367.87	2.2
50-70-512 EMPLOYEE GROUP BENEFITS	1,645.44	1,645.44	40,984.00	39,338.56	4.0
50-70-515 UNEMPLOYMENT	.00	.00	4,226.00	4,226.00	.0
50-70-516 WORKERS' COMPENSATION	.00	.00	12,430.00	12,430.00	.0
50-70-517 PERS ON BEHALF	.00	.00	52,229.00	52,229.00	.0
50-70-518 PERS	1,087.82	1,087.82	.00	(1,087.82)	.0
50-70-519 UTILITY BENEFIT	.00	.00	7,752.00	7,752.00	.0
50-70-545 TRAINING/TRAVEL	.00	.00	5,000.00	5,000.00	.0
50-70-561 SUPPLIES	.00	.00	500.00	500.00	.0
50-70-563 WEARING APPAREL	.00	.00	500.00	500.00	.0
50-70-600 TIRES & WHEELS	.00	.00	8,000.00	8,000.00	.0
50-70-601 VEHICLE PARTS	100.42	100.42	20,000.00	19,899.58	.5
50-70-602 GASOLINE / DIESEL / OIL	.00	.00	21,600.00	21,600.00	.0
50-70-661 VEHICLE MAINT/REPAIRS	.00	.00	75,079.00	75,079.00	.0
50-70-669 OTHER PURCHASED SERVICES	.00	.00	500.00	500.00	.0
50-70-691 4 YD DUMPSTERS	.00	.00	40,000.00	40,000.00	.0
50-70-721 INSURANCE	.00	.00	6,230.00	6,230.00	.0
50-70-738 BAD DEBTS EXPENSE	.00	.00	3,000.00	3,000.00	.0
50-70-998 ADMINISTRATIVE OVERHEAD-GF	.00	.00	62,250.00	62,250.00	.0
TOTAL HAULED REFUSE	7,852.47	7,852.47	606,711.00	598,858.53	1.3
<u>LANDFILL OPERATIONS</u>					
50-71-501 SALARIES	7,784.35	7,784.35	150,632.00	142,847.65	5.2
50-71-502 OVERTIME	688.17	688.17	10,250.00	9,561.83	6.7
50-71-508 LEAVE CASHOUT	.00	.00	7,055.00	7,055.00	.0
50-71-510 SOCIAL SECURITY EXPENSE	123.01	123.01	.00	(123.01)	.0
50-71-511 MEDICARE FICA	123.76	123.76	2,333.00	2,209.24	5.3
50-71-512 EMPLOYEE GROUP BENEFITS	2,862.36	2,862.36	55,448.00	52,585.64	5.2
50-71-515 UNEMPLOYMENT	.00	.00	1,634.00	1,634.00	.0
50-71-516 WORKERS' COMPENSATION	.00	.00	4,905.00	4,905.00	.0
50-71-518 PERS	1,427.47	1,427.47	35,394.00	33,966.53	4.0
50-71-519 UTILITY BENEFIT	.00	.00	10,488.00	10,488.00	.0
50-71-545 TRAINING/TRAVEL	.00	.00	3,000.00	3,000.00	.0
50-71-561 SUPPLIES	.00	.00	5,000.00	5,000.00	.0
50-71-563 WEARING APPAREL	.00	.00	1,500.00	1,500.00	.0
50-71-567 SALT	.00	.00	30,000.00	30,000.00	.0
50-71-601 VEHICLE PARTS	.00	.00	10,000.00	10,000.00	.0
50-71-602 GASOLINE / DIESEL / OIL	112.62	112.62	12,000.00	11,887.38	.9
50-71-621 ELECTRICITY	.00	.00	3,000.00	3,000.00	.0
50-71-623 HEATING FUEL	.00	.00	3,600.00	3,600.00	.0
50-71-627 STAFF CELLULAR PHONES	26.44	26.44	840.00	813.56	3.2
50-71-661 VEHICLE MAINT/REPAIRS	.00	.00	75,079.00	75,079.00	.0
50-71-662 PROPERTY MAINT	.00	.00	27,836.00	27,836.00	.0
50-71-669 OTHER PURCHASED SERVICES	.00	.00	5,000.00	5,000.00	.0
50-71-683 MINOR EQUIPMENT	.00	.00	8,000.00	8,000.00	.0
50-71-690 CAPITAL EXPENSE-END DUMP	.00	.00	170,000.00	170,000.00	.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

SOLID WASTE SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
50-71-691 963K TRACK LOADER	.00	.00	356,455.00	356,455.00	.0
50-71-692 SERVICE ROAD FOR LANDFILL	.00	.00	40,000.00	40,000.00	.0
50-71-693 950M WHEEL LOADER	.00	.00	285,000.00	285,000.00	.0
50-71-699 CAPITAL EXP-BELLY DUMP TRUCK	.00	.00	70,000.00	70,000.00	.0
50-71-721 INSURANCE	.00	.00	6,525.00	6,525.00	.0
50-71-724 DUES & SUBSCRIPTION	.00	.00	50.00	50.00	.0
50-71-996 ADMIN OVERHEAD-IT SVCS	.00	.00	15,494.00	15,494.00	.0
50-71-998 ADMINISTRATIVE OVERHEAD-GF	.00	.00	47,560.00	47,560.00	.0
 TOTAL LANDFILL OPERATIONS	 13,148.18	 13,148.18	 1,454,078.00	 1,440,929.82	 .9
 TOTAL FUND EXPENDITURES	 21,000.65	 21,000.65	 2,060,789.00	 2,039,788.35	 1.0
 NET REVENUE OVER EXPENDITURES	 (21,000.65)	 (21,000.65)	 (879,000.00)	 (857,999.35)	 (2.4)

CITY OF BETHEL
BALANCE SHEET
JULY 31, 2019

WATER & SEWER SERVICES

ASSETS

51-10100	CASH IN COMBINED FUND	(327,621.70)	
	TOTAL ASSETS		(327,621.70)

LIABILITIES AND EQUITY

LIABILITIES

51-20100	VOUCHERS PAYABLE	(77,441.86)	
51-26100	UTILITY DEPOSITS	7,601.75	
	TOTAL LIABILITIES		(69,840.11)

FUND EQUITY

UNAPPROPRIATED FUND BALANCE:			
REVENUE OVER EXPENDITURES - YTD	(257,781.59)		
BALANCE - CURRENT DATE		(257,781.59)	
TOTAL FUND EQUITY			(257,781.59)
TOTAL LIABILITIES AND EQUITY			(327,621.70)

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

WATER & SEWER SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>WATER</u>					
51-42-410 TRUCKED WATER	2,039.01	2,039.01	2,798,807.00	2,796,767.99	.1
51-42-412 METERED PIPED WATER COMM.	.00	.00	1,035,290.00	1,035,290.00	.0
51-42-414 UNMETERED PIPED WTR RESID	.00	.00	808,639.00	808,639.00	.0
51-42-416 CONTRACT WATER	.00	.00	10,675.00	10,675.00	.0
51-42-436 PUMPHOUSE WATER	4,219.65	4,219.65	18,859.00	14,639.35	22.4
TOTAL WATER	6,258.66	6,258.66	4,672,270.00	4,666,011.34	.1
<u>SEWER</u>					
51-43-411 TRUCKED SEWER (EVAC/HB)	450.71	450.71	1,648,000.00	1,647,549.29	.0
51-43-412 METERED PIPED SEWER COMM.	.00	.00	867,887.00	867,887.00	.0
51-43-414 UNMETERED PIPED SEWER RES	.00	.00	242,255.00	242,255.00	.0
51-43-416 CONTRACT SEWER	.00	.00	24,828.00	24,828.00	.0
TOTAL SEWER	450.71	450.71	2,782,970.00	2,782,519.29	.0
<u>MISCELLANEOUS</u>					
51-45-434 UTILITY PENALTY/INTEREST	.00	.00	38,163.00	38,163.00	.0
51-45-435 RECONNECT FEES	70.00	70.00	2,758.00	2,688.00	2.5
51-45-450 SENIOR DISCOUNT	.00	.00	46,000.00	46,000.00	.0
51-45-467 NSF CHECKS AND FEES	35.00	35.00	130.00	95.00	26.9
51-45-468 UTILITY INSPECTION FEES	200.00	200.00	2,000.00	1,800.00	10.0
51-45-471 WATER SUBSCRIPTION FEES	.00	.00	168,395.00	168,395.00	.0
51-45-472 SEWER SUBSCRIPTION FEES	.00	.00	177,428.00	177,428.00	.0
51-45-487 INVESTMENT INCOME	.00	.00	16,000.00	16,000.00	.0
TOTAL MISCELLANEOUS	305.00	305.00	450,874.00	450,569.00	.1
<u>MISCELLANEOUS</u>					
51-49-466 CASH OVER/SHORT	60.00	60.00	100.00	40.00	60.0
51-49-495 MISCELLANEOUS INCOME	.00	.00	3,226.00	3,226.00	.0
TOTAL MISCELLANEOUS	60.00	60.00	3,326.00	3,266.00	1.8
TOTAL FUND REVENUE	7,074.37	7,074.37	7,909,440.00	7,902,365.63	.1

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

WATER & SEWER SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>UTILITY BILLING</u>					
51-80-501 SALARIES	2,665.42	2,665.42	90,127.00	87,461.58	3.0
51-80-502 OVERTIME	.00	.00	1,025.00	1,025.00	.0
51-80-508 LEAVE CASHOUT	.00	.00	4,396.00	4,396.00	.0
51-80-511 MEDICARE FICA	38.28	38.28	1,322.00	1,283.72	2.9
51-80-512 GROUP HEALTH INSURANCE	1,216.92	1,216.92	42,189.00	40,972.08	2.9
51-80-515 UNEMPLOYMENT	.00	.00	1,322.00	1,322.00	.0
51-80-516 WORKERS' COMPENSATION	.00	.00	244.00	244.00	.0
51-80-518 PERS	586.39	586.39	20,053.00	19,466.61	2.9
51-80-519 UTILITY BENEFIT	.00	.00	7,980.00	7,980.00	.0
51-80-545 TRAINING/TRAVEL	.00	.00	2,000.00	2,000.00	.0
51-80-561 SUPPLIES	.00	.00	4,000.00	4,000.00	.0
51-80-649 ONLINE BILL PAY	.00	.00	3,000.00	3,000.00	.0
51-80-683 MINOR EQUIPMENT	.00	.00	1,500.00	1,500.00	.0
51-80-721 INSURANCE	.00	.00	932.00	932.00	.0
51-80-727 ADVERTISING	.00	.00	500.00	500.00	.0
51-80-733 POSTAGE	674.99	674.99	13,000.00	12,325.01	5.2
51-80-736 BANK CHARGES	.00	.00	36,500.00	36,500.00	.0
51-80-777 PROJECT-BOILER & HVAC REBUILD	1,085.00	1,085.00	.00	(1,085.00)	.0
51-80-799 MISCELLANEOUS EXPENSES	.00	.00	500.00	500.00	.0
51-80-996 ADMIN OVERHEAD-IT SVCS	.00	.00	14,256.00	14,256.00	.0
51-80-998 ADMINISTRATIVE OVERHEAD-GF	.00	.00	28,839.00	28,839.00	.0
TOTAL UTILITY BILLING	6,267.00	6,267.00	273,685.00	267,418.00	2.3
<u>HAULED WATER</u>					
51-81-501 SALARIES	18,132.92	18,132.92	463,487.00	445,354.08	3.9
51-81-502 OVERTIME	6,647.55	6,647.55	125,000.00	118,352.45	5.3
51-81-508 LEAVE CASHOUT	.00	.00	22,313.00	22,313.00	.0
51-81-511 MEDICARE	381.82	381.82	8,533.00	8,151.18	4.5
51-81-512 EMPLOYEE GROUP BENEFITS	15,710.24	15,710.24	210,945.00	195,234.76	7.5
51-81-515 UNEMPLOYMENT	.00	.00	6,379.00	6,379.00	.0
51-81-516 WORKERS' COMPENSATION	.00	.00	15,202.00	15,202.00	.0
51-81-518 PERS	5,451.71	5,451.71	129,467.00	124,015.29	4.2
51-81-519 UTILITY BENEFIT	.00	.00	39,900.00	39,900.00	.0
51-81-545 TRAINING/TRAVEL	.00	.00	2,000.00	2,000.00	.0
51-81-561 SUPPLIES	.00	.00	10,000.00	10,000.00	.0
51-81-563 WEARING APPAREL	.00	.00	10,000.00	10,000.00	.0
51-81-600 TIRES	.00	.00	42,000.00	42,000.00	.0
51-81-601 VEHICLE MT. (PARTS & TOOLS)	2,344.91	2,344.91	180,000.00	177,655.09	1.3
51-81-602 GASOLINE/DIESEL/OIL	268.50	268.50	120,000.00	119,731.50	.2
51-81-621 ELECTRICITY	.00	.00	10,500.00	10,500.00	.0
51-81-622 TELEPHONE	2.75	2.75	650.00	647.25	.4
51-81-623 HEATING FUEL	.00	.00	14,500.00	14,500.00	.0
51-81-626 WATER/SEWER/GARBAGE	.00	.00	8,500.00	8,500.00	.0
51-81-627 STAFF CELLULAR PHONES	52.88	52.88	840.00	787.12	6.3
51-81-650 LAB TESTS	.00	.00	5,000.00	5,000.00	.0
51-81-661 VEHICLE MAINT/REPAIR	.00	.00	310,326.00	310,326.00	.0
51-81-662 PROPERTY MAINT	.00	.00	46,393.00	46,393.00	.0
51-81-665 CITY SAFETY	.00	.00	1,000.00	1,000.00	.0
51-81-669 OTHER PURCHASED SERVICES	.00	.00	5,000.00	5,000.00	.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

WATER & SEWER SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
51-81-683 MINOR EQUIPMENT	.00	.00	4,000.00	4,000.00	.0
51-81-691 WATER TRUCK	.00	.00	37,323.00	37,323.00	.0
51-81-699 XFER TO F-58 FLEET REPLACEMENT	.00	.00	1,573,938.00	1,573,938.00	.0
51-81-721 INSURANCE	.00	.00	86,739.00	86,739.00	.0
51-81-722 INSURANCE-DED EXP & OTHER	.00	.00	10,000.00	10,000.00	.0
51-81-724 DUES/SUBSCRIPTIONS	.00	.00	80.00	80.00	.0
51-81-738 BAD DEBT EXPENSE	.00	.00	10,000.00	10,000.00	.0
51-81-799 MISCELLANEOUS	.00	.00	2,000.00	2,000.00	.0
51-81-996 ADMIN OVERHEAD-IT SVCS	.00	.00	13,563.00	13,563.00	.0
51-81-998 ADMINISTRATIVE OVERHEAD-GF	.00	.00	174,623.00	174,623.00	.0

TOTAL HAULED WATER	48,993.28	48,993.28	3,700,201.00	3,651,207.72	1.3
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PIPED WATER

51-82-501 SALARIES	4,356.67	4,356.67	167,422.00	163,065.33	2.6
51-82-502 OVERTIME	1,327.32	1,327.32	30,750.00	29,422.68	4.3
51-82-508 LEAVE CASHOUT	.00	.00	7,575.00	7,575.00	.0
51-82-511 MEDICARE	84.01	84.01	2,874.00	2,789.99	2.9
51-82-512 EMPLOYEE GROUP BENEFITS	2,967.68	2,967.68	55,448.00	52,480.32	5.4
51-82-515 UNEMPLOYMENT	.00	.00	1,634.00	1,634.00	.0
51-82-516 WORKERS' COMPENSATION	.00	.00	5,119.00	5,119.00	.0
51-82-518 PERS	1,250.48	1,250.48	43,598.00	42,347.52	2.9
51-82-519 UTILITY BENEFIT	.00	.00	10,488.00	10,488.00	.0
51-82-545 TRAINING/TRAVEL	.00	.00	5,000.00	5,000.00	.0
51-82-561 SUPPLIES	.00	.00	6,000.00	6,000.00	.0
51-82-563 WEARING APPAREL	.00	.00	3,000.00	3,000.00	.0
51-82-592 PLUMBING SUPPLIES	.00	.00	15,000.00	15,000.00	.0
51-82-600 TIRES AND WHEELS	.00	.00	1,200.00	1,200.00	.0
51-82-601 VEHICLE MT. (PARTS & TOOLS)	1,426.66	1,426.66	8,000.00	6,573.34	17.8
51-82-602 GASOLINE/DIESEL/OIL	1,093.28	1,093.28	15,000.00	13,906.72	7.3
51-82-621 ELECTRICITY-UTIL MT SHOP	.00	.00	5,500.00	5,500.00	.0
51-82-622 TELEPHONE	5.50	5.50	100.00	94.50	5.5
51-82-623 HEATING FUEL	.00	.00	25,000.00	25,000.00	.0
51-82-626 WATER/SEWER/GARB	.00	.00	600.00	600.00	.0
51-82-627 STAFF CELLULAR PHONES	52.88	52.88	1,680.00	1,627.12	3.2
51-82-649 ENGINEERING SERVICES	.00	.00	25,000.00	25,000.00	.0
51-82-661 VEHICLE MAINT/REPAIR	.00	.00	3,003.00	3,003.00	.0
51-82-665 CITY SAFETY	.00	.00	2,000.00	2,000.00	.0
51-82-669 OTHER PURCHASED SERVICES	.00	.00	1,500.00	1,500.00	.0
51-82-683 MINOR EQUIPMENT	524.38	524.38	25,000.00	24,475.62	2.1
51-82-690 GROOVING MACHINE	.00	.00	62,500.00	62,500.00	.0
51-82-721 INSURANCE	.00	.00	6,646.00	6,646.00	.0
51-82-727 ADVERTISING	.00	.00	1,000.00	1,000.00	.0
51-82-996 ADMIN OVERHEAD-IT SVCS	.00	.00	14,801.00	14,801.00	.0
51-82-998 ADMINISTRATIVE OVERHEAD-GF	.00	.00	77,228.00	77,228.00	.0

TOTAL PIPED WATER	13,088.86	13,088.86	629,666.00	616,577.14	2.1
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BETHEL HTS WTR TREATMENT

51-83-501 SALARIES	5,384.71	5,384.71	124,086.00	118,701.29	4.3
51-83-502 OVERTIME	1,326.60	1,326.60	35,875.00	34,548.40	3.7

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

WATER & SEWER SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
51-83-508 LEAVE CASHOUT	4,104.62	4,104.62	5,757.00	1,652.38	71.3
51-83-511 MEDICARE	37.46	37.46	2,319.00	2,281.54	1.6
51-83-512 EMPLOYEE GROUP BENEFITS	3,014.73	3,014.73	42,189.00	39,174.27	7.2
51-83-515 UNEMPLOYMENT	.00	.00	1,243.00	1,243.00	.0
51-83-516 WORKERS' COMPENSATION	.00	.00	4,132.00	4,132.00	.0
51-83-518 PERS	1,476.49	1,476.49	35,192.00	33,715.51	4.2
51-83-519 UTILITY BENEFIT	.00	.00	7,980.00	7,980.00	.0
51-83-545 TRAINING/TRAVEL	.00	.00	4,000.00	4,000.00	.0
51-83-561 SUPPLIES	.00	.00	4,000.00	4,000.00	.0
51-83-563 WEARING APPAREL	.00	.00	1,500.00	1,500.00	.0
51-83-567 CHEMICALS	25,034.80	25,034.80	55,000.00	29,965.20	45.5
51-83-592 PLUMBING SUPPLIES	.00	.00	5,000.00	5,000.00	.0
51-83-621 ELECTRICITY (PUMPHOUSE)	.00	.00	90,000.00	90,000.00	.0
51-83-622 TELEPHONE	.00	.00	500.00	500.00	.0
51-83-623 HEATING FUEL (PUMPHOUSE)	1,149.19	1,149.19	130,000.00	128,850.81	.9
51-83-649 ENGINEERING SERVICES	.00	.00	2,000.00	2,000.00	.0
51-83-650 LAB TESTS	.00	.00	12,000.00	12,000.00	.0
51-83-661 VEHICLE MAINT/REPAIR	.00	.00	3,003.00	3,003.00	.0
51-83-665 CITY SAFETY	.00	.00	6,000.00	6,000.00	.0
51-83-669 OTHER PURCHASED SERVICES	.00	.00	10,000.00	10,000.00	.0
51-83-683 MINOR EQUIPMENT	.00	.00	25,000.00	25,000.00	.0
51-83-721 INSURANCE	.00	.00	21,729.00	21,729.00	.0
51-83-727 ADVERTISING	.00	.00	500.00	500.00	.0
51-83-772 PROJECT EXPENSES	.00	.00	50,000.00	50,000.00	.0
51-83-996 ADMIN OVERHEAD-IT SVCS	.00	.00	14,108.00	14,108.00	.0
51-83-998 ADMINISTRATIVE OVERHEAD-GF	.00	.00	44,249.00	44,249.00	.0
TOTAL BETHEL HTS WTR TREATMENT	41,528.60	41,528.60	737,362.00	695,833.40	5.6

CITY SUB WTR TREATMENT

51-84-501 SALARIES	3,757.50	3,757.50	189,169.00	185,411.50	2.0
51-84-502 OVERTIME	1,783.30	1,783.30	35,875.00	34,091.70	5.0
51-84-508 LEAVE CASHOUT	.00	.00	8,932.00	8,932.00	.0
51-84-511 MEDICARE	83.91	83.91	3,263.00	3,179.09	2.6
51-84-512 EMPLOYEE GROUP BENEFITS	2,830.89	2,830.89	66,297.00	63,466.11	4.3
51-84-515 UNEMPLOYMENT	.00	.00	1,953.00	1,953.00	.0
51-84-516 WORKERS' COMPENSATION	.00	.00	5,814.00	5,814.00	.0
51-84-518 PERS	1,218.97	1,218.97	49,510.00	48,291.03	2.5
51-84-519 UTILITY BENEFIT	.00	.00	12,540.00	12,540.00	.0
51-84-545 TRAINING/TRAVEL	.00	.00	5,000.00	5,000.00	.0
51-84-561 SUPPLIES	.00	.00	2,500.00	2,500.00	.0
51-84-563 WEARING APPAREL	.00	.00	1,500.00	1,500.00	.0
51-84-567 CHEMICALS	78,104.38	78,104.38	100,000.00	21,895.62	78.1
51-84-592 PLUMBING SUPPLIES	.00	.00	3,000.00	3,000.00	.0
51-84-600 TIRES & WHEELS	.00	.00	1,500.00	1,500.00	.0
51-84-602 GASOLINE/DIESEL/OIL	.00	.00	1,000.00	1,000.00	.0
51-84-621 ELECTRICITY (CS WTF)	.00	.00	60,000.00	60,000.00	.0
51-84-622 TELEPHONE	2.75	2.75	100.00	97.25	2.8
51-84-623 HEATING FUEL(CS WTF)	6,045.77	6,045.77	150,000.00	143,954.23	4.0
51-84-650 LAB TESTS	1,755.00	1,755.00	10,000.00	8,245.00	17.6
51-84-661 VEHICLE MAINT (ISF)	.00	.00	3,003.00	3,003.00	.0
51-84-665 CITY SAFETY	.00	.00	2,500.00	2,500.00	.0
51-84-669 OTHER PURCHASED SERVICES	.00	.00	5,000.00	5,000.00	.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

WATER & SEWER SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
51-84-683 MINOR EQUIPMENT	.00	.00	20,000.00	20,000.00	.0
51-84-721 INSURANCE	.00	.00	13,560.00	13,560.00	.0
51-84-996 ADMIN OVERHEAD-IT SVCS	.00	.00	15,494.00	15,494.00	.0
51-84-998 ADMINISTRATIVE OVERHEAD-GF	.00	.00	63,841.00	63,841.00	.0
TOTAL CITY SUB WTR TREATMENT	95,582.47	95,582.47	831,351.00	735,768.53	11.5

HAULED SEWER

51-85-501 SALARIES	14,552.30	14,552.30	524,733.00	510,180.70	2.8
51-85-502 OVERTIME	1,760.42	1,760.42	125,000.00	123,239.58	1.4
51-85-508 LEAVE CASHOUT	907.73	907.73	25,301.00	24,393.27	3.6
51-85-511 MEDICARE	266.44	266.44	9,421.00	9,154.56	2.8
51-85-512 EMPLOYEE GROUP BENEFITS	19,368.06	19,368.06	234,571.00	215,202.94	8.3
51-85-515 UNEMPLOYMENT	.00	.00	6,910.00	6,910.00	.0
51-85-516 WORKERS' COMPENSATION	.00	.00	18,393.00	18,393.00	.0
51-85-518 PERS	3,588.78	3,588.78	142,941.00	139,352.22	2.5
51-85-519 UTILITY BENEFIT	.00	.00	44,346.00	44,346.00	.0
51-85-545 TRAINING/TRAVEL	.00	.00	300.00	300.00	.0
51-85-561 SUPPLIES	.00	.00	7,000.00	7,000.00	.0
51-85-563 WEARING APPAREL	.00	.00	7,000.00	7,000.00	.0
51-85-600 TIRES & WHEELS	.00	.00	12,000.00	12,000.00	.0
51-85-601 VEHICLE MT. (PARTS & TOOLS)	1,853.15	1,853.15	50,000.00	48,146.85	3.7
51-85-602 GASOLINE/DIESEL/OIL	2,068.50	2,068.50	110,000.00	107,931.50	1.9
51-85-621 ELECTRICITY	.00	.00	8,300.00	8,300.00	.0
51-85-622 TELEPHONE	.00	.00	400.00	400.00	.0
51-85-623 HEATING FUEL	.00	.00	12,000.00	12,000.00	.0
51-85-626 WATER/SEWER/GARBAGE	.00	.00	9,000.00	9,000.00	.0
51-85-627 CELL PHONE	.00	.00	840.00	840.00	.0
51-85-661 VEHICLE MAINT/REPAIR	.00	.00	310,326.00	310,326.00	.0
51-85-662 PROPERTY MAINT	.00	.00	46,393.00	46,393.00	.0
51-85-669 OTHER PURCHASED SERVICES	.00	.00	7,000.00	7,000.00	.0
51-85-683 MINOR EQUIPMENT	.00	.00	3,100.00	3,100.00	.0
51-85-721 INSURANCE	.00	.00	70,082.00	70,082.00	.0
51-85-722 INSURANCE-DED EXP & OTHER	.00	.00	20,000.00	20,000.00	.0
51-85-724 DUES/SUBSCRIPTIONS	.00	.00	30.00	30.00	.0
51-85-799 MISCELLANEOUS	.00	.00	1,200.00	1,200.00	.0
51-85-996 ADMIN OVERHEAD-IT SVCS	.00	.00	13,563.00	13,563.00	.0
51-85-998 ADMINISTRATIVE OVERHEAD-GF	.00	.00	193,499.00	193,499.00	.0
TOTAL HAULED SEWER	44,365.38	44,365.38	2,013,649.00	1,969,283.62	2.2

PIPED SEWER

51-86-501 SALARIES	4,123.18	4,123.18	167,074.00	162,950.82	2.5
51-86-502 OVERTIME	1,327.33	1,327.33	30,750.00	29,422.67	4.3
51-86-508 LEAVE CASHOUT	.00	.00	7,575.00	7,575.00	.0
51-86-511 MEDICARE	80.56	80.56	2,868.00	2,787.44	2.8
51-86-512 EMPLOYEE GROUP BENEFITS	2,783.72	2,783.72	55,448.00	52,664.28	5.0
51-86-515 UNEMPLOYMENT	.00	.00	1,634.00	1,634.00	.0
51-86-516 WORKERS' COMPENSATION	.00	.00	5,600.00	5,600.00	.0
51-86-518 PERS	1,199.04	1,199.04	43,521.00	42,321.96	2.8
51-86-519 UTILITY BENEFITS	.00	.00	10,488.00	10,488.00	.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

WATER & SEWER SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
51-86-545 TRAINING/TRAVEL	.00	.00	3,000.00	3,000.00	.0
51-86-561 SUPPLIES	.00	.00	6,000.00	6,000.00	.0
51-86-563 WEARING APPAREL	.00	.00	3,000.00	3,000.00	.0
51-86-590 GLYCOL SUPPLIES	.00	.00	70,000.00	70,000.00	.0
51-86-592 PLUMBING SUPPLIES	.00	.00	10,000.00	10,000.00	.0
51-86-600 TIRES & WHEELS	.00	.00	2,000.00	2,000.00	.0
51-86-601 VEHICLE MT. (PARTS & TOOLS)	1,426.66	1,426.66	6,500.00	5,073.34	22.0
51-86-602 GASOLINE/DIESEL/OIL	156.29	156.29	15,000.00	14,843.71	1.0
51-86-621 ELECTRICITY-LIFTST & BLDG	.00	.00	100,000.00	100,000.00	.0
51-86-622 TELEPHONE	.00	.00	500.00	500.00	.0
51-86-623 HEATING FUEL	166.55	166.55	35,000.00	34,833.45	.5
51-86-626 WATER/SEWER/GARB	.00	.00	600.00	600.00	.0
51-86-661 VEHICLE MAINT/REPAIR	.00	.00	3,003.00	3,003.00	.0
51-86-665 CITY SAFETY	.00	.00	5,000.00	5,000.00	.0
51-86-669 OTHER PURCHASED SERVICES	.00	.00	20,000.00	20,000.00	.0
51-86-683 MINOR EQUIPMENT	.00	.00	125,000.00	125,000.00	.0
51-86-691 FORD F350 1 TON	.00	.00	40,000.00	40,000.00	.0
51-86-721 INSURANCE	.00	.00	6,561.00	6,561.00	.0
51-86-736 LEASED PROPERTY-LIFT STATIONS	.00	.00	15,000.00	15,000.00	.0
51-86-996 ADMIN OVERHEAD-IT SVCS	.00	.00	14,801.00	14,801.00	.0
51-86-998 ADMINISTRATIVE OVERHEAD-GF	.00	.00	55,566.00	55,566.00	.0
TOTAL PIPED SEWER	11,263.33	11,263.33	861,489.00	850,225.67	1.3

SEWER LAGOON

51-87-501 SALARIES	1,420.56	1,420.56	68,912.00	67,491.44	2.1
51-87-502 OVERTIME	370.55	370.55	10,250.00	9,879.45	3.6
51-87-508 LEAVE CASHOUT	.00	.00	2,211.00	2,211.00	.0
51-87-511 MEDICARE	26.64	26.64	1,148.00	1,121.36	2.3
51-87-512 EMPLOYEE GROUP BENEFITS	978.07	978.07	21,697.00	20,718.93	4.5
51-87-515 UNEMPLOYMENT	.00	.00	639.00	639.00	.0
51-87-516 WORKERS' COMPENSATION	.00	.00	2,241.00	2,241.00	.0
51-87-518 PERS	394.13	394.13	17,416.00	17,021.87	2.3
51-87-519 UTILITY BENEFIT	.00	.00	4,104.00	4,104.00	.0
51-87-545 TRAINING/TRAVEL	.00	.00	3,000.00	3,000.00	.0
51-87-561 SUPPLIES	.00	.00	1,500.00	1,500.00	.0
51-87-563 WEARING APPAREL	.00	.00	2,000.00	2,000.00	.0
51-87-592 PLUMBING SUPPLIES	.00	.00	1,000.00	1,000.00	.0
51-87-602 GASOLINE	217.09	217.09	20,000.00	19,782.91	1.1
51-87-650 LAB TESTS (SAMPLES)	360.00	360.00	12,000.00	11,640.00	3.0
51-87-665 CITY SAFETY	.00	.00	2,000.00	2,000.00	.0
51-87-669 OTHER PURCHASED SERVICES	.00	.00	1,000.00	1,000.00	.0
51-87-683 MINOR EQUIPMENT	.00	.00	2,500.00	2,500.00	.0
51-87-721 INSURANCE	.00	.00	443.00	443.00	.0
51-87-724 DUES & SUBSCRIPTIONS	.00	.00	7,920.00	7,920.00	.0
51-87-727 ADVERTISING	.00	.00	500.00	500.00	.0
51-87-998 ADMINISTRATIVE OVERHEAD-GF	.00	.00	21,993.00	21,993.00	.0
TOTAL SEWER LAGOON	3,767.04	3,767.04	204,474.00	200,706.96	1.8
TOTAL FUND EXPENDITURES	264,855.96	264,855.96	9,251,877.00	8,987,021.04	2.9

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

WATER & SEWER SERVICES

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET</u>	<u>UNEXPENDED</u>	<u>PCNT</u>
NET REVENUE OVER EXPENDITURES	(257,781.59)	(257,781.59)	(1,342,437.00)	(1,084,655.41)	(19.2)

CITY OF BETHEL
BALANCE SHEET
JULY 31, 2019

MUNICIPAL DOCK

ASSETS

52-10100	CASH IN COMBINED FUND	(114,350.34)	
	TOTAL ASSETS		(114,350.34)

LIABILITIES AND EQUITY

LIABILITIES

52-20100	VOUCHERS PAYABLE	(94,597.15)	
	TOTAL LIABILITIES		(94,597.15)

FUND EQUITY

	UNAPPROPRIATED FUND BALANCE:		
	REVENUE OVER EXPENDITURES - YTD	(19,753.19)	
	BALANCE - CURRENT DATE	(19,753.19)	
	TOTAL FUND EQUITY		(19,753.19)
	TOTAL LIABILITIES AND EQUITY		(114,350.34)

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

MUNICIPAL DOCK

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>INTEREST & PENALTIES</u>					
52-40-403 CITY DOCK-PENALTIES & INT	.00	.00	5,000.00	5,000.00	.0
TOTAL INTEREST & PENALTIES	.00	.00	5,000.00	5,000.00	.0
<u>CHARGES FOR SERVICES</u>					
52-43-402 CITY DOCK-STORAGE	.00	.00	70,000.00	70,000.00	.0
52-43-404 CITY DOCK-PERMITS	.00	.00	3,000.00	3,000.00	.0
52-43-405 CITY DOCK-WHARFAGE	.00	.00	165,000.00	165,000.00	.0
52-43-407 CITY DOCK-DOCKAGE	.00	.00	25,000.00	25,000.00	.0
52-43-418 SBH PETRO PORT-FUEL THRU-PUT	.00	.00	220,000.00	220,000.00	.0
52-43-424 PETRO YARD - STORAGE	.00	.00	2,000.00	2,000.00	.0
52-43-426 PETRO PORT-FUEL THRU-PUT	.00	.00	440,000.00	440,000.00	.0
52-43-427 PETRO PORT-DOCKAGE	.00	.00	20,000.00	20,000.00	.0
52-43-433 SEAWALL MOORAGE	.00	.00	25,000.00	25,000.00	.0
52-43-434 SEAWALL DOCKAGE	.00	.00	10,000.00	10,000.00	.0
52-43-435 SEAWALL-WHARFAGE	.00	.00	1,000.00	1,000.00	.0
52-43-454 BEACH-STORAGE	.00	.00	10,000.00	10,000.00	.0
52-43-455 BEACH-WHARFAGE	.00	.00	70,000.00	70,000.00	.0
52-43-457 BEACH-DOCKAGE	.00	.00	17,000.00	17,000.00	.0
52-43-462 BOAT HARBOR-STORAGE	.00	.00	3,500.00	3,500.00	.0
52-43-463 BOAT HARBOR-MOORAGE	.00	.00	24,000.00	24,000.00	.0
TOTAL CHARGES FOR SERVICES	.00	.00	1,105,500.00	1,105,500.00	.0
<u>LEASE REVENUE</u>					
52-44-467 LEASE REVENUE	.00	.00	24,000.00	24,000.00	.0
TOTAL LEASE REVENUE	.00	.00	24,000.00	24,000.00	.0
<u>MISCELLANEOUS</u>					
52-45-464 SMALL BOAT HARBOR PERMITS	.00	.00	24,000.00	24,000.00	.0
52-45-467 EXTRA WATER CALLS	.00	.00	25,000.00	25,000.00	.0
TOTAL MISCELLANEOUS	.00	.00	49,000.00	49,000.00	.0
<u>MISCELLANEOUS</u>					
52-49-487 INVESTMENT INCOME	.00	.00	2,000.00	2,000.00	.0
52-49-495 MISCELLANEOUS REVENUE	.00	.00	5,000.00	5,000.00	.0
TOTAL MISCELLANEOUS	.00	.00	7,000.00	7,000.00	.0
TOTAL FUND REVENUE	.00	.00	1,190,500.00	1,190,500.00	.0

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

MUNICIPAL DOCK

PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
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CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

MUNICIPAL DOCK

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>DOCK EXPENDITURES</u>					
52-50-501 SALARIES	5,487.05	5,487.05	184,522.00	179,034.95	3.0
52-50-502 OVERTIME	356.48	356.48	.00	(356.48)	.0
52-50-508 LEAVE CASHOUT	.00	.00	4,103.00	4,103.00	.0
52-50-510 SOCIAL SECURITY EXPENSE	94.64	94.64	1,420.00	1,325.36	6.7
52-50-511 MEDICARE FICA	95.36	95.36	2,676.00	2,580.64	3.6
52-50-512 EMPLOYEE GROUP BENEFITS	2,585.00	2,585.00	60,752.00	58,167.00	4.3
52-50-515 UNEMPLOYMENT	.00	.00	1,790.00	1,790.00	.0
52-50-516 WORKERS' COMPENSATION	.00	.00	6,137.00	6,137.00	.0
52-50-518 PERS	949.76	949.76	35,557.00	34,607.24	2.7
52-50-519 UTILITY BENEFIT	.00	.00	11,491.00	11,491.00	.0
52-50-545 TRAINING/TRAVEL	.00	.00	5,000.00	5,000.00	.0
52-50-561 SUPPLIES	.00	.00	5,500.00	5,500.00	.0
52-50-563 WEARING APPAREL	.00	.00	2,000.00	2,000.00	.0
52-50-601 VEHICLE MT. (PARTS & TOOLS)	.00	.00	20,000.00	20,000.00	.0
52-50-602 GASOLINE/DIESEL/OIL	1,410.40	1,410.40	15,000.00	13,589.60	9.4
52-50-621 ELECTRICITY	.00	.00	10,000.00	10,000.00	.0
52-50-622 TELEPHONE	157.00	157.00	1,000.00	843.00	15.7
52-50-623 HEATING FUEL	.00	.00	2,000.00	2,000.00	.0
52-50-624 WATER, SEWER, GARBAGE	.00	.00	5,000.00	5,000.00	.0
52-50-626 WATER FOR BARGES	.00	.00	12,000.00	12,000.00	.0
52-50-627 STAFF CELLULAR PHONES	52.87	52.87	1,680.00	1,627.13	3.2
52-50-642 LEGAL FEES	.00	.00	5,000.00	5,000.00	.0
52-50-643 PLANNING/ENGINEERING FEES	.00	.00	5,000.00	5,000.00	.0
52-50-661 VEHICLE MAINT/REPAIR	.00	.00	3,003.00	3,003.00	.0
52-50-666 MUNICIPAL DOCK MAINT.	.00	.00	5,000.00	5,000.00	.0
52-50-667 MAINT-SEAWALL	.00	.00	7,000.00	7,000.00	.0
52-50-669 OTHER PURCHASED SERVICES	.00	.00	25,000.00	25,000.00	.0
52-50-683 MINOR EQUIPMENT	.00	.00	25,000.00	25,000.00	.0
52-50-687 LAND/EASEMENT ACQUISITION	.00	.00	50,000.00	50,000.00	.0
52-50-697 HIGHLIFT FORKLIFT	.00	.00	35,000.00	35,000.00	.0
52-50-721 INSURANCE	.00	.00	16,980.00	16,980.00	.0
52-50-724 DUES	.00	.00	1,000.00	1,000.00	.0
52-50-727 ADVERTISING	.00	.00	1,000.00	1,000.00	.0
52-50-775 MUNICIPAL DOCK GRAVEL	.00	.00	150,000.00	150,000.00	.0
52-50-776 HYDROGRAPHIC SURVEY	.00	.00	34,000.00	34,000.00	.0
52-50-777 CONTAMINATED SOIL PROCESSING	.00	.00	1,000.00	1,000.00	.0
52-50-996 ADMIN OVERHEAD-IT SVCS	.00	.00	18,216.00	18,216.00	.0
52-50-997 ICR-PROPERTY MAINTENANCE 5%	.00	.00	27,066.00	27,066.00	.0
52-50-998 ADMINISTRATIVE OVERHEAD-GF	.00	.00	52,742.00	52,742.00	.0
TOTAL DOCK EXPENDITURES	11,188.56	11,188.56	849,635.00	838,446.44	1.3

SMALL BOAT HARBOR

52-55-501 SALARIES	6,713.64	6,713.64	99,939.00	93,225.36	6.7
52-55-502 OVERTIME	405.24	405.24	3,000.00	2,594.76	13.5
52-55-508 LEAVE CASHOUT	.00	.00	1,081.00	1,081.00	.0
52-55-510 SOCIAL SECURITY	388.84	388.84	4,483.00	4,094.16	8.7
52-55-511 MEDICARE FICA	105.84	105.84	1,493.00	1,387.16	7.1
52-55-512 EMPLOYEE GROUP BENEFITS	764.65	764.65	9,161.00	8,396.35	8.4
52-55-515 UNEMPLOYMENT	.00	.00	2,650.00	2,650.00	.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

MUNICIPAL DOCK

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
52-55-516 WORKERS' COMPENSATION	.00	.00	4,100.00	4,100.00	.0
52-55-518 PERS	186.42	186.42	5,959.00	5,772.58	3.1
52-55-519 UTILITY BENEFIT	.00	.00	2,189.00	2,189.00	.0
52-55-561 SUPPLIES	.00	.00	1,800.00	1,800.00	.0
52-55-563 WEARING APPAREL	.00	.00	2,000.00	2,000.00	.0
52-55-602 GASOLINE	.00	.00	8,000.00	8,000.00	.0
52-55-621 ELECTRICITY	.00	.00	2,000.00	2,000.00	.0
52-55-624 WATER/SEWR/GARBAGE	.00	.00	7,100.00	7,100.00	.0
52-55-668 SMALL BOAT HARBOR MAINTENANCE	.00	.00	7,000.00	7,000.00	.0
52-55-683 MINOR EQUIPMENT	.00	.00	2,000.00	2,000.00	.0
52-55-775 SMALL BOAT HARBOR GRAVEL	.00	.00	16,000.00	16,000.00	.0
52-55-799 MISCELLANEOUS EXPENSES	.00	.00	250.00	250.00	.0
52-55-998 ADMINISTRATIVE OVERHEAD-GF	.00	.00	22,923.00	22,923.00	.0
 TOTAL SMALL BOAT HARBOR	 8,564.63	 8,564.63	 203,128.00	 194,563.37	 4.2
 TOTAL FUND EXPENDITURES	 19,753.19	 19,753.19	 1,052,763.00	 1,033,009.81	 1.9
 NET REVENUE OVER EXPENDITURES	 (19,753.19)	 (19,753.19)	 137,737.00	 157,490.19	 (14.3)

CITY OF BETHEL
BALANCE SHEET
JULY 31, 2019

LEASED PROPERTIES

ASSETS

53-10100	CASH IN COMBINED FUND	(12,880.20)	
	TOTAL ASSETS		(12,880.20)

LIABILITIES AND EQUITY

LIABILITIES

53-20100	VOUCHERS PAYABLE	(5,821.59)	
	TOTAL LIABILITIES		(5,821.59)

FUND EQUITY

UNAPPROPRIATED FUND BALANCE:			
REVENUE OVER EXPENDITURES - YTD	(7,058.61)		
BALANCE - CURRENT DATE		(7,058.61)	
TOTAL FUND EQUITY			(7,058.61)
TOTAL LIABILITIES AND EQUITY			(12,880.20)

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

LEASED PROPERTIES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>LEASE INCOME</u>					
53-44-444 LEASE-COURT SYSTEM	.00	.00	613,620.00	613,620.00	.0
53-44-447 LEASE:DEPT OF LAW	.00	.00	137,964.00	137,964.00	.0
53-44-450 LEASE PATC	.00	.00	14,400.00	14,400.00	.0
53-44-452 LEASE-TOWER ROAD LAND	.00	.00	5,400.00	5,400.00	.0
53-44-453 YKHC - BUILDING	.00	.00	4,200.00	4,200.00	.0
53-44-472 DMV LEASE	.00	.00	6,298.00	6,298.00	.0
53-44-479 LEASE LAND AVCP HEARSTART	.00	.00	1,800.00	1,800.00	.0
53-44-481 LEASE LAND SWANSONS	.00	.00	21,120.00	21,120.00	.0
53-44-485 LEASE LAND EUNKANG CHURCH	.00	.00	1,800.00	1,800.00	.0
53-44-488 LEASE LAND GCI	.00	.00	10,200.00	10,200.00	.0
53-44-489 LEASE NAPA BATTERY STRGE	.00	.00	24,012.00	24,012.00	.0
 TOTAL LEASE INCOME	 .00	 .00	 840,814.00	 840,814.00	 .0
 TOTAL FUND REVENUE	 .00	 .00	 840,814.00	 840,814.00	 .0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

LEASED PROPERTIES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>LEASED PROP-COURT COMPLEX</u>					
53-55-621 ELECTRICITY-COURT COMPLEX	.00	.00	82,901.00	82,901.00	.0
53-55-622 TELEPHONE	50.50	50.50	600.00	549.50	8.4
53-55-623 HEATING FUEL-COURTCOMPLEX	333.11	333.11	55,000.00	54,666.89	.6
53-55-626 WATER/SEWER/GARB-COURTCOM	.00	.00	18,000.00	18,000.00	.0
53-55-642 BOND REFINANCE CLOSING COSTS	.00	.00	2,000.00	2,000.00	.0
53-55-662 PROPERTY MT-COURT COMPLEX	.00	.00	15,000.00	15,000.00	.0
53-55-663 JANITORIAL-COURT COMPLEX	6,675.00	6,675.00	94,536.00	87,861.00	7.1
53-55-669 OTHER PURCHASED SERVICES	.00	.00	5,000.00	5,000.00	.0
53-55-694 GENERATOR REPAIR	.00	.00	300,000.00	300,000.00	.0
53-55-714 COURTHOUSE LOAN INTEREST	.00	.00	89,750.00	89,750.00	.0
53-55-717 AMORT OF BOND PREMIUM	.00	.00	29,809.00	29,809.00	.0
53-55-721 INSURANCE	.00	.00	57,281.00	57,281.00	.0
53-55-997 ICR-PROPERTY MAINTENANCE-15%	.00	.00	139,179.00	139,179.00	.0
 TOTAL LEASED PROP-COURT COMPLEX	 7,058.61	 7,058.61	 889,056.00	 881,997.39	 .8
 TOTAL FUND EXPENDITURES	 7,058.61	 7,058.61	 889,056.00	 881,997.39	 .8
 NET REVENUE OVER EXPENDITURES	 (7,058.61)	 (7,058.61)	 (48,242.00)	 (41,183.39)	 (14.6)

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

EMPLOYEE GROUP HEALTH BEN.

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>EMP GROUP BENEFITS REVENUES</u>					
54-43-401 FROM GF-ADMINISTRATION	.00	.00	72,324.00	72,324.00	.0
54-43-402 FROM GF-CITY CLERK	.00	.00	24,108.00	24,108.00	.0
54-43-403 FROM GF-FINANCE	.00	.00	150,675.00	150,675.00	.0
54-43-404 FROM GF-PLANNING	.00	.00	44,600.00	44,600.00	.0
54-43-405 FROM GF-FIRE	.00	.00	192,864.00	192,864.00	.0
54-43-406 FROM GF-POLICE	.00	.00	552,073.00	552,073.00	.0
54-43-407 FROM GF-PW-ADMIN	.00	.00	7,232.00	7,232.00	.0
54-43-408 FROM GF-STREETS & ROADS	.00	.00	128,978.00	128,978.00	.0
54-43-411 FROM GF-PROPERTY MAINT	.00	.00	122,951.00	122,951.00	.0
54-43-412 FROM GF-CITY ATTY OFFICE	.00	.00	24,108.00	24,108.00	.0
54-43-424 FROM SR-E911 FUND	.00	.00	26,519.00	26,519.00	.0
54-43-425 FROM CSP GRANT PROGRAM	.00	.00	72,324.00	72,324.00	.0
54-43-449 FROM ENTERPRISE FUND-PORT	.00	.00	60,752.00	60,752.00	.0
54-43-450 FROM EF-PORT	.00	.00	9,161.00	9,161.00	.0
54-43-451 FROM EF-UTIL-HAUL WATER	.00	.00	210,945.00	210,945.00	.0
54-43-452 FROM EF-UTIL-HAUL SEWER	.00	.00	234,571.00	234,571.00	.0
54-43-453 FROM EF-UTIL-PIPED WATER	.00	.00	55,448.00	55,448.00	.0
54-43-454 FROM EF-UTIL-PIPED SEWER	.00	.00	55,448.00	55,448.00	.0
54-43-455 FROM EF-UTIL-REFUSE HAUL	.00	.00	40,984.00	40,984.00	.0
54-43-456 FROM EF-UTIL-LANDFILL	.00	.00	55,448.00	55,448.00	.0
54-43-457 FROM EF-UTIL-WTF BET HGTS	.00	.00	42,189.00	42,189.00	.0
54-43-458 FROM EF-UTIL-SEWER LAGOON	.00	.00	21,697.00	21,697.00	.0
54-43-459 FROM EF-UTIL-WTF CITY SUB	.00	.00	66,297.00	66,297.00	.0
54-43-460 FROM EF-VEHICLE MAINT	.00	.00	147,059.00	147,059.00	.0
54-43-463 FROM GEN FUND-IT SVCS	.00	.00	24,108.00	24,108.00	.0
54-43-466 FROM EF-UTIL BILLING	.00	.00	42,189.00	42,189.00	.0
54-43-467 FROM EF-BETHEL TRANSIT SYSTEM	.00	.00	72,324.00	72,324.00	.0
 TOTAL EMP GROUP BENEFITS REVENUES	 .00	 .00	 2,557,376.00	 2,557,376.00	 .0
 TOTAL FUND REVENUE	 .00	 .00	 2,557,376.00	 2,557,376.00	 .0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

EMPLOYEE GROUP HEALTH BEN.

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>EMPLOYEE GROUP HEALTH BENEFITS</u>					
54-50-722 INSURANCE PREMIUMS-HEALTH	.00	.00	2,437,233.00	2,437,233.00	.0
54-50-723 PREMIUM LIFE AD&D LTD	.00	.00	78,018.00	78,018.00	.0
TOTAL EMPLOYEE GROUP HEALTH BENEFITS	.00	.00	2,515,251.00	2,515,251.00	.0
TOTAL FUND EXPENDITURES	.00	.00	2,515,251.00	2,515,251.00	.0
NET REVENUE OVER EXPENDITURES	.00	.00	42,125.00	42,125.00	.0

CITY OF BETHEL
BALANCE SHEET
JULY 31, 2019

BETHEL PUBLIC TRANSIT SYSTEM

ASSETS

56-10100	CASH IN COMBINED FUND	(10,446.41)	
	TOTAL ASSETS		(10,446.41)

LIABILITIES AND EQUITY

LIABILITIES

56-20100	VOUCHERS PAYABLE	(2,764.48)	
	TOTAL LIABILITIES		(2,764.48)

FUND EQUITY

UNAPPROPRIATED FUND BALANCE:			
	REVENUE OVER EXPENDITURES - YTD	(7,681.93)	
	BALANCE - CURRENT DATE	(7,681.93)	
	TOTAL FUND EQUITY		(7,681.93)
	TOTAL LIABILITIES AND EQUITY		(10,446.41)

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

BETHEL PUBLIC TRANSIT SYSTEM

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>LOCAL SOURCES</u>					
56-40-409 CASH TRANSFER GF	.00	.00	80,580.00	80,580.00	.0
TOTAL LOCAL SOURCES	.00	.00	80,580.00	80,580.00	.0
<u>FEDERAL SOURCES</u>					
56-41-413 TRANSIT SECTION 5311	.00	.00	334,764.00	334,764.00	.0
TOTAL FEDERAL SOURCES	.00	.00	334,764.00	334,764.00	.0
<u>CHARGES FOR SERVICES</u>					
56-43-422 BUS FARES	1,064.00	1,064.00	20,500.00	19,436.00	5.2
56-43-423 BUS FARES-PREPAID	3,934.00	3,934.00	(12,500.00)	(16,434.00)	31.5
TOTAL CHARGES FOR SERVICES	4,998.00	4,998.00	8,000.00	3,002.00	62.5
TOTAL FUND REVENUE	4,998.00	4,998.00	423,344.00	418,346.00	1.2

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

BETHEL PUBLIC TRANSIT SYSTEM

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>TRANSIT SYSTEM EXPENDITURES</u>					
56-50-501 SALARIES	6,187.78	6,187.78	161,677.00	155,489.22	3.8
56-50-508 LEAVE CASHOUT	.00	.00	7,977.00	7,977.00	.0
56-50-510 SOCIAL SECURITY EXPENSE	32.71	32.71	.00	(32.71)	.0
56-50-511 MEDICARE FICA	93.32	93.32	2,344.00	2,250.68	4.0
56-50-512 EMPLOYEE GROUP BENEFITS	3,955.50	3,955.50	72,324.00	68,368.50	5.5
56-50-515 UNEMPLOYMENT	.00	.00	2,131.00	2,131.00	.0
56-50-516 WORKERS' COMPENSATION	.00	.00	7,857.00	7,857.00	.0
56-50-518 PERS	1,245.26	1,245.26	35,569.00	34,323.74	3.5
56-50-519 UTILITY BENEFIT	.00	.00	13,680.00	13,680.00	.0
56-50-561 SUPPLIES	.00	.00	2,000.00	2,000.00	.0
56-50-600 TIRES & WHEELS	.00	.00	2,800.00	2,800.00	.0
56-50-602 GASOLINE	1,138.93	1,138.93	30,000.00	28,861.07	3.8
56-50-621 ELECTRICITY	.00	.00	11,400.00	11,400.00	.0
56-50-622 TELEPHONE	.00	.00	700.00	700.00	.0
56-50-623 HEATING FUEL	.00	.00	10,800.00	10,800.00	.0
56-50-626 WTR/SWR/GRB	.00	.00	1,200.00	1,200.00	.0
56-50-627 STAFF CELLULAR PHONES	26.43	26.43	840.00	813.57	3.2
56-50-646 CONTRACTOR FEES	.00	.00	2,000.00	2,000.00	.0
56-50-661 VEHICLE MAINT/REPAIR	.00	.00	20,021.00	20,021.00	.0
56-50-683 MINOR EQUIPMENT	.00	.00	2,500.00	2,500.00	.0
56-50-721 INSURANCE	.00	.00	12,344.00	12,344.00	.0
56-50-724 DUES/SUBSCRIPTIONS	.00	.00	300.00	300.00	.0
56-50-727 ADVERTISING	.00	.00	500.00	500.00	.0
56-50-996 ADMIN OVERHEAD-IT SVCS	.00	.00	15,494.00	15,494.00	.0
56-50-998 ADMINISTRATIVE OVERHEAD-GF	.00	.00	51,907.00	51,907.00	.0
TOTAL TRANSIT SYSTEM EXPENDITURES	12,679.93	12,679.93	468,365.00	455,685.07	2.7
TOTAL FUND EXPENDITURES	12,679.93	12,679.93	468,365.00	455,685.07	2.7
NET REVENUE OVER EXPENDITURES	(7,681.93)	(7,681.93)	(45,021.00)	(37,339.07)	(17.1)

CITY OF BETHEL
BALANCE SHEET
JULY 31, 2019

VEHICLES & EQUIP MAINTENANCE

ASSETS

57-10100	CASH IN COMBINED FUND	(19,416.99)	
	TOTAL ASSETS		(19,416.99)

LIABILITIES AND EQUITY

LIABILITIES

57-20100	VOUCHERS PAYABLE	(3,913.50)	
	TOTAL LIABILITIES		(3,913.50)

FUND EQUITY

UNAPPROPRIATED FUND BALANCE:			
REVENUE OVER EXPENDITURES - YTD	(15,503.49)		
BALANCE - CURRENT DATE	(15,503.49)		
TOTAL FUND EQUITY			(15,503.49)
TOTAL LIABILITIES AND EQUITY			(19,416.99)

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

VEHICLES & EQUIP MAINTENANCE

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>VEHICLE & EQUIP MAINT</u>					
57-50-501 SALARIES	6,697.60	6,697.60	350,947.00	344,249.40	1.9
57-50-502 OVERTIME	382.48	382.48	18,000.00	17,617.52	2.1
57-50-508 LEAVE CASHOUT	.00	.00	16,807.00	16,807.00	.0
57-50-511 MEDICARE FICA	120.40	120.40	5,350.00	5,229.60	2.3
57-50-512 EMPLOYEE GROUP BENEFITS	6,355.17	6,355.17	147,059.00	140,703.83	4.3
57-50-515 UNEMPLOYMENT	.00	.00	4,332.00	4,332.00	.0
57-50-516 WORKERS' COMPENSATION	.00	.00	11,941.00	11,941.00	.0
57-50-518 PERS	1,557.61	1,557.61	81,168.00	79,610.39	1.9
57-50-519 UTILITY BENEFIT	.00	.00	27,816.00	27,816.00	.0
57-50-545 TRAINING/TRAVEL	.00	.00	15,000.00	15,000.00	.0
57-50-561 SUPPLIES	54.72	54.72	20,000.00	19,945.28	.3
57-50-563 WEARING APPAREL	.00	.00	3,000.00	3,000.00	.0
57-50-600 TIRES & WHEELS	.00	.00	1,000.00	1,000.00	.0
57-50-601 VEHICLE MT. (PARTS & TOOLS)	.00	.00	6,000.00	6,000.00	.0
57-50-602 GASOLINE / DIESEL / OIL	309.07	309.07	10,000.00	9,690.93	3.1
57-50-621 ELECTRICITY	.00	.00	12,500.00	12,500.00	.0
57-50-623 HEATING FUEL	.00	.00	7,500.00	7,500.00	.0
57-50-627 STAFF CELLULAR PHONES	26.44	26.44	840.00	813.56	3.2
57-50-669 OTHER PURCHASED SERVICES	.00	.00	10,000.00	10,000.00	.0
57-50-683 MINOR EQUIPMENT	.00	.00	30,775.00	30,775.00	.0
57-50-721 INSURANCE	.00	.00	35,556.00	35,556.00	.0
57-50-724 DUES/SUBSCRIPTIONS	.00	.00	10,000.00	10,000.00	.0
57-50-996 ADMIN OVERHEAD-IT SVCS	.00	.00	15,634.00	15,634.00	.0
57-50-998 ADMINISTRATIVE OVERHEAD-GF	.00	.00	113,440.00	113,440.00	.0
TOTAL VEHICLE & EQUIP MAINT	15,503.49	15,503.49	954,665.00	939,161.51	1.6
TOTAL FUND EXPENDITURES	15,503.49	15,503.49	954,665.00	939,161.51	1.6
NET REVENUE OVER EXPENDITURES	(15,503.49)	(15,503.49)	(954,665.00)	(939,161.51)	(1.6)

CITY OF BETHEL
BALANCE SHEET
JULY 31, 2019

LAGOON UPGRADES DESIGN SERV

ASSETS

63-10100	CASH IN COMBINED FUND	(8,620.00)	
	TOTAL ASSETS		(8,620.00)

LIABILITIES AND EQUITY

FUND EQUITY

UNAPPROPRIATED FUND BALANCE:			
REVENUE OVER EXPENDITURES - YTD	(8,620.00)		
BALANCE - CURRENT DATE		(8,620.00)	
TOTAL FUND EQUITY			(8,620.00)
TOTAL LIABILITIES AND EQUITY			(8,620.00)

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

LAGOON UPGRADES DESIGN SERV

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>DEPARTMENT 53</u>					
63-53-643 PLANNING/ENGINEERING FEES	2,620.00	2,620.00	.00	(2,620.00)	.0
TOTAL DEPARTMENT 53	2,620.00	2,620.00	.00	(2,620.00)	.0
<u>DEPARTMENT 56</u>					
63-56-643 PLANNING/ENGINEERING	6,000.00	6,000.00	.00	(6,000.00)	.0
TOTAL DEPARTMENT 56	6,000.00	6,000.00	.00	(6,000.00)	.0
TOTAL FUND EXPENDITURES	8,620.00	8,620.00	.00	(8,620.00)	.0
NET REVENUE OVER EXPENDITURES	(8,620.00)	(8,620.00)	.00	8,620.00	.0

CITY OF BETHEL
BALANCE SHEET
JULY 31, 2019

2016 HOMELAND SECURITY

ASSETS

71-10100	CASH IN COMBINED FUND	(2,750.00)	
	TOTAL ASSETS		(2,750.00)

LIABILITIES AND EQUITY

FUND EQUITY

UNAPPROPRIATED FUND BALANCE:			
REVENUE OVER EXPENDITURES - YTD	(2,750.00)		
BALANCE - CURRENT DATE		(2,750.00)	
TOTAL FUND EQUITY			(2,750.00)
TOTAL LIABILITIES AND EQUITY			(2,750.00)

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

2016 HOMELAND SECURITY

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>DEPARTMENT 52</u>					
71-52-643 PLANNING/ENGINEERING	2,750.00	2,750.00	.00	(2,750.00)	.0
TOTAL DEPARTMENT 52	2,750.00	2,750.00	.00	(2,750.00)	.0
TOTAL FUND EXPENDITURES	2,750.00	2,750.00	.00	(2,750.00)	.0
NET REVENUE OVER EXPENDITURES	(2,750.00)	(2,750.00)	.00	2,750.00	.0

CITY OF BETHEL
BALANCE SHEET
JULY 31, 2019

FUND 83

ASSETS

83-10100	CASH ALLOCATION	(	384.79)	
	TOTAL ASSETS		(	384.79)

LIABILITIES AND EQUITY

LIABILITIES

83-20100	VOUCHERS PAYABLE	(	384.79)	
	TOTAL LIABILITIES		(	384.79)
	TOTAL LIABILITIES AND EQUITY		(	384.79)

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 1 MONTHS ENDING JULY 31, 2019

BETHEL ENDOWMENT FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
	<u>TRANSFERS</u>					
90-46-990	INTERFUND TRANSFER OUT-GF70%	.00	.00	(10,500.00)	(10,500.00)	.0
	TOTAL TRANSFERS	.00	.00	(10,500.00)	(10,500.00)	.0
	<u>MISCELLANEOUS</u>					
90-49-487	INVESTMENT INCOME	.00	.00	15,000.00	15,000.00	.0
	TOTAL MISCELLANEOUS	.00	.00	15,000.00	15,000.00	.0
	TOTAL FUND REVENUE	.00	.00	4,500.00	4,500.00	.0
	NET REVENUE OVER EXPENDITURES	.00	.00	4,500.00	4,500.00	.0

Memorandum

Date: August 1, 2019

To: Bill Howell, Acting City Manager

From: Bo Foley, IT Director

Subject: IT Director's Report



July 2019 Current Events

- **Scan Server Failure:**

Toward the start of the month, I noticed a trend with users complaining of issues regarding their scans drive (the folder on the network where their scanned files end up). This issue escalated to the main hard drive within the scan server dying. This particular server was a legacy piece of equipment with a locking faceplate that I was not given keys to when I took over the position and so I would not be able to replace this hard drive. So to get around this I had to first recover any lost data using our nightly backup, migrate the entire operation to a different server, and finally point all scanners at the new location and hope that everything would work out. It wasn't without its difficulties, but eventually I ironed out all the problems and scanning was restored for users.

- **ID Card Computer Online:**

A few months back, the quality in the ID (employee and senior) cards we were producing was plummeting. No amount of maintenance and cleaning I could perform on the printer seemed to help and so we resolved that we would need a new printer. Unfortunately, the model of printer we were using had been retired and the new machine they sent out was incompatible with our software. This caused a month or so of delays. Eventually, I managed to get the proper software needed, migrate the templates, and finally test/confirm the quality of the printed cards. Both the printer and computer are now back online as of July.

- **ITB Postings:**

Recently the City posted three invitations to bid: for a culvert road steamer purchase, for a bulk glycol purchase, and for a new sander box purchase. One of these items will be wrapping up in July while the remaining will wrap up in early August.

- **ITB Endings:**

The ITB for a culvert road steamer will wrap up towards the latter half of July. Obtaining Council approval for the final purchase will probably happen in early August.

- **Internet Connectivity Redundancy:**

For several months now, I have been trying to find new companies to approach regarding an Internet connection separate from GCI's infrastructure to serve as the City's redundancy for a data link to the outside world. Originally, I had felt Microcom could provide that, but when I attempted to test it, the connection fell short of what I needed it to do. Since then I have tried other providers including Alaska Communications out of Anchorage. In July, I met with an individual who would become the City's dedicated account manager and we discussed what could

Memorandum

Date: August 1, 2019

To: Bill Howell, Acting City Manager

From: Bo Foley, IT Director

Subject: IT Director's Report



be obtained. It seemed like they could definitely provide something that would work, but the costs of such not only rivalled but exceeded GCI's already astronomical prices. While GCI's service does go down here and there, it doesn't go down enough to warrant paying for a redundancy we will only use a handful of times through the year. I will continue the search for a lower-cost alternative.

- **E911 Phase II:**

Phase 2 of the E911 project will finally be happening during the first couple weeks of August. In July, however, I have been coordinating with ProComm and West Services to test certain pieces of equipment in lieu of the Go-Live dates next month. So far, the testing hasn't shown favorable results and so ProComm will likely be coming out a day or so earlier than expected to fix the issues we ran into before we implement Phase 2. To refresh memories, Phase 2 involves making it so dispatchers at the Police Dept will see physically triangulated locations of 911 callers that call from cellular phones in addition to the phone number and address information that was implemented in Phase 1.

- **Hardware Purchases:**

Following the approval of the final FY20 budget, I have set into motion purchases for new computers and a new copier for the City. The paperwork has gone to legal in order to come to a mutual agreement on the deal with HP, however this has spawned complications which have led to delays. Now, we are working with the State to help us work through the issues as we are trying to use a State of Alaska contract for the procurement and I hope to resolve the paperwork delays before the end of the month.

- **Business-As-Usual:**

Beyond the above-mentioned items, the month has been spent fixing or helping with run-of-the-mill trouble tickets such as email issues, printing/scanning, Caselle access, cellphone replacement, missing network drives, login problems, etc.

Future Plans

- **Firewall Swap:**

Hardware for the City's firewall swap project has arrived during the month of July and so my immediate future plans will be to try and schedule time for Arctic IT to come out and assist in implementing the change. I may delay this until my new computers arrive so they can be onsite to assist me in deploying those as well.

TO: Bill Howell
FROM: Christine Blake, Finance Director
SUBJECT: July 2019 Managers Report

1. Status of the FY18 Audit- Auditors will call in to the Council meeting August 13, 2019 to discuss the audit report.
2. Journal entries and reconciliations for FY19 are being worked on. We are still on track for the auditors to arrive in November.
3. I've been meeting with Sales Tax staff weekly to discuss questions, processes, and code interpretation. Sales Tax meetings are being increased to twice weekly so we can develop written procedures.
4. Training new front desk and new utility clerk, updated system with new utility rates.
5. Started working with collection agency on outstanding balances



CITY OF BETHEL
Fire Department

Celebrating 50 Years of Service

Daron Solesbee, Acting Fire Chief
P.O. Box 1388, Bethel, Alaska 99559
Phone: (907)-543-2131
Fax: (907)-543-2702
dsolesbee@cityofbethel.net

DATE: July 30, 2019

TO: Bill Howell, Acting City Manager

FROM: Daron Solesbee, Acting Fire Chief

SUBJECT: Management Report, July 2019

Current Events

- Multiple joint purchasing contracts were submitted to the Acting City Manager and sent to Attorney Michael Gatti for review. Once selected, Medic-5 will be barged down to Washington (state) for remount at Braun Northwest in Chehalis, WA.
- Firefighters conducted a verification walk-through of the YKHC PJCP building that fire protection features were in place on the 1st and 3rd floors. Additionally, firefighters ensured that access was restricted to YKHC construction personnel on the 2nd floor. Acting Chief Solesbee prepared and submitted a letter of verification to the State of Alaska Division of Fire and Life Safety.
- We are working with representatives of the Lower Kuskokwim School District to upgrade fire protection systems including a new water storage tank, address signage, hydrant plans, and fire access roads.
- An auction list has been compiled for the sale of the Department's obsolete fire apparatus and equipment. The items will be listed on the public surplus sale spreadsheet by July 31, 2019.
- The State of Alaska DHSS has issued new guidelines and scope of practice for EMS services. EMS Instructors will receive training on these changes, as will all EMS providers.
- A PSA has been posted in the community advising residents of anticipated temporary increases in the amount of sediment in their piped water due to upcoming annual hydrant flow testing that will be conducted from 7/29 – 8/2.

Community Planning/Preparedness

- The Department is working with the Administration to update the City of Bethel Emergency Operations Plan.
- The Department is assisting administration with the cleanup and disposal of a release of Muriatic Acid inside a storage container at the pool. The storage container was secured by BFD personnel with a Knox padlock until City personnel can perform clean-up operations under the oversight of EMI-Alaska. Captain Solesbee is formulating a plan and quote with EMI-Alaska.
- Bethel Fire Department has been selected as a test site for the new Medicaid supplemental reimbursement program (SEMT). Being part of this pilot will allow Bethel to shape the program to meet Bethel's needs. SEMT legislation (HB 176) was signed into law in June of last year. This law allows municipal ambulance services to receive reimbursement of 50% or more of the uncompensated cost (UCC) of providing ambulance service. City personnel are required to complete cost report spreadsheets based on FY18 and FY19 budget figures. These spreadsheets are due by August 31, 2019.

Training

- On 07/02/19 at 7:00 p.m., an EMT Meeting was held at the fire station. Responders conducted several CPR and trauma drills.
- On 07/11/19 at 7:00 p.m., a Fire Meeting was held at the fire station. Responders practiced several water supply drills, with a focus on drafting operations.
- On 07/16/19 at 7:00 p.m., an EMT Meeting was held at the fire station. Responders reviewed and conducted several seated and supine spinal immobilization drills.
- On 07/25/19 at 7:00 p.m., the Fire Meeting was held at the fire station. Responders conducted a pre-incident survey of the YKHC Paul John Clinic building and a guided tour of the facility by YKHC personnel.
- All five Firefighter-I candidates have completed the course and passed the State of Alaska written and practical exams. There will be a pinning ceremony next month.
- The Firefighter-II course has been postponed.
- The department conducted an EMT-2 course from May 26 – June 1. All but two students passed their initial exams. Both students re-tested and passed their practical exams this month, but one failed the written exam. This student will have one more attempt to pass, before having to retake the course.
- On 07/24/19 from 9:00 a.m. to 5:00 p.m. the APEA conducted training for new Union Representatives at the fire station. Training included federal labor laws, structure, and several scenarios.

Responses

- Between 07/01/19 and 07/26/19, the Bethel Fire Department responded to 104 EMS and 14 Fire incidents. There were 63 (60.5%) ETOH-related incidents during this period.
- On 07/07/19 at 4:30 p.m., Firefighters responded to Pinky's Park Boardwalk for the report of a small fire. The fire was extinguished prior to arrival. Firefighters returned to station.
- On 07/08/19 at 3:20 p.m. firefighters and medics responded to the airport for the report of a small aircraft crash on the runway. Three out of five total passengers were transported to YKHDRH with non-life threatening injuries. Firefighters assisted DOT ARFF personnel with combatting a grass fire that spread from the burning aircraft.
- On 07/11/19 at 7:30 p.m. medics responded to the Crowley Boat Ramp for the report of multiple juveniles who were stung by bees and were having difficulty breathing. All patients were assessed and transported to the hospital.
- On 07/12/19 at 9:06 p.m. medics responded to the Bethel sea wall for the report of a person who fell in the water. Medics, along with BSAR members, searched from land and water. BSAR recovered the victim's body at a later date.
- On 07/22/19 at 8:28 p.m. firefighters responded to Hoffman Subdivision for the report of a boat on fire. The fire was extinguished prior to arrival. Firefighters investigated the fire and cleared the scene.

Budget/Financial

- The department is operating within budget.

Grants

- The Department was awarded funding through the Volunteer Fire Assistance program for \$7,470, for three sets of firefighting turnouts. Due to Federal budget cuts to the VFA program, this award was cut in half. Only one set of structural firefighter turnout gear will be purchased with these funds.
- The Department applied for and passed the first round of approval for the Phase 18 Code Blue Grant for \$45,000 for the remount of Medic-5 to a new chassis. Funds have been awarded and will be reimbursed once expenditures are made.
- The Department was awarded \$7,500 in Code Blue grant funding for a new power stretcher for Medic-6. The YKHC EMS Department administers this grant and BVESA has committed matching funds. The stretcher is in service in the

new ambulance. Invoices were submitted to BVESA and the grant will be closed out soon.

Staffing/Recruitment

- The Department has one open Firefighter/EMT position, which is being advertised on the State of Alaska ALEXSys website and nation-wide on the IAFC's Daily Dispatch website. Five applications have been received to this date.
- The Department hired Shanna Mendenhall as our new Summer Firefighter Intern. So far, she has completed CPR, Medic First Aid, and some firefighter training. She is currently assisting staff members with completing summer projects.
- Firefighter/EMT John Ahrens has resigned from the department. He has accepted a job at the Everett (WA) Fire Department. We wish him the best in his future endeavors.
- One employee evaluation is currently due and will be completed soon.

Vehicles & Equipment

- The new ladder truck is receiving warranty repair for a problem with the nozzle nesting feature and repairs to the Compressed Air Foam System (CAFS) compressor. We are outfitting the new ladder truck with firefighting and rescue equipment.
- We have received the parts for the Class A Foam system for Engine-4 and firefighters will install them soon.

FIRE DEPARTMENT VEHICLE STATUS			
Vehicle	Type	Year	Status
Medic 4	Ambulance	1999	<i>(Backup ambulance) In service, Airbags repaired.</i>
Medic 5	Ambulance	2003	In service. Electrical issues troubleshot and repaired. Airbag suspension needs to be repaired. Will be sent to Braun Northwest soon for remount onto a new Dodge Ram 4500 4x4 gasoline chassis.
Medic 6	Ambulance	2017	<i>(Frontline Ambulance) In service.</i>
Engine 4	Pumper	2013	<i>(Frontline pumper) In service, Seat belt sensor silenced but still needing repair by V&E. DEF tank heater malfunction parts on order.</i>
Engine 3	Pumper	1986	<i>Being outfitted as a tender and water supply unit. 3000 feet of LDH. (Poor overall condition needs replacement) Generator mounting parts have been received and is ready for installation.</i>

Truck 1	Ladder Truck	2017	Outfitting, in service.
Com 1	Pickup	2014	In service
Com 2	Pickup	2004	In service.
Tanker 1	Tanker (1500 gallon)	1980	Out of Service
Truck 1	Ladder Truck	1980	Out of Service

MEMORANDUM

DATE: August 5, 2019

TO: William F. Howell, III, Acting City Manager

FROM: John Sargent, Grant Manager

SUBJECT: Grant Manager's Report – August 13, 2019 Bethel City Council Meeting



Federal Indirect Rate

I am doing research on how the City can apply for a federal indirect rate, per the Acting City Manager. The Code of Federal Regulations Part 200 mentions the use of a 10% de minimis rate for entities that have never received a negotiated indirect rate. The City of Bethel may be able to use this 10% rate until such time as a federal indirect rate is established.

Grant Projects

Lift Station Controls Improvement Project

The City is advocating with Village Safe Water to secure and attach additional funding to the lift station project. The City intends to add the creation and installation of electric panels for the lift station at City Hall and the Public Works building, if possible.

Sludge Use as Landfill Cover

The Alaska Department of Environmental Conservation's landfill regulatory division approved the City to use sludge taken from the sewage lagoon as "intermediate, final, and cover supplement" material to cover landfill trash. Test results of eight samples showed metals and PCBs were well below regulatory levels and fecal coliform was not detected. The test sample results help assure that the "material will not present a health hazard for landfill workers or the public."

Additional Dredging Project Funds

The City is working to put \$194,000 to work as part of the sewer lagoon dredging project. The Village Safe Water Program added additional funds to one of the City's grants as a way to make up for money removed last year and given to another community. The City is asking to use the funds to purchase a new lagoon pump and a new lagoon skiff.

Pinky's Park Boardwalk Lighting Project

I have been participating in meetings between City Administration and ONC regarding the Pinky's Park Boardwalk Lighting Project. City Administration intends to have an MOU for City Council to review at the August 13, 2019 meeting. The proposal with ONC has the City managing the project and ONC reimbursing the City for expenses up to \$89,000.

Administrative Duties

At the direction of Acting City Manager Howell, I have been assigned to complete a myriad of tasks: prepare, edit, and finalize contract with KNIK for paving project, develop standard invoice form, work with several in City Hall to develop a standard budget modification template, research how the City can obtain a federal indirect cost rate, and review proposed changes to the City's Procurement Code.

Purchasing

I am working on two request for bid/proposal documents: dumpsters and professional audit firm.

State Contracting Officer Linda Polk is coming to Bethel to provide State of Alaska Procurement Level 1, 2, and 3 training to department heads, foreman, and other employees who make purchases. The training will be held in City Hall on August 28-30, 2019.

City of Bethel Grant Summary Fiscal Year 2020					
Preparing					
Sponsor	Name	Products/Services	City Depts. (Partners)	Date	\$ Grant \$ City Match
Rasmuson Foundation	Tier 1 Grant	Feasibility Study to construct a gym to YK Fitness Center	Public Works	July 2020	\$25,000 0
Bethel Community Services Foundation	Community Grant	Feasibility Study to construct a gym to YK Fitness Center	Public Works	July 2020	\$15,000 0
AK Dept. of Transportation & Public Facilities	STIP – Statewide Transportation Improvement Program	Transportation improvements in Bethel (e.g., roads/trails)	Public Works	9/15/19	\$1,075,021 \$175,004
United States Dept. of Agriculture-Rural Development	Water and wastewater grant/loan program	Piped water and sewer system in The Avenues subdivision	Public Works	Target 1/31/19	\$13,321,000 \$306,000
Submitted in Fiscal Year 2020					
Most recent first					
Sponsor	Name	Products/Services	City Depts.	Date	\$ Grant \$ Match
None to date					

Approved in Fiscal Year 2020					Most recent first
Sponsor	Name	Products/Services	City Depts.	Date	\$ Grant
Alaska Division of Homeland Security and Emerg. Mgmt.	State Homeland Security Program Grant	Funded projects have not been revealed until federal funding approved.	Fire	8/19	\$49,141 0
Not Approved in Fiscal Year 2019					Most recent first
Sponsor	Name	Products/Services	City Depts.	Date	\$ Grant



CITY OF BETHEL

Post Office Box
1388 Bethel,
Alaska 99559
Phone: 907-543-2047

TO: City Manager
FROM: Human Resources
SUBJECT: July Managers Report

DATE: 1 August 2019

Position	Number of Vacancies	Number of New Applications	Number Hired During Period	Number of Vacancies Remaining	Applicants in Review
City Manager	1	0	0	1	0
Driver Hauled	4	0	0	4	0
Bldg Maint Wkr	1	0	0	1	0
Landfill Tech	1	0	0	1	0
Water Fac Coord	1	1	0	1	0
Water Foreman	1	0	0	1	0
Mech-II	1	0	0	1	0
TOTALS	10	1	0	10	0

Applications and Hiring:

Council approved action to proceed with hiring procedures to announce the vacant City Manager position. Recruitment agency will conduct a site visit 8-9 July 2019

HR received a total of 7 Applications in July

From those 7 Applicants:

1 V&E Foreman was hired.

“Deep Sea and Transportation Center of the Kuskokwim”

August 1, 2019

- 1 Dispatcher was hired
- 1 Fire Fighter was hired
- 1 Heavy Equip Operations was hired
- 1 City Planner was hired

We currently have 7 job positions with a total of 10 openings, with 0 applications under review

BEACON Programs:

- 1 Post-Accident BEACON test was conducted.

Reports of Injury:

There was one report of injury

Administrative Actions:

An allegation of hostile work environment within the workplace was investigated during the period 19-29 July 2019. The allegation was unsubstantiated.

Beginning suspense tracking on August/September performance evaluations.

Multiple routine PAR actions were executed.

Multiple yearly performance evaluations were submitted and processed.

Employee related announcements:

Union due increase from \$57.90 to \$58.20

Training, Conferences and Seminars:

None currently scheduled

James P. Harris
Human Resources Manager

“Deep Sea and Transportation Center of the Kuskokwim”

PLANNING DEPARTMENT



Monthly Manager's Report July 2019

To: Acting City Manager Bill Howell
From: Acting Planning Director, Pauline Boratko

The Planning Department is inching toward the end of the summer development season. We have approved 44 site plan permits this year, and a total of 11 for the month of July. The approved 11 site plan permits consisted of infill, the construction of single family dwellings, and the construction of a storage shed, paving the City Hall, Fire Station, Court House, and Bethel Heights Water Treatment Plant front/parking lots, and relocating a house on existing property, and adding single family dwelling to a garage.

I am still working closely with the Acting City Manager, Bill Howell and getting assistance from City Lawyer, Patty Burley. This month I had a meeting with Patty Burley and we have come to conclusion that with the absence of a Planning Director we will contract the Site Plan Permit Applications and the Minor Re-plat Applications to the DOWL engineers.

There was no Planning Commission meeting held on July 11, 2019 due to the lack of quorum. The next meeting is scheduled for August 8, 2019.

I am pleased to welcome back Ted Meyer our newly hired Planning Director. I am looking forward for this department to be back to running at its normal pace. It has been a learning experience and yet challenging at times, but thankful for the opportunity to get a little bit of experience of what it is like being a director.

CITY OF BETHEL POLICE DEPARTMENT



July, 2019 Monthly Report

Personnel:

We have one recruit at the Department of Public Safety Academy in Sitka, Alaska. According to the Lieutenant at the academy our recruit is doing a fantastic job. We currently have two CSP's on field training right now and both are doing a great job. We hired a dispatcher who will start her field training on August 3rd. We currently have three in house applicants for our two investigator positions. Interviews for the investigator position will begin on Sunday August 4th, so we should have both of our investigator positions filled by the beginning of August. We have one applicant for patrol who is currently going through the hiring process. We currently have one patrol position open and two investigator position open.

All administrative, CSO, CSP, and dispatch positions are fully staffed.

Operations:

There were approximately 1,536 calls for service the month of July, a rise of approximately 37 cases from June and up approximately 265 cases from the same period in 2018. The number of calls requiring investigative reports was at 129, down 16 from June and up 46 from 2018. There were 367 intoxicated pedestrian calls compared to 226 for the same period last year. The number of domestic violence arrests was 39 this month compared to 23 for the same period in 2018 and 52 in June. There were 7 DUI arrests compared to 3 for the same period last year and 15 arrest in June. There were 2 death investigations in June, compared to 1 for the same period last year.

Animal Control:

There were 35 animal control calls for service for the month with 1 reported dog bites.

PORT OF BETHEL

Post Office Box 1388
Bethel, Alaska 99559
Voice: 907-543-2310
Fax: 907-543-2311



TO: Bill Howell, Acting City Manager
FROM: Allen Wold, Port Director
SUBJECT: July 2019 Managers Report

- **Small Boat Harbor**
 - Cleaning around the Harbor using Loader
 - Selling permits.
 - Bilging out boats.
 - Pulling out sunken boats.
- **City Dock/Beach 1/Petro Port**
 - Customers are in and out of the Dock.
 - All tugs and barges are out of storage on Beach 1.
 - 1 mainline barges (AK logistics and AML) 1,185,397 total LBS
 - 2 Fuel barges (1 million gallons)
- **Port Office**
 - Property Maintenance checking on building daily.
 - Selling permits.
 - Setting up cameras ordered a new antenna to read our other cameras in the SBH.
 - MXAK set up antennas and a weather station to help keep track of vessels.
- **Admin**
 - Monthly Storage billing for customers,
 - Hired a full time employee and a Temp City Dock Attendant.
 - Getting together with departments for a surplus sale.
 - Getting quotes on a Flail mower for our Mini Excavator.
- **Seawall**
 - Consistent clean up.
 - Put more Life rings up and made rescue poles for the seawall.
 - Port Attendants checking on lower access daily to make sure life rings and rescue poles are still in place (Safety Checks)
 - Put up 1,100' of 4' fence along Lower Access Road below Mission.
 - Ordered (4) 15' Seawall Ladders
 - Filling in washouts along Seawall.
- **Misc./Vehicles**
 - Safety Meetings.
 - V&E working on our trucks.
 - Talked with Search and Rescue about float spots.



William Arnold, Public Works Director
1155 Ridgecrest Drive
PO Box 1388 Bethel, AK 99559
P: (907) 543-3110
F: (907) 543-2046
warnold@cityofbethel.net

MEMORANDUM

DATE: 07.31.2019
TO: Bill Howell, Acting City Manager
FROM: Bill Arnold, Public Works Director
SUBJECT: Manager's Report – Public Works Department

Programs/Divisions

Hauled Utilities:

The Hauled Utility Dept. has had a wonderful month of July 2019. The new sewer trucks are a great help to the department with a few less maintenance for the vehicles.

The water trucks are working a lot more than they have in the past but still getting the job done as required for the daily services in the community.

We haven't had any serious issues in the department besides a few maintenance issues with the water trucks. All the drivers are doing a great job as well as helping each other to complete each tasks for the daily services in the community.

Utility Maintenance:

- 12 alarms on residential lift stations were responded to. Multiple issues with grinder pumps, heat trace, and float systems.
- Monthly meter reading and service connections were completed
- Main Lift Station pump – Pump #1 has arrived and has been installed, the Lift Station is running on all 3 pumps
- VanGo Enterprise was in Bethel on 7/19, had them fix 17 heat trace problems at the residential lift station in City Subdivision
- Clean up and organization of shops.
- 12 residential lift station repairs
- Cutting in new clean out on sewer line to help with line flushing
- Line flushing and leveling activities on low-flow and plugged sewer lines. Non-compliance reports were filled out per DEC requirements.
- Daily safety meetings.
- All 3 Utility Maint. Trucks are having issues that require repairs. Several of these are major safety issues. Continue to work with V&E to repair them, but some issues are arising due to 2 of the vehicles are more than 10 years old.

Property Maintenance:

- PW Building
 - New Boilers #1 and #2 installed but not operational yet. Temporary use circulation pumps installed and awaiting controls to be wired in. Final use pumps on order

- New Hot water system using indirect heating from boiler system has been installed. Hot water circulation pumps installed. System go live is awaiting boiler fire up and testing period. PW building will not have hot water until the boiler project is complete.
- Fire sprinkling system back in operation. Dry line system has been charged with water. Essentially dry system is flooded and acting as a wet system until decisions can be made about what will be done to the PW building system in entirety. Constant Fire watch in place. Frontier Fire Protect will be making visit to Bethel 3rd week of August to provide quotation for sprinkler repairs needed. Corrosion found on fire sprinkler mains in second floor. Continuous leak.
- South Bay roll up door entrance closed. No use. Serious problems exist within the flooring. As mentioned in manager report several months back, PW building floor and foundation are experiencing issues. During an inspection, building maintenance discovered broken joists, brackets, support flooring and gusset beams and substantial wood rot. Engineering firm has been notified and plans are being put in place to evaluate damage and repair.
- City Hall
 - Project to replace front handicap ramp and rear entry stairs in progress. Materials bid sent out. Received all quotes. Materials have been ordered from SBS and will arrive by barge this summer.
 - AirCon in conference room area repaired temporarily.
 - Aircon in IT director's office needs repair.
 - Both Aircon in chambers space are repaired and in full working order.
 - Contacted local HVAC business to have the Aircon troubleshot.
 - Window closures on most windows throughout the building are non-operational and will need to be replaced
- Court House
 - **Dry Sprinkler System:**
 - Dry system is back in NORMAL operation, minus ONE isolated sprinkler head located on the outside of the building to the left of the front main entrance. Contractor is coming to Bethel the 3rd week of August to evaluate. Contractor is in communication with City Building Maintenance and scheduling a time for the work to be completed.
 - The dry system has a small leak in the system piping just above court room 4. Leak is temporarily fixed and holding. Static air pressure is remaining constant with additional help from the fire system air compressor. A plan is being developed to have the dry system evaluated for replacement and repair Spring/Summer 2019 by a contracted service. Pressures checked daily.
 - **Holding Cell Area Door:**
 - Door is complete and ready for install. Door removal and replacement will be coordinated with Alaska State Court System. The area where the door is, is a sensitive area as inmates are transferred through this area.

- Log Cabin
 - Water service has been isolated and building closed for use by the public.
 - Instructions to dismantle the newer portion of the building from the old are on standby.
 - Outhouses have been returned to dormant status after the July 4th event.
- YKFC - Pool
 - Fuel Pumps failed due to ground settling and breaking the power connections. Temporary fix restored power and operation. This will continue to be a problem as the ground continues to move
 - Air mover near water slide replaced and back in operation.
 - Air mover on other side of the pool has now failed. Plans in action to replace.
 - Roof leaking during rain and wind. This is a recurring issue and needs to be address by city leadership and the original installers/constructors. Stacey Reardon has videos to show the problem. IT IS NOT CONDENSATION DRIPPING FROM THE CEILING.
- Police Department
 - Periodic low fuel level alarm activation for the emergency power generator. The issue has been isolated to a set of terminals outside the building that get wet and short causing a false alarm. The alarm will short and activate when the weather is rainy and windy.
 - This has been addressed multiple times including with the original installer but continues to occur.
 - Aircon reported as NOT operational in dispatch areas. Aircon has been inspected and is producing cool air but it is not as cold as other units in the same building.
 - Aircon in server room continues to leak water regardless of Maintenance Department attempts to remedy.
- Fire Department
 - 70% of Materials for BFD handicap entrance have been received. Remaining materials will arrive on barge.
- Billy's Water plant
 - Electricians identified the discrepancy with water level indication system. Expect quotation to identify repair options.
 - Hot water heat circuit continues to trip. Large amount of corrosion found as cause. Electricians will be needed to create a replacement circuit.
 - Main water pressure pumps will trip breakers when all pumps are running.
- Sean's Water Plant
 - Boiler shut down to fix a leaking glycol union.
- Teen Center
 - 2 Toilet issues reported, toilet issue repaired.
 - Bathroom door latching issues, repaired

- Ronda has requested all Push-bar exits to be replaced.

Parks and Recreation:

- Parks and Rec in General
 - No employees for Parks and Rec. All employees have quit, been terminated or have transferred.
 - When possible, rounds of the parks.
 - Identified problems and needs for repairs will be prioritized accordingly and done if possible.
 - Same as above for boardwalks.
 - Identified areas for level and board replacement are being prioritized.
- Projects so far, more to be considered.
 - All play parks
 - General maintenance and grounds upkeep
 - Trashcan repair/replacement
 - Ground cover/chips upkeep
 - Equipment repair and maintenance
 - Pinky's Park
 - Potential Softball field refurbish/re-sod/re-seed in discussion
 - Potential dugout repairs, repaint
 - Bleacher maintenance
 - Soccer Sports Field
 - Completed - Temporary fencing to prevent field traffic
 - Completed - Hydro Seed and ground aerating completed
 - Completed – Bleachers On site
 - Completed – Paint concrete blocks separating field from parking
 - Completed – Portable bathrooms on site
 - Completed – Bike rack ready to be moved to location and installed
 - TBD - Maintenance contract options for field with Codman Services
 - TBD - Build and place information bulletin stand at location
 - TBD – Funding for permanent fencing
 - TBD – Paint/Chalk field play surface
 - Airport Cemetery
 - Requested quotation for additional fencing
 - RFP initiated for hydro seeding proposals
 - TBD - Installing additional fencing
 - TBD - Hydro seeding expanded sections
 - Boardwalks
 - Completed - Trial Lighting pole ordered
 - Completed – Trial Solar Lighting fixture received
 - TBD – Install the trial solar lighting
 - General maintenance and upkeep

- Vegetation trim back
- Way finding signage
- Location marking signage project.
- Leveling boardwalk
- Board replacement as needed
- Trash can replacement as needed
- Benches and sitting areas repairs

Road Maintenance:

Streets and Roads hauled the \$375,000 of D-1 gravel from Knik yard to the gravel pile located on the south-side of the City Shop. This is for the maintenance of Bethel roads through to next spring.

Streets and Roads built up Thimble Berry Road with road sand from City Sand pit and capped it off with D-1 gravel. The road was sinking bad and would not hold up to grading.

Streets and Roads has been hauling gravel to fill in potholes and raise up other area of roads that have been sinking. The roads that we have worked on so far are City Sub., Akakeek Rd, Ptarmigan St., Tundra Ridge, Avenues, Kasayuli Sub., BIA Road, and Blue Berry Sub...

Streets and Roads removed and replaced two culverts, 9101 was old and damaged, the other 9436, needed to be moved so it will drain out the water in Tundra Ridge properly. This will help when it comes to thawing the culverts out in the spring.

Streets and Roads has been pushing up sand at the City Sandpit with the D-8 so it will dry out, considering the dry weather, now is the time to do it. Later when we get enough stocked up to last the rest of the year, we will bring the D-8 Cat dozer back to the City Shop to have it serviced/maintenance.

Vehicles and Equipment:

Just transitioned from Temporary Operator in Streets & Roads to Vehicles & Equipment Foreman and hope to keep things rolling.

Transit System:

The month of July has been a busy month. The weather has caused the roads to be filled with potholes and lots of mud. This has a direct impact on the life of the buses, as I'm sure it does on other vehicles. Our new bus, purchase in October of 2014 has 155,290 miles on it and is developing a lot of rattles and the amount of maintenance on it is continuously growing. It has been in and out of the shop twice this month, bad brakes, broken rear main springs, front-end ball joints replaced, new shocks, rusted out exhaust pipes and the blower motor for the AC /heater is out. The other bus, Bus 438, was purchased in 2007 and has 128,000 miles. It has been in and out of the shop with bad brakes and shocks. It is used as stand-by for when Bus 439 is down. Bus 437 and 436 are both down. Bus 437 has a bad motor and the shop recommends not fixing it. Bus 436, the passenger door was damaged and the frame bent, the shop is recommends not fixing it. The FY19 Transit Grant has funding for a new bus and I hope we will get it in on the last barge this summer. The last bus we purchased has a "Goshen Coach" body and isn't holding up as well as the older buses that have the "ElDorado" body. The new bus we ordered has the "ElDorado Body even though it is a little more expensive.

For the month of July ONC purchased 57 senior and 23 Caregiver monthly passes, increasing our revenue by \$2830. These monthly passes also help to increase our ridership. Ridership was 2580.

The Bethel Transit System currently has one full time driver, a part-time driver and a Transit Manager. We run one route, Green Line, from 6:30am to 10:30am and 11:30am to 6:15pm, Monday through Friday. Saturday it runs from 9:30am to 11:30am and 12:30 to 2:30. **If** the ridership continues to stay between 2500 and 2800 per month, we are considering adding an “Inner City Bus Route”. It would not go to Tundra Ridge area and or Blue Berry Subdivision. It depends on whether or not our new bus is arriving on the last summer barge. If it is, we would start the Inner City Route the first part of October, run it until December 31, and see if it is liable.

Landfill / Recycle Center:

The landfill has been busy as usual. I was able to take the Freon out of 76 refrigerators, until running out of room in our storage container. Waited two weeks until we could get more containers. The crew took over and drained another 166, for a total of 242.

We received a whole lot of cover material from Knik’s roadside projects. We got the C&D pile covered and opened a new cell, which is filling up fast. We have been covering the dumpster trash on a daily basis and or as much as we can.

Streets and Roads crew and my guys are starting to extend the new road further around the landfill inside the dike. The gravel on the new road made all the difference in the world this spring. Nobody got stuck and everyone could get to where they needed to go. We even used some of the broken asphalt that was taken off Ptarmigan to build pads in front of dumping sites.

The temp guys picked up a lot of trash at the entrance of the landfill, around dumpsters and bulk item pickup’s for the public.

I want to take this opportunity to thank the Council, Thor Williams, Bill Arnold, Bill Howell and Pete Williams for listening and acting on the need for some new equipment at the landfill. Thank you, thank you people.

Water Plant Operations:

For the month for June BHWTP is in Summer Mode, We will continue to keep daily chlorine and fluoride records to compile monitoring logs reported monthly to ADEC for BHWTP & CSWTP. We filed our DMR report for the sewage lagoon discharges and monthly coliform sampling and report. We will continue our monthly routine sampling and lube log reporting to OEH for BHWTP & CSWTP. We will continue a daily safety meeting.

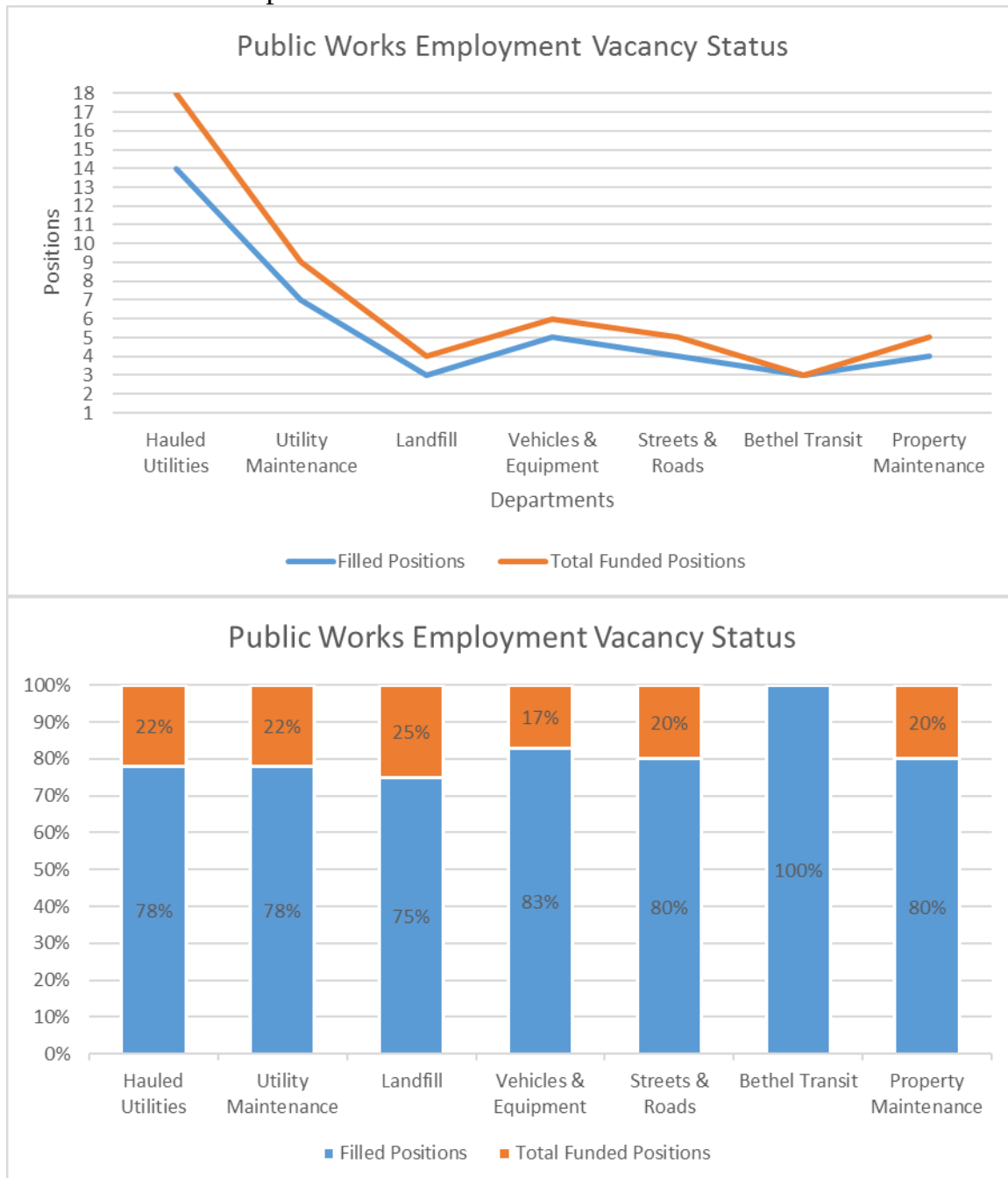
Institutional Corridor Update:

- No new information to report
- Line construction has been completed.
- DEC has issued a letter (11/20/18) with Interim Approval to Operate the line. This is valid until February 22, 2019. Request for final approval must be submitted prior to expiration.
- U.S. Fish & Wildlife was the first customer to apply for and receive services following the receipt of approval to operate.

- To date (2/28/19) only 5 service connections have been turned on. U.S. Fish & Wildlife, Bethel Youth Facility, Correctional Facility and YKHC (hospital and housing units).
- Still waiting on other customers to complete work and apply for services soon.
- Issues with circulation pumps, high demand pump alarms and tripping has been resolved. Valve was left partially closed during commissioning
- Fire hydrant static and flow testing was performed to accommodate requests from multiple customers working on sprinkler designs in their buildings.

Staffing Issues/Concerns/Training:

Chart information updated: 07/31/2019



City of Bethel, Alaska

City Clerk's Office

Council Regular Meetings

August 27, 2019 Regular City Council Meeting

September 10, 2019 Regular City Council Meeting

Elections

Radio and newspaper advertisements for notice of vacancy in office, notice of voter registration deadline have been arranged.

Translation of the above mentioned notices have been provided by KYUK and loaded to the City's website.

Programming requests for the election material has been submitted to Dominion Voting.

The Deadline for Declaration of Candidacy Packets is August 20, at 4p. Following this deadline the City Clerk's Office will develop the ballot and final election notices.

City Attorney Transition

Prior City Attorney, Patty Burley, Representing Attorney Michael Gatti and the City Clerk met and outlined the outstanding legal issues the City is facing.

City Manager/City Attorney Recruitment Process

Gov HR has finalized the administrative profile for City Manager and City Attorney. The City Manager's application acceptance will close August 30. The Firm will present the Council with a Recruitment Report the week of September 23. This report will be provided to the council through a special meeting which has yet to be scheduled. First/Second round interviews are scheduled for the week of October 14.

The City Attorney's Administrative Profile was approved and presented to GovHR Monday, August 5. Timeline on this process has not yet been received.

Once both profiles are finalized, the City Clerk's office will forward the information to the City's HR Department for the City's website.

Board of Ethics

Prepared for the Board of Ethics Review of 19-02 and 19-03.

Misc.

Provided a draft incomplete Ordinance to Vice Mayor Williams, which would eliminate the 3% annual, increase to the City's Water and Sewer Rates for a period of two years.

Provided for council packet Ordinance 19-13, Repealing Bethel Municipal Code 2.23 Parks and Recreation Department at the request of Vice-Mayor Williams.

Provided for council packet Resolution 19-09 Protesting Alaskan Grown Cannabis License at the request of Council Member Jung-Jordan.

Evaluated two recall petition applications which were not certifiable. They did not with particularity meet the standard set out in AS 29.26.260 (a) (3).

The City Clerk's Office has obtained copies of all known property appraisals and has scanned them in for long term electronic storage. Paper Copies are being retained in both the Finance Department and the City Clerk's Office Storage.