

CITY OF BETHEL

City Council Meeting Agenda, November 12, 2019 – 6:30 PM

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

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

Council Members: Mayor Perry Barr, Vice-Mayor Haley Hanson, Fred Watson, Alyssa Leary,
Mark Springer, Cece Franko, Michelle DeWitt



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. *10-16-2019 Special City Council Meeting Minutes
- 6.2. *10-22-2019 Regular City Council Meeting Minutes
- 6.3. *10-23-2019 Special City Council Meeting Minutes
- 6.4. *10-29-2019 Special City Council Meeting Minutes

7. REPORTS OF STANDING COMMITTEES

- 7.1. Committee/Commission Agendas and Draft Meeting Minutes

8. SPECIAL ORDER OF BUSINESS

- 8.1. Proclaiming November 30, 2019 As Small Business Saturday And Encouraging Residents To Buy Local (Mayor Barr)

9. UNFINISHED BUSINESS

- 9.1. Public Hearing Of Budget Ordinance 19-11 (h): Amending The City Of Bethel FY 2020 Budget-Sander Box (Acting City Manager Howell)
- 9.2. Public Hearing Of Budget Ordinance 19-11 (i) Amending The City Of Bethel FY 2020 Budget-Legal Services And HR-Risk Manager (Acting City Manager Howell)
- 9.3. Public Hearing Of Ordinance 19-11 (j) Amending The City Of Bethel Fiscal Year 2020 Budget- City Manager And Attorney Recruitment Service (Mayor Barr)
- 9.4. Public Hearing Of Ordinance 19-21: Authorizing The Disposal Of Lot 4, Block 15, USS 3230 A&B, Bethel

Posted November 6, 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

10. NEW BUSINESS

- 10.1. *Introduction Of Budget Ordinance 19-11 (k) Amending The City Of Bethel Fiscal Year 2020 Budget (Acting City Manager Howell)
- 10.2. *Introduction Of Ordinance 19-22: Amending Chapter 13.16.150 Of The Bethel Municipal Code, To Establish A Rate For Six Yard Dumpsters (Public Works Committee)
- 10.3. AMEND SOMETHING PREVIOUSLY ADOPTED: Resolution 19-09 Conditionally Protesting Alaskan Grown Products Marijuana License (Council Member Leary)
 1. Opportunity For Applicant To Defend
- 10.4. AMEND SOMETHING PREVIOUSLY ADOPTED: Resolution 19-14: Conditionally Protesting Kusko Kush Marijuna License (Mayor Barr)
 1. Opportunity for Applicant To Defend
- 10.5. *AM 19-71: Appointment Of Committee/Commission/Board Member. Nathan McCabe-Finance Committee. Gerald Domnick- Board Of Ethics (Mayor Barr)
- 10.6. AM 19-72: Request The Finance Committee And The Parks, Recreation, Aquatic Health, And Safety Center Committee - Joint Meetings (Council Member DeWitt)
- 10.7. AM 19-73 School Violence Prevention Program Grant Agreement-Memorandum Of Understanding Between The City And The Lower Kuskokwim School District (Acting City Manager Howell)
- 10.8. AM 19-74: FY 2021 State Legislative Funding Priorities In Order Of Importance (Acting City Manager Howell)
- 10.9. *IM 19-12: Presentation Of The City's Water And Sewer Services Expenditures Compared To Budget From July 1, 2019 To October 31, 2019 – Utilities Maintenance – Water And Wastewater Activity Report (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 November 6, 2019 at City Hall, AC Co., Swanson's, and the Post Office.

Kevin Morgan, Asst. City Clerk

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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

1. CALL TO ORDER

A Special Meeting of the Bethel City Council was held on October 16, 2019 at 6:00 p.m., in the Council chambers, Bethel, Alaska.

Vice-Mayor Hanson called the meeting to order at 6:00 p.m.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Comprising a quorum of the Council, the following members were present:
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Mayor Perry Barr (telephonic) Council Member Cece Franko Vice-Mayor Haley Hanson City Council Member Alyssa Leary City Council Member Mark Springer

Members Absent:

Council Member Fred Watson

Also in attendance were the following:

City Clerk Lori Strickler

4. PEOPLE TO BE HEARD – Five minutes per person

Agnes Phillips- Thanked the outgoing Council Members and welcomed the new members. Thanked Acting City Manager Howell for his work. Mentioned that when she was Mayor of Bethel, there was a goal to be on piped services by 2020 which has not been met yet. Welcomed the new Candidates.

5. APPROVAL OF AGENDA

Approve the agenda.

Moved by:	Mark Springer
Seconded by:	Alyssa Leary
In favor:	Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer

Opposed:	None
Results:	Motion Carries

6. UNFINISHED BUSINESS

7. NEW BUSINESS

Provide each council member the opportunity to ask two questions from the lists provided by GovHR and the City Clerk's Office.

Moved by:	Alyssa Leary
Seconded by:	Cece Franko
In favor:	Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer
Opposed:	None
Results:	Motion Carries

Item 7.1. - City Manager candidate interview- Aaron Easton. 6:00 p.m.

Item 7.2. - City Manager candidate interview- Michael Patterson. 7:00 p.m.
Council Member Franko departed the meeting at 7:42 p.m.

8. EXECUTIVE SESSION

Item 8.1. - As 44.62.310 (C) (2) Subjects That Tend To Prejudice The Reputation And Character Of Any Person – City Manager Candidate Review (Note: All City Manager Candidates May Be Discussed During The Executive Session)

Move into executive session in Accordance with AS 44.62.310 (C) (2) Subjects that tend to prejudice the reputation and character of any person- City Manager Candidate Review. Those participating the in the executive session are City Council Members, City Clerk and GovHR Representative.

Moved by:	Mark Springer
Seconded by:	Alyssa Leary
In favor:	Perry Barr, Haley Hanson, Alyssa Leary, Mark Springer
Opposed:	None

Results: | Motion Carries

9. ADJOURNMENT

Main Motion: Adjournment.

Moved by:	Mark Springer
Seconded by:	Alyssa Leary
In favor:	Perry Barr, Haley Hanson, Alyssa Leary, Mark Springer
Opposed:	None
Results:	Motion Carries

Meeting ended at 9:11 p.m.

Haley Hanson, Vice-Mayor

ATTEST:

Lori Strickler, City Clerk

1. CALL TO ORDER

A Regular Meeting of the Bethel City Council was held on October 22, 2019 at 6:30 p.m., in the Council chambers, Bethel, Alaska.

Mayor Barr 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:
Mayor Perry Barr Council Member Cece Franko, (Participated telephonically) Vice-Mayor Haley Hanson City Council Member Alyssa Leary City Council Member Mark Springer
Members Absent:
Council Member Fred Watson
Also in attendance were the following:
Acting City Manager Bill Howell, City Clerk Lori Strickler

4. PEOPLE TO BE HEARD – Five minutes per person

Wilson Green-

Stated significant concerns with Lind Lane; it is not easily accessible and presents life safety issues. Also stated, the old Senior Center holds large appliances which ONC is interested in obtaining as they were purchased with ONC grant funds. Wanted to set up a dialogue between the agencies so that senior services can utilize those appliances.

Eileen Arnold -

Asked that the Council consider all of the applicants in the City Manager pool and stated that the two candidates interviewed don't appear to be a good fit for the City.

Agnes Phillips-

Provided support for Michelle Dewitt for the vacant City Council seat.

5. APPROVAL OF CONSENT AGENDA AND REGULAR AGENDA

Main Motion: Approve the Consent and Regular Agenda.

Moved by:	Mark Springer
Seconded by:	Alyssa Leary
In favor:	Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer
Opposed:	None
Results:	Motion Carries

Remove 10.2 from the consent agenda, Mayor Barr.

6. APPROVAL OF MEETING MINUTES

Item 6.1. - *10-8-2019 Regular City Council Meeting Minutes
Passed on the consent agenda.

Item 6.2. - *10-10-2019 Special City Council Meeting Minutes
Passed on the consent agenda.

Item 6.3. - *10-14-2019 Special City Council Meeting Minutes
Passed on the consent agenda.

7. REPORTS OF STANDING COMMITTEES

Item 7.1. - Committee/Commission Agendas And Draft Meeting Minutes
Port Commission, Council Member Watson-
No one available to provide a report.

Planning Commission, Vice- Mayor Hanson-
A meeting has not been held since the last City Council Meeting.

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

Parks, Recreation, Aquatic Health and Safety Center Committee-
No one available to provide a report.

Finance Committee, Council Member Franko-
A meeting has not been held since the last City Council Meeting; next meeting will on Monday at 6:00 p.m.

Public Works Committee, Council Member Leary-
A meeting was not held due to a lack of a quorum.

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

8. SPECIAL ORDER OF BUSINESS

Item 8.1. - Appreciation For Vice-Mayor Williams, Council Member Albertson, Council Member Forbes, Council Member Jung-Jordan, and Council Member Fritz Charles (Mayor Barr)

Item 8.2. - Proclaiming The Month Of November 2019 As "National Diabetes Month" (Mayor Barr)

Item 8.3. - Appointment Of Qualified Individual To Fill City Council Vacancy, Term Ending October, 2020 (Mayor Barr)

Main Motion: Open Nominations.

Moved by:	Mark Springer
Seconded by:	Haley Hanson
In favor:	Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer
Opposed:	None
Results:	Motion Carries

Main Motion: Nominate Michelle DeWitt.

Moved by:	Mark Springer
Seconded by:	Alyssa Leary

In favor:	Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer
Opposed:	None
Results:	Motion Carries

Main Motion: Nominate Courtney Trammell.

Moved by:	Mark Springer
Seconded by:	Alyssa Leary
In favor:	Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer
Opposed:	None
Results:	Motion Carries

Main Motion: Close Nominations.

Moved by:	Mark Springer
Seconded by:	Haley Hanson
In favor:	Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer
Opposed:	None
Results:	Motion Carries

Round one

Council Member Franko: Michelle DeWitt
Council Member Springer: Courtney Trammell
Council Member Leary: Michelle DeWitt
Vice-Mayor Hanson: Michelle DeWitt
Mayor Barr: Michelle DeWitt

Council Member Michelle DeWitt read their oath of office and joined the council telephonically.

Item - i. Opening Statements From Candidates
Each candidate provided a statement of interest.

Item - ii. Questions From Council Members

Item 8.4. - Appointment Of Council Representative To Committee/Commission
(Mayor Barr)

Mayor Barr appointed Council Member Michelle DeWitt to the Parks, Recreation, Aquatic Health and Safety Center Committee.

9. UNFINISHED BUSINESS

Item 9.1. - Public Hearing Of Budget Ordinance 19-11 (f): Amending The City Of Bethel Fiscal Year 2020 Budget -Animal Control/Code Enforcement Agent (Acting City Manager Bo Foley)

Mayor Barr opened the Public Hearing.

No one present to be heard.

Mayor Barr closed the Public Hearing.

Main Motion: Adopt Budget Ordinance 19-11(f).

Moved by:	Mark Springer
Seconded by:	Cece Franko
In favor:	None
Opposed:	Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer, Michelle Dewitt
Results:	Motion Fails

Subsidiary Motion: Suspend the rules to hear from the Acting Police Chief Amy Davis.

Moved by:	Alyssa Leary
Seconded by:	Mark Springer
In favor:	Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer, Michelle Dewitt
Opposed:	None
Results:	Motion Carries

Item 9.2. - Public Hearing Of Budget Ordinance 19-11 (g): Amending The City Of Bethel Fiscal Year 2020 Budget- Dump Truck- City Shop Floor Repair (Acting City Manager Bo Foley)

Mayor Barr opened the Public Hearing.

No one present to be heard.

Mayor Barr closed the Public Hearing.

Main Motion: Adopt Budget Ordinance 19-11(g).

Moved by:	Alyssa Leary
Seconded by:	Mark Springer
In favor:	Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer , Michelle Dewitt
Opposed:	None
Results:	Motion Carries

Motion to take a ten minutes break.

Moved by:	Mark Springer
Seconded by:	Haley Hanson
In favor:	Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer, Michelle Dewitt
Opposed:	None
Results:	Motion Carries

10. NEW BUSINESS

Item 10.1. - *Introduction Of Budget Ordinance 19-11 (h): Amending The City Of Bethel FY 2020 Budget-Sander Box (Acting City Manager Howell)
Passed on the consent agenda.

Item 10.2. - *Introduction Of Budget Ordinance 19-11 (i) Amending The City Of Bethel FY 2020 Budget-Legal Services And HR-Risk Manager (Acting City Manager Howell)

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

Moved by:	Mark Springer
Seconded by:	Alyssa Leary
In favor:	Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer , Michelle Dewitt
Opposed:	None
Results:	Motion Carries

Item 10.3. - AM 19-68: Direct Administration To Negotiate And Execute A Contract With AP Triton Consulting, LLC To Provide Financial Services To The City Necessary For The City To Participate In The Emergency Medical Transportation Services

Supplemental Reimbursement Program Through The State Of Alaska (Acting City Manager Howell)

Main Motion: Introduce AM 19-68.

Moved by: Alyssa Leary
Seconded by: Mark Springer

In favor: Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer , Michelle Dewitt
Opposed: None
Results: Motion Carries

Amend to strike introduction and insert adoption.

Moved by: Mark Springer
Seconded by: Alyssa Leary
In favor: Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer, Michelle Dewitt
Opposed: None
Results: Motion Carries

Item 10.4. - *AM 19-69 Appointment Of Committee/Commission Member. Robert Rey- Finance Committee (Mayor Barr)

Passed on the consent agenda.

Item 10.5. - AM 19-70 Approve Lease Agreement With HP For New Computer Hardware (Acting City Manager Howell)

Main Motion: Adopt AM 19-70.

Moved by: Mark Springer
Seconded by: Alyssa Leary
In favor: Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer, Michelle Dewitt
Opposed: None
Results: Motion Carries

Item 10.6. - *Acting City Manager Leave Request- October 23-25, 2019 (Mayor

Barr)

Passed on the consent agenda.

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 Barr-

Be careful out on the river.

Bethel Search and Rescue will hold their fiddle dance in a few weeks.

Council Member Leary-

Thanked the individuals who expressed their interest in serving on the vacant council seat. On Thursday, there is an event at the 4H Club House where there will be reflective tape iron on services. There will also be Project Homeless Connect Event on Saturday at the Cultural Center where different agencies will provide services for the homeless community.

Vice-Mayor Hanson-

Thanked the candidates for their interest in sitting on Council.

Halloween carnivals will be this weekend, please be safe.

Council Member Franko-

Thanked the candidates who submitted their names and congratulated Michelle Dewitt.

Council Member Dewitt-

Thanked the members for welcoming them to Council; is excited to serve the City in this capacity.

Council Member Springer-

Congratulated Anna Hoffman for her election to AFN Co-Chair.

Expressed a speedy recovery for Bob Herron.
Condolences to the Watson family; and also to the Aguchak Family in Scammon Bay.

13. EXECUTIVE SESSION

Item 13.1. - AS 44.62.310(c)(2) Subjects That Tend To Prejudice The Reputation And Character Of Any Person – City Manager Candidate And City Attorney Review And Employment Agreement Development (Note: All City Manager Candidates And City Attorney Candidates May Be Discussed During The Executive Session) (Mayor Barr)

Main Motion: Move into Executive Session. AS 44.62.310(c)(2) Subjects That Tend To Prejudice The Reputation And Character Of Any Person – City Manager Candidate And City Attorney Review And Employment Agreement Development (Note: All City Manager Candidates And City Attorney Candidates May Be Discussed During The Executive Session).

Moved by:	Mark Springer
Seconded by:	Alyssa Leary
In favor:	Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer, Michelle Dewitt
Opposed:	None
Results:	Motion Carries

Motion to not approve the two city manager candidates.

Moved by:	Mark Springer
Seconded by:	Alyssa Leary
In favor:	Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer , Michelle Dewitt
Opposed:	None
Results:	Motion Carries

Motion to direct the city clerk and administration initiate the recruitment process.

Moved by:	Mark Springer
Seconded by:	Haley Hanson
In favor:	Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer , Michelle Dewitt

Opposed: | None
Results: | Motion Carries

14. ADJOURNMENT

Main Motion: Adjournment.

Moved by: | Mark Springer
Seconded by: | Alyssa Leary
In favor: | Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer , Michelle
Dewitt
Opposed: | None
Results: | Motion Carries

Meeting ended at 9:32 p.m.

Perry Barr, Mayor

ATTEST:

Lori Strickler, City Clerk

1. CALL TO ORDER

A Special Meeting of the Bethel City Council was held on October 16, 2019 at 11:30 a.m., in the Council chambers, Bethel, Alaska.

Mayor Barr 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:
City Council Member Mark Springer (arrived after roll call 12:10 p.m.) Vice-Mayor Haley Hanson Council Member Cece Franko (telephonically) City Council Member Michelle Dewitt (telephonically) City Council Member Alyssa Leary Mayor Perry Barr
Members Absent:
Mayor Fred Watson
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

Main Motion: Approve the Agenda

Moved by:	Alyssa Leary
Seconded by:	Haley Hanson
In favor:	Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Michelle Dewitt

Opposed: | None
Results: | Motion Carries

6. NEW BUSINESS

Item 6.1. - City Attorney Candidate Telephonic Interviews - Lauren A. Berdow and Carol L. Childress (Mayor Barr)

Interview conducted with Childress.

Council Member Mark Springer arrived at 12:10 p.m.

7. EXECUTIVE SESSION

Item 7.1. - AS 44.62.310 (C) (2) Subjects That Tend To Prejudice The Reputation And Character Of Any Person – City Manager Candidate And City Attorney Review And Employment Agreement Development (Note: All City Manager Candidates And City Attorney Candidates May Be Discussed During The Executive Session) (Mayor Barr)

Main Motion: Move into Executive Session- AS 44.62.310 (C) (2) Subjects That Tend To Prejudice The Reputation And Character Of Any Person – City Manager Candidate And City Attorney Review And Employment Agreement Development (Note: All City Manager Candidates And City Attorney Candidates May Be Discussed During The Executive Session).

Moved by: | Haley Hanson
Seconded by: | Mark Springer
In favor: | Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer , Michelle Dewitt
Opposed: | None
Results: | Motion Carries

8. ADJOURNMENT

Main Motion: Adjournment.

Moved by: | Mark Springer
Seconded by: | Alyssa Leary

In favor:	Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer , Michelle Dewitt
Opposed:	None
Results:	Motion Carries

Meeting ended at 12:52 p.m.

Perry Barr, Mayor

ATTEST:

Lori Strickler, City Clerk

1. CALL TO ORDER

A Special Meeting of the Bethel City Council was held on October 29, 2019 at 6:00 p.m., in the Council chambers, Bethel, Alaska.

Mayor Barr called the meeting to order at 6:00 p.m.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Comprising a quorum of the Council, the following members were present:
Mayor Perry Barr Council Member Cece Franko Vice-Mayor Haley Hanson City Council Member Alyssa Leary (telephonically) City Council Member Mark Springer City Council Member Michelle DeWitt
Members Absent:
Council Member Fred Watson
Also in attendance were the following:
Acting City Manager Bill Howell, City Clerk Lori Strickler

4. PEOPLE TO BE HEARD – Five minutes per person

No one present to be heard.

5. NEW BUSINESS

Motion to suspend the rules and move approval of the agenda to be the next Item of Business.

Moved by:	Mark Springer
Seconded by:	Haley Hanson
In favor:	Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer , Michelle DeWitt
Opposed:	None

Results: | Motion Carries

6. APPROVAL OF AGENDA

Motion to amend the agenda to have the executive session be the next item of Business.

Moved by:	Mark Springer
Seconded by:	Cece Franko
In favor:	Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer , Michelle DeWitt
Opposed:	None
Results:	Motion Carries

7. EXECUTIVE SESSION

Item 7.1. - 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 - Potential Litigation Essenkay (Mayor Barr)

Main Motion: Move into Executive Session. 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 - Potential Litigation Essenkay. Those in attendance were the City Council, City Attorney, City Clerk, and City Manager.

Moved by:	Mark Springer
Seconded by:	Michelle DeWitt
In favor:	Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer , Michelle DeWitt
Opposed:	None
Results:	Motion Carries

Council moved into executive session at 6:06 p.m.
Council moved out of executive session 7:19 p.m.

Item 5.1. - Introduction of Ordinance 19-21: Authorizing the Disposal of Lot 4, Block 15, USS 3230 A&B, Bethel Recording District 4th Judicial District (781 Third Ave.) Pursuant to BMC 4.08.030 (D), Disposal to compromise Claim (Mayor Barr)

Main Motion: Introduce Ordinance 19-21.

Moved by:	Mark Springer
Seconded by:	Cece Franko
In favor:	Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer , Michelle Dewitt
Opposed:	None
Results:	Motion Carries

Amend to strike under the 10th whereas statement "less Essenkay's improvement to the land."

Moved by:	Cece Franko
Seconded by:	Mark Springer
In favor:	Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer , Michelle Dewitt
Opposed:	None
Results:	Motion Carries

Item 5.2. - Introduction of Ordinance 19-11 (j) Amending the City of Bethel Fiscal Year 2020 Budget- City Manager and Attorney Recruitment Service (Mayor Barr)

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

Moved by:	Cece Franko
Seconded by:	Haley Hanson
In favor:	Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer , Michelle Dewitt
Opposed:	None
Results:	Motion Carries

Amend, to remove from the City Attorney advertisement the phrase "living in Bethel."

Moved by:	Michelle Dewitt
Seconded by:	Mark Springer
In favor:	Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer , Michelle Dewitt
Opposed:	None
Results:	Motion Carries

8. ADJOURNMENT

Main Motion: Adjournment.

Moved by:	Mark Springer
Seconded by:	Michelle Dewitt
In favor:	Perry Barr, Cece Franko, Haley Hanson, Alyssa Leary, Mark Springer , Michelle DeWitt
Opposed:	None
Results:	Motion Carries

Meeting ended at 7:36 p.m.

Perry Barr, Mayor

ATTEST:

Lori Strickler, City Clerk



City of Bethel

Finance Committee Agenda

Monday October 28, 2019 – 6:30 p.m.
Council Chambers, City Hall-300 State Highway

VACANT/TBD
Finance Committee Chair
Term Ends 2019

Cecilia Franko
City Council Representative
Term Ends XXXX

Dave Trantham, Jr.
Finance Committee Member
Term Ends 2021

Jason Brown
Finance Committee Member
Term Ends 2019

Joni Beckham
Finance Committee Vice-Chair
Term Ends 2020

Gary Fredericks
Finance Committee Member
Term Ends 2021

Mary Beth Whalen-Alternate
Term Ends 2021

James Chevigny -Alternate
Term Ends 2021

Christine Blake
Finance Director
543-1376
cblake@cityofbethel.net

Ken Fay
Assistant Finance Director
543-1375
kfay@cityofbethel.net

VACANT
Recorder
543-XXXX

I. CALL TO ORDER

II. ROLL CALL

III. PEOPLE TO BE HEARD Ten minutes per person

IV. APPROVAL OF AGENDA

V. APPROVAL OF MINUTES

- a) 09/16/2019 Special Meeting Minutes

VI. UNFINISHED BUSINESS

- a) Discussion on developing a City policy for collecting receivables. Tabled to future meeting. (C.Blake)

VII. NEW BUSINESS

VIII. EX OFFICIO MEMBER REPORT

Christine Blake, Finance Director and Ken Fay, Assistant Finance Director.

IX. FINANCE COMMITTEE MEMBER COMMENTS

X. ADJOURNMENT



City of Bethel Police Dept.

PO Box 809
Bethel, AK 99559
Office| 543-3781 Fax| 543-5086

PUBLIC NOTICE
REGULAR MEETING OF THE
PUBLIC SAFETY & TRANSPORTATION COMMISSION
Wednesday, November 06, 2019 –6:30 p.m.
300 STATE HIGHWAY – CITY COUNCIL CHAMBERS
AGENDA

Members

Richard Garcia
Chair

Mark Springer
Council Representative

Azara Mohammadi

Madelene Reichard

Ex-Officio Members

Amy Davis
Acting Police Chief

Daron Solesbee
Acting Fire Chief

Jesslyn McGowan
Recorder

- I. CALL TO ORDER
- II. ROLL CALL
- III. PEOPLE TO BE HEARD
- IV. APPROVAL OF AGENDA
- V. APPROVAL OF MINUTES FROM THE REGULAR MEETING OF
July 03, August 07, September 04 & October 02 2019
- VI. UNFINISHED BUSINESS
 - A. Update on Transportation Planning (*City Manager*)
 - B. Update on Tracking Cellphone calls to 911 (*LT. Davis*)
- VII. NEW BUSINESS
 - A. Election of Vice Chair for Commission
- VIII. CHIEFS' COMMENTS
 - Fire Chief
 - Chief of Police
- IX. TRANSPORTATION INSPECTOR'S REPORT
- X. COUNCIL REPRESENTATIVE'S COMMENTS
- XI. COMMISSION MEMBER'S COMMENTS
- XII. ADJOURNMENT

Jesslyn McGowan

Jesslyn McGowan, Recorder

POSTED on October 30, 2019

POST OFFICE, AC QUICKSTOP, CORINA'S CASE LOT, CITY HALL, & POLICE DEPT.

Next Public Safety and Transportation Commission Meeting will be **December 04, 2019**



City of Bethel Proclamation

Proclaiming November 30, 2019 as Small Business Saturday and Encouraging Residents to Buy Local

- WHEREAS,** the City of Bethel is focused on supporting the success and strength of our local economy, and encouraging the efforts of our local independent-business owners;
- WHEREAS,** buying local positively impacts communities by keeping local communities unique; keeping more money local; promoting a stronger local economy; supports community needs as local businesses are invested in the community; and buying local helps encourage entrepreneurship;
- WHEREAS,** according to the United States Small Business Administration, there are 30.7 million small businesses in the United States, they represent 99.7 percent of all firms with paid employees in the United States, and are responsible for 64.9 percent of new jobs created from 2000 to 2018;
- WHEREAS,** small businesses employ 47.3 percent of the employees in the private sector in the United States;
- WHEREAS,** the City of Bethel supports our local businesses that create jobs, boost our local economy, preserve our community's culture, encourage our residents to buy local, and support the Saturday after Thanksgiving as Small Business Saturday.

NOW, THEREFORE, I, Perry Barr, Mayor of the City of Bethel, Proclaim November 30, 2019, as Small Business Saturday and urge the residents of our community, and communities across the country, to support small businesses and merchants on Small Business Saturday and throughout the year.

Attest: Lori Strickler, City Clerk

Perry Barr, Mayor

Introduced by: Acting City Manager William Howell
Introduction Date: October 22, 2019
Public Hearing Date: November 12, 2019
Action:
Vote:

CITY OF BETHEL, ALASKA

Ordinance 19-11 (h)

AN ORDINANCE AMENDING THE CITY OF BETHEL FISCAL YEAR 2020 BUDGET

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

SECTION 1. Classification. This is a non-codified Ordinance and shall not become part of the Bethel Municipal Code.

SECTION 2. Fiscal Year Budget Amendments. The following estimated revenues and expenditures are hereby appropriated for the corporate purposes and objects of the City of Bethel for Fiscal Year 2020.

WHEREAS, the Fiscal Year 2020 Capital Budget for Streets and Roads currently holds \$33,500 for the Sander Truck Box, an item the Public Works Department desperately needs to help keep Bethel's winter roads safe and usable;

WHEREAS, the use of the bid process resulted in a City Council approved Purchase Agreement with Quality Equipment, Inc. for the purchase of the Sander Truck Box at a cost of \$36,000 or \$2,500 more than the amount budgeted;

WHEREAS, the Purchase Agreement was not submitted to Quality Equipment, Inc. in time for them to include it on this last barge to Bethel;

WHEREAS, the cost to air freight the Sander Truck Box to Bethel is an additional \$16,900;

WHEREAS, Quality Equipment is willing to pay \$7,900 of this additional cost;

WHEREAS, the total amount the City needs to complete the Sander Truck Box purchase this fall 2019 is \$2,500 (Purchase Agreement amount over budgeted amount) plus the City's portion of the air freight cost (\$9,000), which totals \$11,500;

WHEREAS, the FY 2020 Budget contains a Capital Expense line item for a Belly Dump Truck in the amount of \$70,000 that was purchased in FY 2019 and will not be purchased in FY 2020;

WHEREAS, the Public Works Department would like to reallocate \$11,500 from the Belly Dump Truck line item to the Sander Truck Box line item in order to complete the immediate purchase of the Sander Truck Box;

Introduced by: Acting City Manager William Howell
Introduction Date: October 22, 2019
Public Hearing Date: November 12, 2019
Action:
Vote:

F-1				
Line Item	Description	Approved Appropriations	Proposed Amendment	Proposed Total Appropriations
10-66-692	Capital Exp-Streets & Roads "Sander Truck Box"	\$33,500	\$11,500	\$45,000
50-71-699	Capital Exp-Landfill Operations "Belly Dump Truck"	\$70,000	(\$11,500)	\$58,500

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

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

Perry Barr, Mayor

ATTEST:

Lori Strickler, City Clerk

Introduced by: Acting City Manager William Howell
Introduction Date: October 29, 2019
Public Hearing Date: November 12, 2019
Action:
Vote:

CITY OF BETHEL, ALASKA

Ordinance 19-11 (i)

AN ORDINANCE AMENDING THE CITY OF BETHEL FISCAL YEAR 2020 BUDGET

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

SECTION 1. Classification. This is a non-codified Ordinance and shall not become part of the Bethel Municipal Code.

SECTION 2. Fiscal Year Budget Amendments. The following estimated revenues and expenditures are hereby appropriated for the corporate purposes and objects of the City of Bethel for Fiscal Year 2020.

WHEREAS, the City Attorney's resignation was effective August 2, 2019;

WHEREAS, Jermain, Dunnagan & Owens, P.C., the law firm on contract with the City to provide legal services, has been tasked with many legal matters that would normally have been handled by the City Attorney;

WHEREAS, various legal matters before the City include subdivision development, code enforcement, contract review, marijuana and alcohol issues, and USDA bond documentation;

WHEREAS, the high cost of legal services incurred to date demonstrate the need for additional funds to be appropriated to the Administration Legal Fees line item;

WHEREAS, one FY 2020 budget modification ordinance approved by the Bethel City Council moved \$45,000 from the City Attorney's salary to Administration (10-51) Legal Fees (642) to bring the balance to \$50,000, but most of this amount has been spent to date;

WHEREAS, City Administration requests that an additional \$75,000 be appropriated to cover the cost of legal services;

Introduced by: Acting City Manager William Howell
Introduction Date: October 29, 2019
Public Hearing Date: November 12, 2019
Action:
Vote:

I-1				
Line Item	Description	Approved Appropriations	Proposed Amendment	Proposed Total Appropriations
10-51-642	Administration-Legal Fees	50,000	75,000	125,000
50-71-699	Undesignated Fund Balance		(75,000)	(75,000)

WHEREAS, the FY 2020 City Budget contains \$12,000 in Administration (10-51) Salaries for the temporary Risk Manager position;

WHEREAS, the City's Human Resources Manager possesses the skills, qualifications, and abilities to assume many of the risk manager duties and has been performing those duties as of August 2019;

WHEREAS, thus far, the HR Manager denied \$3,112 in damage claims against the City and only paid out \$877, while he is currently working to reduce or eliminate \$12,000 in claims;

WHEREAS, City Administration recommends changing the title and job description of the Human Resources Manager to Human Resources/Risk Manager and adjusting the compensation accordingly;

WHEREAS, the City's insurance firm, Alaska Public Entity Insurance, supports the duties of risk manager being undertaken by one or more City employees;

WHEREAS, Administration recommends the reallocation of the \$12,000 in Risk Manager Salary to the following line items in the Administration Budget: \$6,000 to Human Resources/Risk Assessment Manager Salaries, \$3,000 to Travel/Training, and \$3,000 to Supplies;

I-2				
Line Item	Description	Approved Appropriations	Proposed Amendment	Proposed Total Appropriations
10-51-501	Administration-Human Resources/Risk Manager	94,760	6,000	101,760
10-51-545	Travel/Training	10,000	3,000	13,000
10-51-561	Supplies	6,700	3,000	9,700
10-51-	Administration-Salaries-Risk Manager (Temporary)	12,000	(\$12,000)	0

Introduced by: Acting City Manager William Howell
Introduction Date: October 29, 2019
Public Hearing Date: November 12, 2019
Action:
Vote:

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

ENACTED THIS 12TH DAY OF NOVEMBER 2019 BY A VOTE OF _ IN FAVOR AND _ OPPOSED.

Fred Watson, Mayor

ATTEST:

Lori Strickler, City Clerk

HUMAN RESOURCES/RISK MANAGER

CLASSIFICATION AND SALARY: Range E, \$100,760

JOB SUMMARY:

The Human Resources/Risk Assessment Manager is an overtime-exempt managerial position reporting directly to the City Manager. The Human Resources/Risk Manager is responsible for the development, implementation and coordination of personnel policies and programs to include staffing and retention, labor relations, performance management, training, equal employment opportunity, records, benefits and employee services. As Risk Manager, coordinates all risk identification and evaluation activities related to City property and operations to include oversight of safety programs and training.

ESSENTIAL FUNCTIONS:

Assist with the development, implementation, and coordination of city policies and programs which enable the City of Bethel to achieve established goals and objectives, particularly in the area of personnel programs and benefits.

Recruit qualified applicants for position vacancies and assist Departments in evaluating applicants and hiring employees.

Administer City's personnel activities to include in-processing and orientation, benefits enrollment and reporting, policy awareness and review, retirement savings programs, career progression, disciplinary actions and termination.

Oversee employee evaluation program to include compliance with timeliness and procedural standards; provide Departments with tools and resources to assist in developing human capital and improving employee performance;

Direct the City's Drug and Alcohol Program to comply with federal Department of Transportation motor carrier and transit requirements and non-DOT drug free workplace regulations.

Coordinate human resource activities to ensure legal compliance, fairness and consistency in areas of employment, planning and staffing, compensation, benefit administration, labor/employee relations, training, performance management, organizational development, workforce communications and benefits.

Participate in and consult with Department Heads in the investigation and resolution of employee relations concerns to include coaching and development, formal discipline, risk mitigation and compliance with applicable laws, policies and bargaining agreement(s).

Identify and monitor legal requirements and government reporting regulations.
Train departments and monitor City of Bethel practices to ensure compliance with

Employment/safety laws and regulations.

Effectively administer personnel programs in accordance with federal, State and City regulations, policies and procedures.

Contribute to the annual budget process by identifying costs associated with the City's HR/Risk Management programs.

Participate in local and out-of-area meetings, conferences and training opportunities.

Manages the City's insurance claims programs and analyzes potential financial exposures; establishes loss prevention standards and evaluates alternative approaches to address losses and exposures; develops, implements, and monitors the adjustment of liability, subrogation, and property loss issues, and develops presentations to communicate risk management policies.

Assists with negotiating insurance contracts and financing programs for liability, and workers compensation; monitors the performance of internal and outsourced claims services.

Assists in the preparation of, and monitors, requests for proposals for various contracted services, equipment, and consultants.

Manages claims and loss control activities; coordinates and prioritizes claims workload through ongoing assessment and staff management, and provides assistance as necessary.

Maintains the accuracy and confidentiality of data, records, and files. Ensures the development and maintenance of claims handling procedures and program enhancements to streamline claims processing and mitigate loss.

Organizes and conducts meetings.

Coordinates and implements city-wide safety and health policies, programs and training. Assists departments with specific safety and health related issues pertinent to their operations; ensures compliance with all federal, state and local regulations; ensures regulatory changes that may affect City operations are disseminated, provides recommendations, and monitors compliance.

Responsible for ensuring City compliance with the safety and health standards promulgated by the Occupation Safety & Health Administration (OSHA) Office.

May develop proposals and reports on liability and insurance related issues and present recommendations to City Management, City Council or others.

Negotiates and administers conflict resolution techniques.

Composes correspondence and prepares clear and comprehensive reports.

Ensures reports and studies are appropriately processed in accordance with federal, state, and city laws and ordinances.

Performs other duties as assigned.

MINIMUM QUALIFICATIONS:

Bachelor's Degree in Human Resources, Business Administration, Risk Management or related field, Master's Degree preferred.

3-5 years progressive experience in Human Resource Programs, Risk Management Mitigation, insurance claims management/fraud, Public Safety related investigations or any combination of experience.

Five years of progressively responsible related work experience that may include, but is not limited to: management and supervision of personnel, administration of benefits and pay, and compliance programs, Occupational Safety, Public Safety.

Working knowledge of laws and practices affecting human resource administration and Federal OSHA safety regulations.

PHYSICAL DEMANDS:

To perform this job successfully, an individual must be able to perform each essential duty and meet physical demands satisfactorily. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

The employee must be able to continuously remain in a stationary position; continuously operate a computer; frequently communicate in person, on the telephone, and in writing; frequently read printed reports; occasionally move throughout the office to access files, office equipment, etc; and occasionally travel to various locations off-site.

WORK ENVIRONMENT: Work frequently involves working with others in an office setting. May be required to investigate claims related property damage on-scene, gather and document evidence through both written and photographic means. May require exposure to potential hazardous materials and spills. May require investigation of damage with exposure to inclement weather conditions.

October 10, 2019

James Harris, Director of Human Resources
City of Bethel
Bethel AK, 99559

Dear James:

You have brought to APEI's attention that the City of Bethel is considering merging Risk Manager duties with the Human Resources Managers position and have requested APEI's opinion on the benefits of this decision as well as the ramifications if the decision is opposed. In a letter dated October 10, 2018, APEI's Executive Director, Barbara Thurston, expressed support for Risk Manager functions for the City of Bethel and identified several benefits for the City. Those benefits included a reduction in employee injuries and turnover, as well as reduced property losses. Additionally, should the decision be supported, the City can expect increased employee productivity. Ultimately, these benefits can save the City of Bethel money.

A few years ago, APEI and the City of Bethel discussed concerns about the frequency and severity of losses the City was experiencing and how the city was addressing those concerns. APEI came away from those discussions reassured about the direction the city was going with their risk management programs, including the hiring of a Risk Manager, or at a minimum - the addition of collateral Risk Management duties. We did eventually see a decrease in some types of claims. However, since being notified of the elimination of risk manager funding for a full-time position, we have been concerned about the possibility that the gains achieved in reduced claims could backslide.

A particular benefit is oversight of an organization-wide risk assessment and prevention program for the City of Bethel. By working with each city department, a risk manager is uniquely positioned to identify risks that affect more than one department and allow for a coordinated and consistent risk management program throughout the city. This coordinated effort not only allows risk management programs to be applied more consistently, but also reduces the overall cost of the program. A risk manager can also ensure that each department is adhering to the same level of commitment and work with those who need assistance in meeting current or developing new standards. By combining risk management duties, the human resources manager is uniquely positioned to address employee-specific risk management concerns before those concerns became safety or liability issues.

APEI recognizes that, with tight budgets, it's difficult to dedicate funds to a full-time position with benefits that are difficult to quantify. However, as the previous increased focus on risk management in the City of Bethel has shown, there are indeed benefits to having an individual perform this role. We encourage the City of Bethel to make every effort to approve funding. As always, APEI is willing to partner with the city and its HR/risk manager to provide support and tools to develop the city's risk management programs.

If there is any other way APEI can be of assistance to the City of Bethel, please don't hesitate to contact us.

Sincerely,



Carleen Mitchell
Deputy Director

Introduced by: Mayor Barr
Introduction Date: October 29, 2019
Public Hearing Date: November 12, 2019
Action:
Vote:

CITY OF BETHEL, ALASKA

Ordinance 19-11 (j)

AN ORDINANCE AMENDING THE CITY OF BETHEL FISCAL YEAR 2020 BUDGET

WHEREAS, the City of Bethel entered into a contract with GovHR for the recruitment of City Manager and City Attorney;

WHEREAS, that contract lists a required payment of \$28,000 for recruitment fees, and guarantees their recruitment services until a suitable candidate is confirmed for the two vacant positions;

WHEREAS, in addition to the recruitment fees, there was an allocation in the contract for incidentals and travel in the amount of \$10,000 as well as advertising in the amount of \$5,000;

WHEREAS, with the extension of the recruitment for each, there is a need for additional advertising of the two positions and additional allocation for incidentals and travel for the GovHR representative;

WHEREAS, the proposed budget amendment supports an allocation for advertisement costs based off the last recruitment fees as well as two trip for GovHR Representative to attend onsite interviews with Council;

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

SECTION 1. Classification. This is a non-codified Ordinance and shall not become part of the Bethel Municipal Code.

SECTION 2. Fiscal Year Budget Amendments. The following estimated revenues and expenditures are hereby appropriated for the corporate purposes and objects of the City of Bethel for Fiscal Year 2020.

J-1				
Line Item	Description	Approved Appropriations	Proposed Amendment	Proposed Total Appropriations
10-52-644	Consulting Services	41,000	10,000	51,000
50-71-699	Undesignated Fund Balance	0	(10,000)	0

City of Bethel, Alaska

Ordinance 19-11 (j)
1 of 2

Introduced by: Mayor Barr
Introduction Date: October 29, 2019
Public Hearing Date: November 12, 2019
Action:
Vote:

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

ENACTED THIS 12TH DAY OF NOVEMBER 2019 BY A VOTE OF _ IN FAVOR AND _ OPPOSED.

Perry Barr, Mayor

ATTEST:

Lori Strickler, City Clerk

General Information Manager/Attorney Recruitment

Total paid in Recruitment Fee: \$14,168 \$13,832 outstanding

Total Paid in Incidentals and Travel: \$3,141.96 \$6,858.04 remaining in the budget.

Total Paid in Advertising: \$3,632 \$1,368 remaining in the budget.

**The above expenses and allocations do not include the October travel/invoice.*

The Council previously approved the Position Announcements with a salary range \$125,000- 145,000. Below are some comparable. There are only a few in house attorneys listed because some communities have contracts with firms as opposed to in house. With this, there is a comparison of in house and contract below. The annual estimates for the contract attorney below are pulled from the Administration's budget which is an accurate estimate but does not include appropriations associated to grants which are expensed out under the grant accounts.

State Salary Range In House Attorney	State Salary Range City Manager
\$125,000 - \$145,000 Bethel's Proposed \$86,300 – 137,600 Anchorage \$109,300 - 153,920 Fairbanks \$81,100 - 133,120 Kenai \$151,800 Juneau \$141,400 Ketchikan \$124,800 – 135,200 Sitka	\$125,000 - \$145,000 Bethel's Proposed \$102,488-143,483 Anchorage \$107,286 - 153,420 Fairbanks \$165,006 Juneau \$109,990 Ketchikan \$130,000 Sitka \$123,510 City of Palmer \$80,017 – 143,998 City of Kotzebue \$103,480 City of Nome

Comparison -City Attorney in House/Contract

	In House Attorney	Contract Attorney
Timeline	3 Months + GovHR to initiate the advertisements and application acceptance/interviews/backgrounds.	2 months + Request for proposal drafting 1 week, proposal response period 30 days, evaluation period 1 week and contract agreement 2-3 weeks.
Costs	\$9,000 (\$2,500 for advertisement and \$7,000 for Recruitment Expenses to include travel for GovHR Representative). Not Budgeted \$3,000 per candidate to travel to Bethel for onsite interview. Not Budgeted	Personnel costs associated with the preparation and evaluation of the RFP.
Annual Estimates	\$175,856 FY 2013 <i>Includes salary/benefits</i> \$244,402 FY 2014 \$270,773 FY 2015 \$317,855 FY 2016 \$217,467 FY2017 \$219,296 FY2018	\$137,311 FY 2010 <i>Grant EXP excluded</i> \$193,781 FY 2011 \$119,323 FY 2012 \$99,748 FY 2013

POSITION ANNOUNCEMENT
CITY ATTORNEY

BETHEL, AK (Population: 6,500) is a remote city on the western coast of Alaska, approximately 400 miles west of Anchorage. Bethel is only accessible by air and water and it is the largest Kuskokwim River port, serving as a transportation and administrative hub for over 50 Alaskan villages. With a population of over 6,500, the city contains about 48 square miles of land with approximately 5 square miles as water. Bethel has been a conservative driven community placing value on keeping the financial stability of the community at the forefront of their capital planning and growth. The total budget for 2019-2020 including all funds is about \$31 million with a general fund budget of around \$15.6 million. The city currently has approximately 100 FTE employees.

Within Bethel, there are approximately 36 miles of roads which are not connected to any contiguous highway system. The Port of Bethel is the northernmost medium-draft port in the U.S.A. River travel is the primary means of local transportation in the summer and supports barge service that provides goods to Kuskokwim villages. The state-owned Bethel Airport is a regional transportation hub served by four passenger carriers and three major cargo carriers. The airport ranks third in the state for total number of flights.

Bethel is a vibrant and bustling community and continues to be a hub of commerce and transportation for its residents and surrounding villages. The city could see some potential growth in the coming years through two proposed housing developments. The median household income is approximately \$83,400 with 32% of the population under the age of 18 and only 7% of the population over the age of 65, it is a young community.

The successful candidate will have the following qualifications and experiences:

- A demonstrated knowledge of federal, tribal, state and local laws and ordinances, rules and regulations, particularly with respect to municipal operations and the ability to interpret and ensure compliance with applicable federal, tribal, state and local policies, rules, laws and regulations specific to the State of Alaska and the City of Bethel.
- Ability to work in conjunction with the Mayor, Council, City Manager as a credible and impartial legal advisor, maintaining professional objectivity and neutrality with respect to policy and procedural matters which may affect the municipal operations of Bethel.
- A Juris Doctorate Degree from an accredited law school and be admitted to and in good standing with the Alaska Bar or able to be admitted to the Alaska Bar prior to commencing employment with the City. A minimum of five (5) years of full-time experience (preferably seven (7)) as a practicing attorney in Civil or Administrative law, preferably for a municipality. Experience in Alaska is preferred. Residency is required.

The starting salary range for the position is \$125,000 - \$145,000 DOQ. The City will also offer an outstanding fringe benefit package including low cost health, dental and vision. Residency within the City is required. Interested candidates should apply online by August 30, 2019 with a cover letter, resume, and contact information for at least five (5) professional references to www.GovHRjobs.com and to the attention of Sarah McKee, Senior Vice President, GovHR USA, 630 Dundee Road, Suite 130, Northbrook, IL 60062. Tel: (847) 380-3240.

POSITION ANNOUNCEMENT

BETHEL, AK (Population: 6,500) is a remote city on the western coast of Alaska, approximately 400 miles west of Anchorage. Bethel is only accessible by air and water and it is the largest Kuskokwim River port, serving as a transportation and administrative hub for over 50 Alaskan villages. With a population of over 6,500, the city has about 48 square miles of which approximately 5 square miles is water. Bethel has been a conservative driven community placing value on keeping the financial stability of the community at the forefront of their capital planning and growth. The total budget for 2019-2020 including all funds is about \$31 million with a general fund budget of around \$15.6 million. The city currently has 100 FTE employees.

Within Bethel, there are approximately 16 miles of roads which are not connected to any contiguous highway system. The Port of Bethel is the northernmost medium-draft port in the U.S.A. River travel is the primary means of local transportation in the summer and supports barge service that provides goods to Kuskokwim villages. The state-owned Bethel Airport is a regional transportation hub served by four passenger carriers and three major cargo carriers. The airport ranks third in the state for total number of flights.

Bethel is a vibrant and bustling community and continues to be a hub of commerce and transportation for its residents and surrounding villages. The city could see some potential growth in the coming years through two proposed housing developments. The median household income is approximately \$83,400 with 32% of the population under the age of 18 and only 7% of the population over the age of 65, it is a young community.

The successful candidate will have the following qualifications and experiences:

- A strong commitment to creative problem-solving through teamwork and professionalism, outstanding supervisory and administrative skills, highly developed interpersonal and oral/written communication skills and ability to develop policies and procedures that evolve with the organization.
- A demonstrated record of leadership with a comprehensive knowledge of city/county management, governmental finances and budgeting, planning and growth, and consensus building.
- A bachelor's degree in public administration, public policy, business or related field and a Master's in Public/Business Administration from an accredited college or university is preferred along with extensive progressively responsible experience (5 to 7 years) in local government management, including significant experience at a senior level interacting with elected officials and other stakeholder groups. Experienced assistant and/or deputy managers/administrators are also encouraged to apply. Experience in Alaska is preferred.

The starting salary range for the position is \$125,000 - \$145,000 DOQ. The City will also offer an outstanding fringe benefit package including low cost health, dental and vision. Residency within the City is required. Interested candidates should apply online by XXXXX, 2019 with a cover letter, resume, and contact information for at least five (5) professional references to [\(INSERT LINK\)](#) and to the attention of Sarah McKee, Senior Vice President, GovHR USA, 630 Dundee Road, Suite 130, Northbrook, IL 60062. Tel: (847) 401-3240.

Introduced by: Mayor Barr
Date: October 29, 2019
Public Hearing: November 12, 2019
Action:
Vote:

CITY OF BETHEL, ALASKA

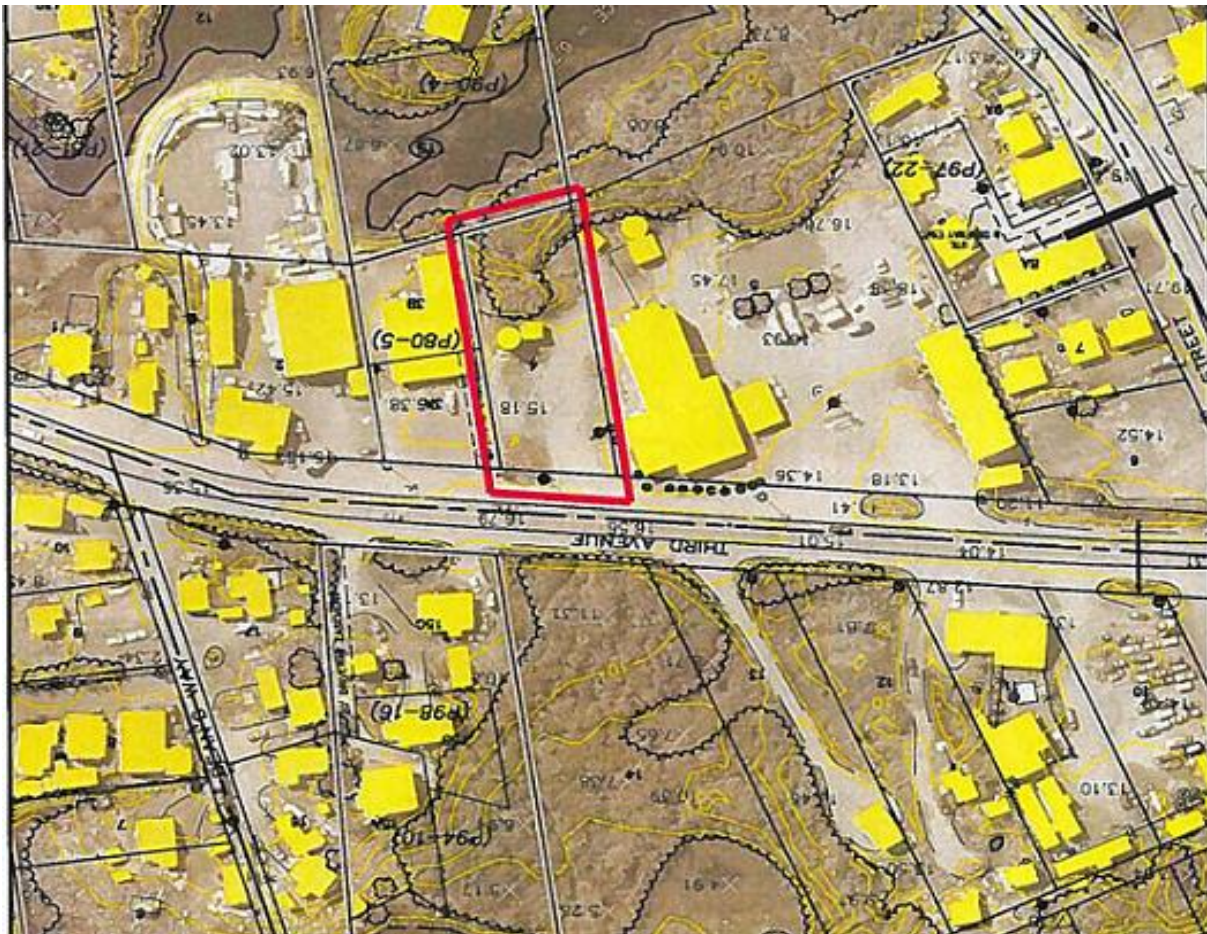
Ordinance #19-21

**AN ORDINANCE AUTHORIZING THE DISPOSAL OF LOT 4, BLOCK 15,
UNITED STATES SURVEY 3230 A & B, BETHEL RECORDING DISTRICT 4TH
JUDICIAL DISTRICT (781 THIRD AVE.)
PURSUANT TO BMC 4.08.030(D), DISPOSAL TO COMPROMISE CLAIM**

WHEREAS, the City of Bethel owns a parcel of land situated at 781 Third Avenue;

WHEREAS, the legal description for the land is Lot 4, Block 15, United States Survey 3230 A & B, Bethel Recording District, Fourth Judicial District, State of Alaska;

WHEREAS, the property is pictorially depicted as:



City of Bethel, Alaska

Ordinance #19-21
1 of 3

Introduced by: Mayor Barr
Date: October 29, 2019
Public Hearing: November 12, 2019
Action:
Vote:

WHEREAS, on April 23, 2019, the City of Bethel entered into a 15-year lease agreement with Essenkay, LLC, authorized by the City Council through Ordinance 19-04;

WHEREAS, Article 4.06 of the lease agreement requires that tenant "shall observe and comply with all state and federal laws, municipal ordinances, rules and regulations" which may be applicable to the leased premises;

WHEREAS, on May 28, 2019, the Administration signed a "Lease Addendum", which purported to modify the lease to allow Essenkay, LLC to operate a marijuana business on the leased premises, however, the addendum was not approved by the City Council pursuant to Bethel Municipal Code 4.08.010(B);

WHEREAS, in an August 28, 2019 letter to Essenkay, LLC, the Administration provided notice that the purported lease addendum is of no force and effect under these circumstances because the use of the leased premises for the operation of a marijuana business would violate Article 4.06 of the lease;

WHEREAS, on September 9, 2019, the City of Bethel received a letter from an attorney representing Essenkay, LLC, alleging that the City was in breach of the lease, alleging liability for damages, and threatening litigation;

WHEREAS, Bethel Municipal Code 4.08.030(D) authorizes the City Council to dispose of real property owned by the City to compromise disputed claims of litigation;

WHEREAS, in compromise of a disputed claim, and without any admission of liability, the City wishes to sell the property at the pre-lease fair market value, ~~less Essenkay's improvements to the land;~~

WHEREAS, the land area consists of 23,748 square feet falling in the General Use Zone;

SECTION 1. Classification. This ordinance is of a general nature and shall not become a part of the Bethel Municipal Code.

SECTION 2. Authorization. Pursuant to Bethel Municipal Code 04.08.030(D) "Disposal to Compromise Claim."

SECTION 3. NOW, BE IT ORDAINED, the City Council authorizes the disposal of Lot 4, Block 15, United States Survey 3230 A & B, Bethel Recording District in the amount of

Introduced by: Mayor Barr
Date: October 29, 2019
Public Hearing: November 12, 2019
Action:
Vote:

the pre-lease fair market value to compromise a disputed claim of litigation, in accordance with Bethel Municipal Code 4.08.030(D).

SECTION 4. Effective Date. This Ordinance shall become effective upon passage by the Bethel City Council.

ENACTED THIS ___ DAY OF NOVEMBER 2019, BY A VOTE OF _ IN FAVOR AND 0 OPPOSED.

Perry Barr, Mayor

ATTEST:

Lori Strickler, City Clerk

**COMMERCIAL LEASE BETWEEN
CITY OF BETHEL and
ESSENKAY, LLC**

This LEASE is made on April 23, 2019 by and between the City of Bethel, a municipal corporation ("Landlord") and Essenkay, LLC ("Tenant").

**ARTICLE 1
LEASED PREMISES AND TERM**

- 1.01 **Leased Land.** Landlord, for and in consideration of the rents, covenants and conditions hereinafter specified to be paid, performed and observed by Tenant, hereby leases to Tenant and Tenant hereby leases from Landlord, a parcel of land situated in the Bethel Recording District, Fourth Judicial District, State of Alaska, more particularly described as:

Lot 4, Block 15, United States Survey 3230 A & B, Bethel
Recording District, Fourth Judicial District, State of Alaska.

Latitude/Longitude: 67° 47' 41" North / 164° 45' 27" West,
NAD 83 Datum

together with all rights, easements, privileges, both subterranean and vertical, and appurtenances attaching or belonging to the described land, but subject to the reservation contained in paragraph 1.02 and the Covenants contained in Article 4 hereof (herein called the "Leased Premises").

- 1.02 **Reservation of Minerals.** All oil, gas, coal, geothermal resources and minerals whatever nature in or under the above-described land are excluded from the Leased Premises and are reserved to Landlord; provided, however, that during the term of this Lease, Landlord shall not have the right to enter on the surface of the Leased Premises for the purpose of mining and/or excavating such oil, gas, coal, geothermal resources or minerals.
- 1.03 **Improvements Owned by Landlord.** The following described improvements ("Landlord's Improvements") are situated on and are part of the Leased Premises and are and shall remain throughout the term of this Lease the property of the Landlord:

All fill, retaining walls, berms, earth contours, wells, utility pipes and lines and all other at-surface or below-surface improvements situated on the Leased Premises on the date of this Lease. Tenant may improve the Leased Premises by removing Landlord's improvements but only after the written consent of the Landlord has been obtained. Such consent shall not be unreasonably withheld.

- 1.04 **Lease Term.** This Lease shall be and continue in full force and effect for a term of fifteen (15) years commencing on April 23, 2019 and terminating on April 30, 2034 unless earlier terminated in accordance with the terms of this Lease.
- 1.04 **Holdover (with Consent).** If Tenant continues occupying the Premises after the Term ends (Holdover) and if the Holdover is with Landlord's written consent, it shall be a month-to-month tenancy, terminable on thirty (30) days advance notice by either party. During the holdover period, rent shall automatically be increased by ten (10%) percent and will remain due and owing on the first day of each month.
- A. **Holdover (without consent).** If the Holdover is without Landlord's written consent, then Tenant shall be a tenant-at-sufferance and shall be liable for any damages suffered by Landlord because of Tenant's Holdover. Landlord shall retain all remedies against Tenant who holds over without written consent.
- B. **Holdover Terms.** The Holdover shall be on the same terms and conditions of the Lease except: (i) the Term; (ii) Rent; (iii) any extension Term is deleted; (iv) the Quiet Possession provision is deleted; (v) consent to a sublease may be unreasonably withheld and delayed; (vi) the provision on Landlord's Default is deleted; and (vii) the Defaulting Party may be Tenant only.

ARTICLE 2 RENT

2.01 **Rent.** Effective May 1, 2019, Tenant shall pay to Landlord, without deduction and without notice or demand, net of all real property taxes, assessments, rates and other charges required to be paid by Tenant under this Lease with respect to the Leased Premises, Two Thousand and One Dollars (\$2,001) per month on or before the 1st day of each month during the Lease Term.

ARTICLE 3 QUIET ENJOYMENT

Upon timely payment by Tenant of all rent and other payments required to be paid by Tenant under this Lease, and upon full and faithful observance and performance by Tenant of all of its covenants contained in this Lease, and so long as such observance and performance continues, Tenant shall peaceably hold and enjoy the Leased Premises during the Lease Term without hindrance or interruption by Landlord or anyone lawfully claiming by, through, or under it.

ARTICLE 4 TENANT'S COVENANTS

4.01 Improvements Required by Law. Tenant, at Tenant's own expense, during the Lease Term and subject to the requirements of this Lease, shall make, build, maintain and repair all fences, sewers, drains, roads, road widening, driveways, sidewalks, water, underground electric and telecommunications lines, curbs, gutters and other installations which may be required by law to be made, built, maintained, or repaired upon, and in connection with, or for use of the Leased Premises or any part of it, and regardless of whether the same were erected by Landlord or in existence at the inception of this Lease. In case any such installations required by law shall be made, built, maintained or repaired by Landlord after giving the required notice provided for in paragraph 4.08, and if Tenant does not complete the required work within the timeframe provided for in the notice, Tenant shall reimburse Landlord for the actual reasonable costs to cover Landlord's overhead, upon presentation of a bill therefore, as additional rent.

4.02 Landlord's Improvements on the Premises. Landlord currently has a number of improvements on the Premises such as, but not limited to, a well and a small Shack. Tenant is not responsible for maintaining any of Landlord's improvements. However, Landlord currently has no plans to utilize the improvements, especially the well. Tenant agrees that Landlord has no responsibility for maintaining the improvements or making them useable for Tenant.

Should Tenant wish to remove any of Landlord's improvements currently situated on the Premises, Tenant shall file a written request to the Landlord. Consent by the Landlord shall not be unreasonably withheld.

4.03 Additions and Alterations to Leased Premises. "Significant Work" as used in this section, means all work which (1) involves the excavation, filling, or other alteration of the grade or drainage of the leased Premises, or (2) involves the construction, demolition, or removal on or from the Leased Premises of any improvement.

Tenant shall not make alterations to the grade or drainage of the Leased Premises without the written approval of the Landlord. Landlord shall not alter the grade or drainage of the adjacent properties such that drainage will flow over or through the Leased Premises of the Tenant.

4.04 Repair and Maintenance. Tenant shall, at Tenant's expense and without notice from Landlord, at all times during the Lease Term, keep all improvements now or hereafter built, purchased, installed or owned by Tenant on the Leased Premises, especially those improvements constructed thereon which are exposed to the view of the public (including but not limited

to exterior building walls, windows, doors, fences, signs, landscaping, and yard areas) in good order, condition, maintenance, operability, and repair and of a neat, clean and pleasing appearance to Landlord.

4.05 **Snow Removal.** Tenant shall be responsible for snow removal on the Leased land.

4.06 **Observance of Laws.** Tenant, at all times during the Lease Term, at its own expense, and with all due diligence shall observe and comply with all state and federal laws, municipal ordinances, rules and regulations which are now in effect or may later be adopted by any governmental agency, and which may be applicable to the Leased Premises or any improvement on it or any use of it, and shall promptly furnish such evidence of compliance with such laws, ordinances, rules and regulations as Landlord may request from time to time.

In furtherance, and not in limitation, Tenant must, at its own expense, comply with all laws, ordinances, regulations and administrative agency or court orders relating to health, safety, noise, environmental protection, waste disposal, hazardous or toxic materials, and water and air quality. In the event any discharge, leakage, spillage, emission or pollution of any type occurs upon or from the Leased Premises during the Lease Term or any holdover thereafter, Tenant, at its own expense, must clean and restore the Leased Premises to the satisfaction of the Landlord and any governmental body or court having jurisdiction over the matter. However, Tenant shall not be responsible for the clean-up or restoration of the Leased Premises resulting from any discharge, leakage, spillage, emission or pollution to the Leased Premises from surrounding or adjacent premises unless Tenant's actions caused in whole or in part such discharge, leakage, spillage, emission, or pollution, in which case Tenant shall be responsible for the portion of such discharge, leakage, spillage, emission or pollution which was caused by Tenant.

Landlord warrants that at the time this Lease between the parties, Landlord is not aware of any hazardous or toxic materials on the land.

4.07 Tenant agrees to hold harmless Landlord against all liability, cost and expense (including without limitation, any fines, clean-up costs, judgments, litigation costs, and attorneys' fees) incurred by or levied against Landlord as a result of Tenant's breach of this Lease.

4.08 **Inspection and Repair by Landlord.** Tenant shall repair, maintain, and make good, all conditions required under the provisions of this Lease to be repaired or maintained within five (5) working days from the date of written notice from Landlord with regard to removal of trash or debris, landscape or yard maintenance, snow removal or cleaning, or parking lot lighting

replacement and repair, and within thirty (30) days from the date of written notice from Landlord with regard to all other matters. If Tenant refuses or neglects to repair or maintain the Leased Premises as required under the terms of this Lease to the reasonable satisfaction of the Landlord after written demand, then Landlord, without prejudice to any other right or remedy it has under this Lease or otherwise, may perform such maintenance work or make such repairs without liability to Tenant for any loss or damage that may accrue to Tenant's property or Tenant's business by reason of the work or repairs. Upon completion of any such repair or maintenance, and no later than ten (10) days after presentation of a bill therefore, Tenant shall pay, as additional rent, Landlord's actual costs for making such repairs or performing such maintenance. However, Tenant shall not be responsible for the replacement or repair of any street lights that may illuminate the Premises.

- 4.09 **Waste and Wrongful Use.** Tenant shall not commit or suffer any waste of the Leased Premises or any unlawful, unsafe, improper, or offensive use thereof or any public or private nuisance thereon.
- 4.10 **Setback.** Tenant shall observe all setback lines applicable to the Leased Premises and shall not construct or maintain any building or other structure between any street boundary of the Leased Premises and any setback along such boundary, except for fences or walls approved by Landlord.
- 4.11 **Liens.** Tenant shall not commit or suffer any act or neglect whereby the Leased Premises or the interest of Landlord or Tenant therein at any time during the Lease Term may become subject to any attachment, execution lien, charge, or other encumbrance, and shall defend, indemnify and hold Landlord harmless against all losses, costs, and expenses, including reasonable attorney's fees, paid or incurred by Landlord in connection therewith.
- 4.12 **Indemnification.** Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims arising from (1) Tenant's use of the Leased Premises, or from the conduct of Tenant's business, or from any activity, work or things done, permitted or suffered by Tenant in or about the Leased Premises; (2) any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease; (3) any negligence of Tenant, or any of Tenant's agents, contractors, customers or employees, or any person claiming by, through or under Tenant; and (4) any accident on or in connection with the Leased Premises, or any fire thereon, or any nuisance made or suffered thereon when and to the extent such claim arises from the negligence of Tenant.

Tenant, upon notice from Landlord, shall defend any of the above described claims at Tenant's expense. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons,

in, upon or about the Leased Premises. However, this section does not require Tenant to indemnify, defend and hold harmless Landlord from and against any portion of a claim to the extent that portion of the claim is caused by Landlord's negligence, or the negligence of Landlord's agents, contractors or employees arising from Landlord's activities on the Leased Premises. To the extent permitted by law, Landlord shall indemnify, defend, and hold harmless Tenant from and against any portion of a claim to the extent that portion of the claim is caused by Landlord's negligence, or the negligence of Landlord's agents, contractors or employees arising from Landlord's activities on the Leased Premises.

Tenant acknowledges that before entering into this Lease it has fully inspected or been provided with an opportunity to fully inspect the Leased Premises and all documents in the possession of Landlord relating to the condition of the Leased Premises, and to test or examine all conditions of or on the Leased Premises. Tenant further acknowledges that, at the time this Lease is entered into and on the basis of the foregoing inspection or opportunity to inspect, Tenant is as knowledgeable about the physical condition of the Leased Premises as Landlord, and on that basis, assumes all risks relating to the condition of the Leased Premises, except risks relating to environmental pollution not caused by Tenant.

- 4.13 **Costs and Expenses of Landlord.** Tenant shall forthwith pay to Landlord all costs and expenses, including reasonable attorney's fees, which are (1) paid or incurred by Landlord but are required to be paid by Tenant under any provision of this Lease; (2) paid or incurred by Landlord in enforcing any covenant of Tenant contained in this Lease, in protecting itself against or remedying any breach thereof, in recovering possession of the Leased Premises or any part thereof, or in collecting or causing to be paid any delinquent rents, taxes, assessments, or rates; (3) incurred by Landlord in reviewing any matter for which Landlord's approval is sought and in processing such approval under this Lease; or (4) incurred by Landlord in connection with any other action in any respect related to this Lease, the Leased Premises, or Tenant's actions or omissions and the Leased Premises, other than a condemnation action filed by or against Tenant, to and in which Landlord is made a party but not adjudicated to be at fault. The term "costs and expenses" as used in this Lease shall include but not be limited to all of Landlord's out-of-pocket expenditures attributable to the matter involved. Except as otherwise expressly provided herein, all costs and expenses of Landlord shall be payable by Tenant to Landlord forthwith after mailing or personal delivery of statements therefore to Tenant. Such obligations and interest shall constitute additional rents.

- 4.14 **Surrender of Leased Premises and Improvements.** Upon the expiration or termination (including termination resulting from Tenant's breach) of this Lease, Tenant, without further notice, shall deliver to Landlord, possession of

the Leased Premises. Tenant's improvements shall remain the property of Tenant. At the expiration or termination of the Lease, or any extended term thereof, Tenant shall remove, demolish, or otherwise dispose of all Tenant's improvements within one hundred twenty (120) days of expiration or termination, unless Landlord agrees otherwise, in writing, and shall leave Leased Premises in a clean and cleared condition. In the event of failure or refusal of Tenant to surrender possession of the Leased Premises or to remove Tenant's improvements from the Leased Premises in accordance with this paragraph, Landlord shall have the right to re-enter the Leased Premises and remove therefrom Tenant or any other person, firm or corporation claiming by, through or under Tenant, and to declare abandoned and/or remove Tenant's improvements therefrom, and to obtain damages for trespass from Tenant, including but not limited to the actual costs of removal.

- 4.15 **Utility Services.** Tenant shall arrange for its own utility services and bear all costs for utilities.
- 4.16 **Discrimination Prohibited.** Tenant will not unlawfully discriminate in allowing access to and use of the Leased Premises on the grounds of race, color, religion, national origin, ancestry, marital status, disability, gender, sex, sexual orientation, gender identification, or other legally protected status.
- 4.17 **Underground Conditions and Water Drainage.** Tenant has made, or prior to the construction of any improvements on the Leased Premises will make, its own soil tests of the Leased Premises. This Lease is made subject to and without any liability on the part of the Landlord, its agents or employees because of or resulting from any fill or any subsurface or soil condition on the Leased Premises. Tenant shall not drain or discharge water from the Leased Premises onto adjoining land. The Leased Premises shall be graded and drained to cause the discharge of all water on the Leased Premises at a location or locations approved by Landlord, or into an established drainage easement, if any, on the Leased Premises.

ARTICLE 5 INSURANCE

- 5.01 **Liability Insurance.** During the entire Lease Term, and during any holdover thereafter, whether or not authorized by Landlord, Tenant shall keep in full force and effect, a policy or policies of general liability and property damage insurance which satisfies the coverage requirements set by Landlord with respect to the Leased Premises and the business operated by Tenant in which the limit of bodily injury, death, and property damage liability shall be not less than ONE MILLION DOLLARS per occurrence and not less than TWO MILLION DOLLARS in the aggregate, or such higher limits as Landlord may specify; provided, however, that no such limit shall in any way limit Tenant's liability or be construed as a representation of sufficiency to fully protect Tenant or Landlord. The policy or policies purchased pursuant to this paragraph shall name the Tenant as an

insured and the Landlord as an additional insured with respect to the Leased Premises and the business operated by Tenant on the Leased Premises. A copy of each policy shall be provided to Landlord within three (3) days of the date this Lease is entered into.

5.02 Policy Provisions. Each policy of comprehensive general liability described above shall:

Provide that the liability of the insurer thereunder shall not be affected by, and that the insurer shall not claim, any right of setoff; counterclaim, apportionment, proration, or contribution by reason of any other insurance obtained by or for Landlord, for any person claiming by, through or under Landlord.

Contain no provision relieving the insurer from liability for loss occurring while the hazard to buildings and/or other improvements is increased, whether or not within the knowledge of control of; or because of any breach of warranty or condition or any other act or neglect by Landlord, or any person claiming by, through or under Landlord.

Provide that such policy may not be canceled, whether or not requested by Tenant, unless the insurer first gives not less than thirty (30) days prior written notice thereof to Landlord.

Contain a waiver by the insurer of any right to subrogation to any right of Landlord or Tenant against either of them or against any person claiming by either of them.

ARTICLE 6 EMINENT DOMAIN

6.01 Permanent Taking. In the event of a taking by an entity of competent jurisdiction of all or materially all of the Leased Premises, or the determination of the Landlord that all or materially all of the Leased Premises is necessary for a public purpose, this Lease shall terminate on the earlier of vesting of title in, or the taking of possession by the condemner, or the written determination of the Landlord.

If less than materially all of the Leased Premises are taken or if the Landlord determines that it needs less than materially all of the Leased Premises for a public purpose (herein called a "partial taking"), this Lease shall continue in effect except as to the portion so taken or condemned, but the rent to be paid by Tenant shall thereafter be reduced by a percentage equal to the proportion that the number of square feet in the Leased Premises so taken bears to the number of square feet of Leased Premises before the partial taking.

6.02 Disposition of Proceeds. Landlord is entitled to all proceeds of condemnation except those proceeds specifically allocated for Tenant's improvements.

- 6.03 **Temporary Taking.** If the whole or any part of the Leased Premises or of Tenant's interest under this Lease is taken by any competent authority for its temporary use or occupancy, this Lease shall not terminate by reason thereof and Tenant shall continue to pay all rental payments and other charges payable by Tenant hereunder and to perform all other terms, covenants, and conditions contained herein, except to the extent Tenant is prevented from so doing by the terms of the order of the taking authority. In the event of a temporary taking, Tenant shall be entitled to receive the entire amount of the award and shall be obligated, at its sole expense, to restore the Leased Premises as nearly as may be reasonably possible to the condition in which they existed immediately prior to such taking; provided, however, that if the period of temporary use or occupancy extends beyond the expiration of the Lease Term, the award shall be apportioned between Landlord and Tenant as of said date of expiration, after Landlord shall have received the entire portion of the award attributable to physical damage to the Leased Premises and any improvements thereon and to the restoration thereof to the condition existing immediately prior to the taking or condemnation.
- 6.04 **Casualty.** If the improvements on the Leased Premises shall be damaged or rendered wholly or partially unusable for Tenant's business purposes by fire or other casualty during the Term of this Lease, Tenant may terminate this Lease by giving notice to Landlord within ninety (90) days of the date of the fire or other casualty. If Tenant does not terminate this Lease, no rent shall abate after the date of the casualty, whether the Leased Premises is usable or not, and Tenant shall promptly rebuild or repair the improvements to substantially their former condition.

ARTICLE 7 ASSIGNMENTS AND MORTGAGES

Landlord's Consent Required. Tenant shall not voluntarily or by operation of law assign, transfer, mortgage, or otherwise transfer or encumber all or any part of Tenant's interest in this Lease or in the Leased Premises without Landlord's prior written consent. Because Landlord's Premises are publicly owned, such consent may not be easily granted and will require significant City Council involvement. Any attempted assignment, transfer, mortgage, or encumbrance without such consent shall be void and shall constitute a breach of this Lease.

ARTICLE 8 SUBLETTING OF PREMISES

- 8.01 Tenant intends to sublease all or a portion of the Premises. Landlord acknowledges and accepts Tenant's intent to sublease and hereby consents to any subleases subject to the provisions set forth herein.

Tenant acknowledges that any subleases of the Premises shall be in compliance with (a) all applicable covenants, conditions and restrictions of record; and (b) all laws, ordinances and government regulations in effect during the Term of this Lease.

- 8.02 **Landlord's Consent.** Tenant shall make written application to Landlord for any and all subleases. Consent to Tenant's request to sublease shall not be unreasonably withheld. Tenant acknowledges that Landlord's refusal to consent to a sublease for a subtenant who is in arrears with the City of Bethel shall not be unreasonable. Tenant further acknowledges that Landlord's consent to a Sublease shall not in any way reduce, modify or absolve the Tenant from its obligations under this Lease Agreement.
- 8.03 **Conditions.** Subleases by Tenant are also subject to the terms of this Lease and the Term shall not extend beyond the Lease Term.
- 8.04 **Subtenants.** Subtenants shall not assign the Sublease nor sublet the subleased Premises in whole or in part and shall not permit the subtenant's interest in the sublease or the subleased Premises to be vested in a third party by operation of law or otherwise.
- 8.05 The execution of consent by Landlord shall not be deemed to be a consent to any subsequent assignment or subletting by either sublandlord or subtenant.

ARTICLE 9 TERMINATION, DEFAULT AND DEFEASANCE

9.01 **Event of Default:** Each of the following events shall be a default by Tenant and a breach of this Lease:

- A. **Failure to Continuously Operate a Facility for the General Public.**
If the land is used for commercial or retail purposes, to be available to the general public does not require that all members of the general public be admitted, only that there be no discrimination in admission based on race, gender, sexual orientation, gender identify age, sex or other protected category. Additionally, continuously operate shall be defined as open and operating regularly scheduled days and hours with no more than ninety (90) calendar days closure during any calendar year.
- B. **Failure to Perform Covenants.** Abandonment or surrender of the Leased Premises or of the leasehold estate, or failure or refusal to pay when due any installment of rent or any other sum required by this Lease to be paid by Tenant or to perform as required or conditioned by any other covenant or condition of this Lease.
- C. **Appointment of Receiver.** The appointment of a receiver or trustee to take possession of the Leased Premises or improvements or of the Tenant's interest

in the leasehold estate or of Tenant's operation on the Leased Premises for any reason, including but not limited to, assignment of benefit of creditors, but not including receivership pursuant to administration of the estate of any deceased or incompetent Tenant.

9.02 Notice and Right to Cure

- A. **Notices.** As a precondition to pursuing any remedy for an alleged default by Tenant, Landlord shall, before pursuing any remedy, give notice of default to Tenant.
- B. **Method of Giving Notice.** Landlord shall give notice of default by either personal service or by first class mail.
- C. **Tenant's Right to Cure Default(s).** If the alleged default is nonpayment of rent, Tenant shall have five (5) days after the notice is given to cure the default. For the cure of any other default, Tenant shall promptly and diligently cure the default and shall have thirty (30) days after notice is given to complete the cure.
- D. **Non-Waiver.** Acceptance by Landlord of any rents shall not be deemed to be a waiver by it of any breach by Tenant of any of its covenants contained in this Lease or of the right of Landlord to re-enter the Leased Premises or to declare forfeiture for any such breach. Waiver by Landlord of any breach by Tenant shall not be deemed to be a waiver of the right of Landlord to declare forfeiture for any other breach or of any other covenant.

9.03 Right of Landlord to Protect Against Default

If Tenant fails to observe or perform any of its covenants contained herein, Landlord, at any time thereafter and with seven (7) days' notice, or in the case of a situation deemed by Landlord to constitute an emergency, without notice, shall have the right but not the obligation to observe or perform such covenant for the account and at the expense of Tenant, and shall not be liable to Tenant or anyone claiming by, through, or under it for any loss or damage by reason thereof to the occupancy, business, or property of any of them. All costs and expenses paid or incurred by Landlord in observing or performing such covenant shall constitute additional rents, which Tenant shall forthwith pay to Landlord upon statements therefore.

9.04 Landlord's Remedies

If any default by Tenant shall continue uncured, following notice of default as required by this Lease, for the period applicable to the default, Landlord has the following remedies in addition to all other rights and remedies provided by law or equity or other provisions of this Lease, to which Landlord may resort cumulatively or in the alternative. The election of one remedy for any one default shall not foreclose an election of any other remedy for another default or for the same default at a later time.

- A. **Termination in the Event of Default.** Landlord may, at Landlord's election, terminate this Lease in the event of default by giving Tenant notice of termination. On the giving of the notice, all Tenants' rights in the Leased Premises shall terminate. Promptly after notice of termination, Tenant shall surrender and vacate the Leased Premises and all Improvements not required to be removed, and Landlord may re-enter and take possession of the Leased Premises and all remaining improvements. Termination under this paragraph shall not relieve Tenant from the payment of any sum then due to Landlord or from any claim for damages previously accrued or accruing against Tenant, or any other relief available to Landlord.
- B. **Recovery of Rent.** Landlord shall be entitled, at Landlord's election, to each installment of rent or to any combination of installments for any period before termination, plus interest at the rate of twelve and a half (12.5%) percent from the due date of each installment.
- C. **Tenant's Personal Property.** Landlord may, if Tenant fails to remove personal property or Tenant's improvements within the time allowed above, use Tenant's personal property, Tenant's improvements and trade fixtures on the Leased Premises, or any of such property without liability for use or damage, or store them at the sole risk and cost to Tenant.
- D. **Damages.** Landlord shall also be entitled, at Landlord's election, to damages in the following sums: (1) all amounts that would have fallen due as rent between the time of termination and the time the Leased premises are relet; (2) the amount, if any, by which the rent under this Lease exceeds the rent under any subsequent Lease upon reletting calculated over the Lease Term; and (3) all administrative, marketing, maintenance, repair, cleaning and similar costs incurred by Landlord.
- E. **Application of Sums Collected by Landlord.** Landlord shall apply all proceeds of reletting as follows: First, to the payment of reasonable expenses (including attorney's fees and broker's commissions or both) paid or incurred by or on behalf of Landlord. Second, in recovering possession, placing the Leased Premises and improvements in good condition, and preparing or altering the Leased Premises or improvements for reletting. Third, to the reasonable expenses of securing new Tenants. Fourth, to the fulfillment of Tenant's covenants to the end of the Lease term; and finally, to Landlord's uses and purposes.
- F. **Costs.** In the event Tenant shall be in default in the performance of any of its obligations under this Lease, and Landlord takes any action to enforce this Lease, including, but not limited to, court action, Tenant shall pay Landlord all the expenses incurred by Landlord in taking such action including full and reasonable attorney's fees.

9.05 **Early Termination by Tenant.** In the event Tenant desires to terminate the Lease Agreement before the natural expiration date, Tenant may so cancel provided that the following conditions are fully met. Failure to fulfill all of the conditions will be a breach of this Lease Agreement.

- A. Written notice of early termination must be received by Landlord not later than one hundred twenty (120) calendar days prior to the proposed termination date.
- B. Rent must be paid through the termination date.
- C. The termination date must be the end of the month. No mid-month termination dates will be accepted.
- D. If Tenant terminates the Lease prior to the completion of the Lease as contemplated by this Agreement, Tenant shall pay a penalty equal to twelve (12) months' rent, payable within no more than thirty (30) days upon termination of the Lease. Such payment will be considered liquidated damages as penalty for early termination.
- E. Upon payment by Tenant to Landlord of liquidated damages, Landlord formally waives its rights to any additional remedies it may have under paragraphs 9.04(B), (D) and (E) above.

ARTICLE 10 GENERAL PROVISIONS

10.01 Landlord's Right to Entry, Inspection and Repair

Landlord may enter and inspect the Premises, at any time during regular business hours, with or without the presence of Tenant or its authorized representative, after giving twenty-four (24) hours advance notice to Tenant of such inspection. To protect the confidentiality of Tenant's clients, Landlord shall take every step possible to not enter without the presence and consent of Tenant except in an emergency or upon agreement by Tenant, such agreement not to be unreasonably withheld or refused. In the event of an emergency, Landlord may enter and inspect the Leased Premises on reasonable notice to Tenant (including no notice if the circumstances warrant) and make such repairs or institute such measures, on the account and at the expense of Tenant, as may be necessary to avert or terminate the emergency. An emergency is any action, event or condition, either extant or imminent, that threatens significant damage to property or injury to persons on or near the Leased Premises, and includes, but is not limited to, flood, fire, explosion, uncontrolled dangerous discharge or release of water or fluids, or the unauthorized or illegal placement of hazardous or toxic materials on Leased Premises). The provisions of this paragraph apply to Landlord solely in its capacity as Landlord hereunder and not in any other capacity.

10.02 Notices

All notices, requests, demands and other communications hereunder shall be deemed given only if in writing signed by an authorized representative of the sender and delivered by facsimile, email (with a hard copy mailed first class) or mailed and addressed to the respective parties as follows:

To Landlord:
City Manager
City of Bethel
P.O. Box 1388
Bethel, Alaska 99559

With Required Copy to:

City of Bethel Legal Department
PO Box 1388
Bethel, Alaska 99559-1388

To Tenant:
Essenkay, LLC
PO Box 2343
Bethel AK 99559-2343

10.03 Covenants and Conditions

Every provision in this Lease which imposes an obligation upon Tenant or invests an option, power, or right in Landlord shall be deemed to be a covenant of Tenant in favor of Landlord, and the time of observance and performance by Tenant of each such covenant shall be of the essence. Full and faithful observance and performance by Tenant of each of its covenants contained in this Lease shall be a condition of this Lease.

10.04 Integration and Amendment

Except as otherwise expressly provided in this Lease, this Lease is a complete integration of every agreement and representation made by or on behalf of Landlord and Tenant with respect to the Leased Premises, and no implied covenant or prior oral or written agreement shall be held to vary the provisions of this Lease, any law or custom to the contrary notwithstanding. No amendment or other modification of the provisions of this Lease shall be effective unless incorporated in a written instrument duly executed and acknowledged by Landlord and Tenant.

10.05 Survival and Severability

If any provision of this Lease shall be deemed to be void or otherwise unenforceable by any court or other tribunal of competent jurisdiction, other than at the initiative or with the support of Landlord, within thirty (30) days of receipt of written notice of such holding, Landlord shall have the right and option, exercisable by written notice thereof to Tenant, to terminate this Lease effective as of the date of such written notice of exercise. It is understood and agreed that otherwise this Lease, except for such provision so held to be void or otherwise unenforceable, shall remain in full force and effect.

10.06 Binding Effect

This Lease shall be binding upon and shall inure to the benefit of Landlord and Tenant and their respective successors and assigns. The designations "Landlord" and "Tenant" include their respective successors and assigns and shall be so construed that the use of the singular includes the plural number, and vice versa, and the use of any gender include the other genders. If at any time during the Lease Term Tenant is more than one person or entity, including persons who are partners and operate Tenancy as a partnership, their liability thereunder shall be joint and several.

10.07 Landlord's Authority to Convey Fee Title

Landlord retains the absolute and unconditional right to convey fee title in the Leased Premises or an interest or estate therein, subject to this Lease and the interest of any Qualified Mortgagee.

10.08 Tenant's Authority to Execute Lease

The Tenant represents that the person signing this Lease on its behalf has been duly authorized to sign this Lease and has the authority to bind the Tenant.

10.09 Captions

The captions of the paragraphs are for convenience only, are not operative, and neither limit nor amplify in any way the provisions hereof.

10.10 Execution and Counterparts

This Lease may be executed in two or more counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

10.11 Governing Law/Construction

This Lease shall be construed and governed by the laws of the State of Alaska. This Lease was negotiated between the parties and shall not be strictly construed against either party. In the event that a question, dispute, or requirements for interpretation or construction shall arise with respect to this Lease, jurisdiction and venue shall lie exclusively with the Bethel Court in the Fourth Judicial District at Bethel, Alaska.

IN WITNESS WHEREOF. Landlord and Tenant have duly executed and acknowledged this Lease.

CITY OF BETHEL

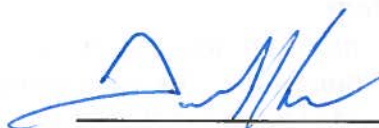
ESSENKAY, LLC



William F. Howell, III
Acting City Manager



Naim Shabani
Member



Jared Karr
Member

LEASE ADDENDUM #1

This Lease Addendum #1 is made the 28th day of May, 2019, by and between the City of Bethel, ("Lessor"), and Essenkay, LLC, ("Lessee"), an Alaska corporation.

Whereas, Lessor and Lessee understand and agree to the following:

1. The Lessee/Lessor understand and agree the property at 781 3rd Avenue is going to be used for a marijuana business.
2. The Lessee/Lessor understand and agree that in case of default, Lessee will not take possession or remove marijuana from the premises and AMCO enforcement will be contacted to take possession.

Lessor

Lessee



Date: 5-28-19



Date: 06-04-19

Bill Howell, Acting City Manager

Naim Shabani, Owner

City of Bethel, Alaska

Essenkay, LLC



Date: 5/28/19

Jared Karr, Owner

Essenkay, LLC



City of Bethel

P.O. Box 1388 • Bethel, Alaska 99559-1388

907-543-1386

Fax # 543-1388

Website: www.cityofbethel.org

August 28, 2019

Essenkay, LLC
P.O. Box 2343
Bethel, AK 99559-2343

RE: Commercial lease between the City of Bethel and Essenkay, dated April 23, 2019.

Dear Mr. Shabani and Mr. Karr:

It has come to my attention that Lease Addendum #1 to the Commercial Lease between the City of Bethel and Essenkay, LLC (hereinafter the "Lease") is in violation of Article 4.06 of the Lease. Article 4.06 requires that the tenant "shall observe and comply with all state and federal laws, municipal ordinances, rules and regulations" which may be applicable to the leased premises. Lease Addendum #1 states that the leased premises "is going to be used for a marijuana business." The possession, sale, or distribution of marijuana is prohibited by federal law. As a result, Lease Addendum #1 is of no force and effect.

Sincerely,

A handwritten signature in blue ink, appearing to read "W. R. Howell", with a long horizontal line extending to the right.

Bill Howell, Acting City Manager
City of Bethel

Introduced by: Acting City Manager William Howell
Introduction Date: November 12, 2019
Public Hearing Date: December 10, 2019
Action:
Vote:

CITY OF BETHEL, ALASKA

Ordinance 19-11 (k)

AN ORDINANCE AMENDING THE CITY OF BETHEL FISCAL YEAR 2020 BUDGET

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

SECTION 1. Classification. This is a non-codified Ordinance and shall not become part of the Bethel Municipal Code.

SECTION 2. Fiscal Year Budget Amendments. The following estimated revenues and expenditures are hereby appropriated for the corporate purposes and objects of the City of Bethel for Fiscal Year 2020.

WHEREAS, the City of Bethel completed and signed grant and loan documents with the United States Department of Agriculture (USDA) Rural Development (RD) to borrow \$913,000 and receive \$1,669,358 in grant funds in order to pay for repair of the sewer lagoon jetty and purchase 8 sewer trucks;

WHEREAS, one of the funding conditions requires the City to “establish a debt service reserve fund equal to at least one annual loan installment” or \$34,740;

WHEREAS, the debt service reserve fund appeared in the City’s FY 2017 Budget as “Lagoon Loan Reserve” under Sewer Lagoon, but it does not appear in the FY 2020 Budget;

WHEREAS, establishing this fund in the budget each year allows the City to meet USDA grant/loan conditions and does not conflict with the City’s USDA loan payment entry that appears in the FY 2020 Budget under Sewer Lagoon.

Line Item	Description	Approved Appropriations	Proposed Amendment	Proposed Total Appropriations
51-27600	Sewer Lagoon-Project-Lagoon Loan Reserve	0	34,740	34,740
51-10100	Water & Sewer Services/Cash in Combined Fund		(34,740)	(34,740)

WHEREAS, the City of Bethel’s USDA-RD grant/loan that funded the sewer lagoon jetty repair project requires the City to “deposit \$365,650 into the short-lived asset reserve

Introduced by: Acting City Manager William Howell
Introduction Date: November 12, 2019
Public Hearing Date: December 10, 2019
Action:
Vote:

fund annually for the life of the loan,” making it a cumulative account that should roll over from year to year;

WHEREAS, the City may spend from the cumulative sewer short-lived asset fund to repair or replace any of the sewer short-lived assets throughout the year;

WHEREAS, the City’s FY 2019 Budget contained \$191,160 in the Short Lived Asset Reserve account in Hauled Sewer and \$191,160 in the Short Lived Asset Reserve in Piped Sewer, which adds to a greater amount than necessary;

WHEREAS, the FY 2020 City Budget does not contain the Short Lived Asset Reserve account that is required, and therefore it must be added to the Budget, and the account balance adjusted to include previous applicable years’ worth of reserves.

Line Item	Description	Approved Appropriations	Proposed Amendment	Proposed Total Appropriations
51-85-699	Hauled Sewer-Capital Expenses-Sewer Short-Lived Asset Reserve	0	182,825	182,825
51-86-699	Piped Sewer-Capital Expenses-Sewer Short-Lived Asset Reserve	0	182,825	182,825
51-10100	Water & Sewer Services/Cash in Combined Fund		(365,650)	(365,650)

WHEREAS, the City is pursuing all conditions to close on a \$13,627,000 USDA grant/loan to fund the Avenues Piped Water and Sewer Improvements project;

WHEREAS, one of the USDA grant/loan conditions is for the City to provide \$306,000 in Applicant Contribution toward project expenditures and this amount is not in the FY 2020 Budget;

WHEREAS, DOWL is currently engaged in performing predevelopment activities for the Avenues project and these expenditures will be charged to the City’s Contribution account or to the loan account, as appropriate;

WHEREAS, the City must put \$306,000 into the FY 2020 Budget to comply with the USDA grant/loan requirements that are to be used to fund the Avenues project, and putting half in Piped Water and half in Piped Sewer is a logical application.

--

Introduced by: Acting City Manager William Howell
Introduction Date: November 12, 2019
Public Hearing Date: December 10, 2019
Action:
Vote:

Line Item	Description	Approved Appropriations	Proposed Amendment	Proposed Total Appropriations
51-82-691	Piped Water-Capital Expenses-Cash Match to USDA Avenues grant/loan	0	153,000	153,000
51-86-691	Piped Sewer-Capital Expenses-Cash Match to USDA Avenues grant/loan		153,000	153,000
51-10100	Water & Sewer Services/Cash in Combined Fund		(306,000)	(306,000)

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

ENACTED THIS ____TH DAY OF DECEMBER 2019 BY A VOTE OF _ IN FAVOR AND _ OPPOSED.

Perry Barr, Mayor

ATTEST:

Lori Strickler, City Clerk

Introduced by: Public Works Committee
Introduction Date: November 12, 2019
Public Hearing: December 10, 2019
Action:
Vote:

CITY OF BETHEL, ALASKA

Ordinance #19-22

AN ORDINANCE BY THE BETHEL CITY COUNCIL AMENDING CHAPTER 13.16.150 OF THE BETHEL MUNICIPAL CODE, TO ESTABLISH A RATE FOR SIX YARD DUMPSTERS

WHEREAS, the City of Bethel purchased six-yard dumpsters and has not established and confirmed by the governing body, a rate for those dumpsters;

THEREFORE BE IT ORDAINED by the City Council of Bethel, Alaska, that:

SECTION 1. Classification. This ordinance is shall become effective upon passage by the Bethel City Council.

SECTION 2. Amendment. The Bethel Municipal Code Section 13.16.150 is amended as follows (new language is underlined and old language is stricken out):

13.16.150 Solid waste collection.

For the collection, removal and disposal of residential/nonresidential/commercial garbage, rubbish and waste materials within the city, the following charges shall be made:

A. Residential/churches/nonresidential/commercial scheduled rates:

1. Residential and church service:

Frequency of Service	Rate
Monthly flat rate	\$15.00

2. Nonresidential service:

Frequency of Service	Rate
Monthly flat rate	\$67.00

3. Commercial service:

Frequency of Service	Rate
Four-yard dumpster	\$59.00/haul

Introduced by: Public Works Committee
Introduction Date: November 12, 2019
Public Hearing: December 10, 2019
Action:
Vote:

Frequency of Service	Rate
<u>Six-yard Dumpster</u>	<u>\$66.00/haul</u>
Eight-yard dumpster	\$74.00/haul
Commercial monthly flat rate without dumpster	\$66.00

B. Residential/commercial on-call rates:

Residential services	\$13.06 per call
Commercial services	\$66.00 per call

C. Public use of the municipal landfill:

Frequency of Service	Rate
Four cubic yards or less per day	Free
More than four cubic yards	\$10.00 per cubic yard

The landfill, subject to approval by the city council, shall establish and may periodically adjust additional rates, charges, and fees for the use of the landfill, including, but not limited to, rates, charges and fees for dumping oil, glycol, and oversized items.

SECTION 2. Effective Date. This ordinance shall become effective November 1, 2019 upon passage by the Bethel City Council.

ENACTED THIS ____ DAY OF SEPTEMBER 2019, BY A VOTE OF ____ IN FAVOR AND ____ OPPOSED.

Perry Barr, Mayor

ATTEST:

Lori Strickler, City Clerk

Introduced by: Council Member Jung-Jordan
Date: August 13, 2019
Action: Passed
Vote: 5-0
Amended Something Previously Adopted: Council Member Leary
Amended Date: November 12, 2019
Action:

CITY OF BETHEL, ALASKA

Resolution #19-09 AMENDED

**A RESOLUTION BY THE BETHEL CITY COUNCIL CONDITIONALLY
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,

Introduced by: Council Member Jung-Jordan
Date: August 13, 2019
Action: Passed
Vote: 5-0
Amended Something Previously Adopted: Council Member Leary
Amended Date: November 12, 2019
Action:

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;

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 conditionally protests the issuance of a Retail Marijuana License to Alaskan Grown Products and will lift the protest following the issuance of due to the lack of a Conditional Use Permit by the Planning Commission and the life health safety concerns associated with the proposed location 230 and 240 Tundra Way are eliminated to the satisfaction of the State Fire Marshal's Office.

ENACTED AS AMENDED THIS 12 DAY OF NOVEMBER 2019 BY A VOTE OF ___ IN FAVOR AND ___ OPPOSED.

ATTEST:

Perry Barr, 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.

[Signature]

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.

[Signature]

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.

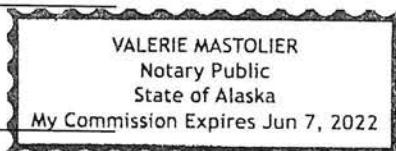
[Signature]

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.

[Signature]
Signature of licensee

Kalla Peacock
Printed name of licensee



[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.

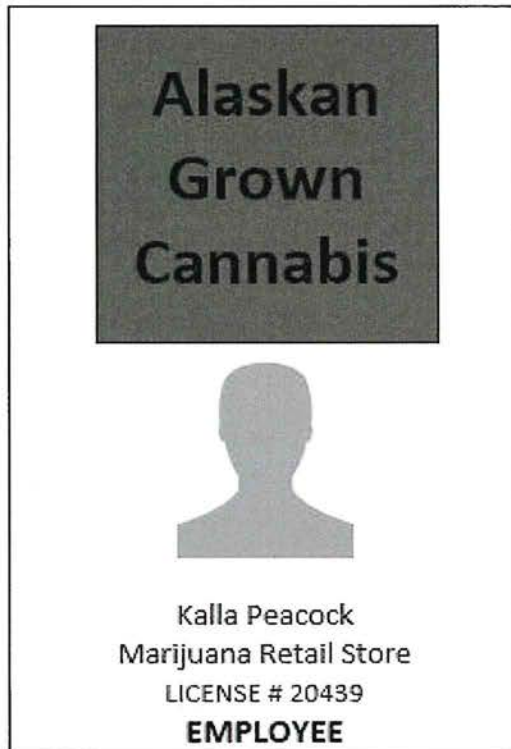
3.2. Describe your recordkeeping and processes for admitting visitors into and escorting them through restricted access areas:

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.

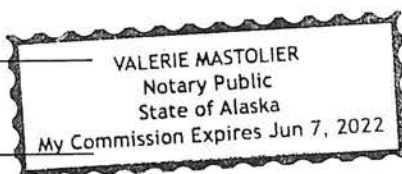


I declare under penalty of unsworn falsification that this form, including all accompanying schedules and statements, is true, correct, and complete.

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:

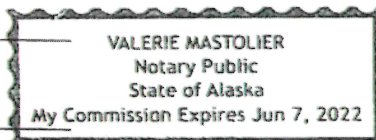
- ☐ Areas of ingress and egress
- ☐ Entrances and exits
- ☐ Walls and partitions
- ☐ Cross streets and points of reference

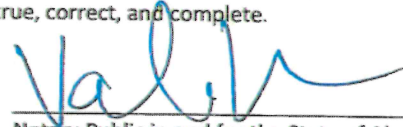
I declare under penalty of unsworn falsification that I have attached all necessary diagrams that meet the above requirements, and that this form, including all accompanying schedules, statements, and depictions is true, correct, and complete.


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.

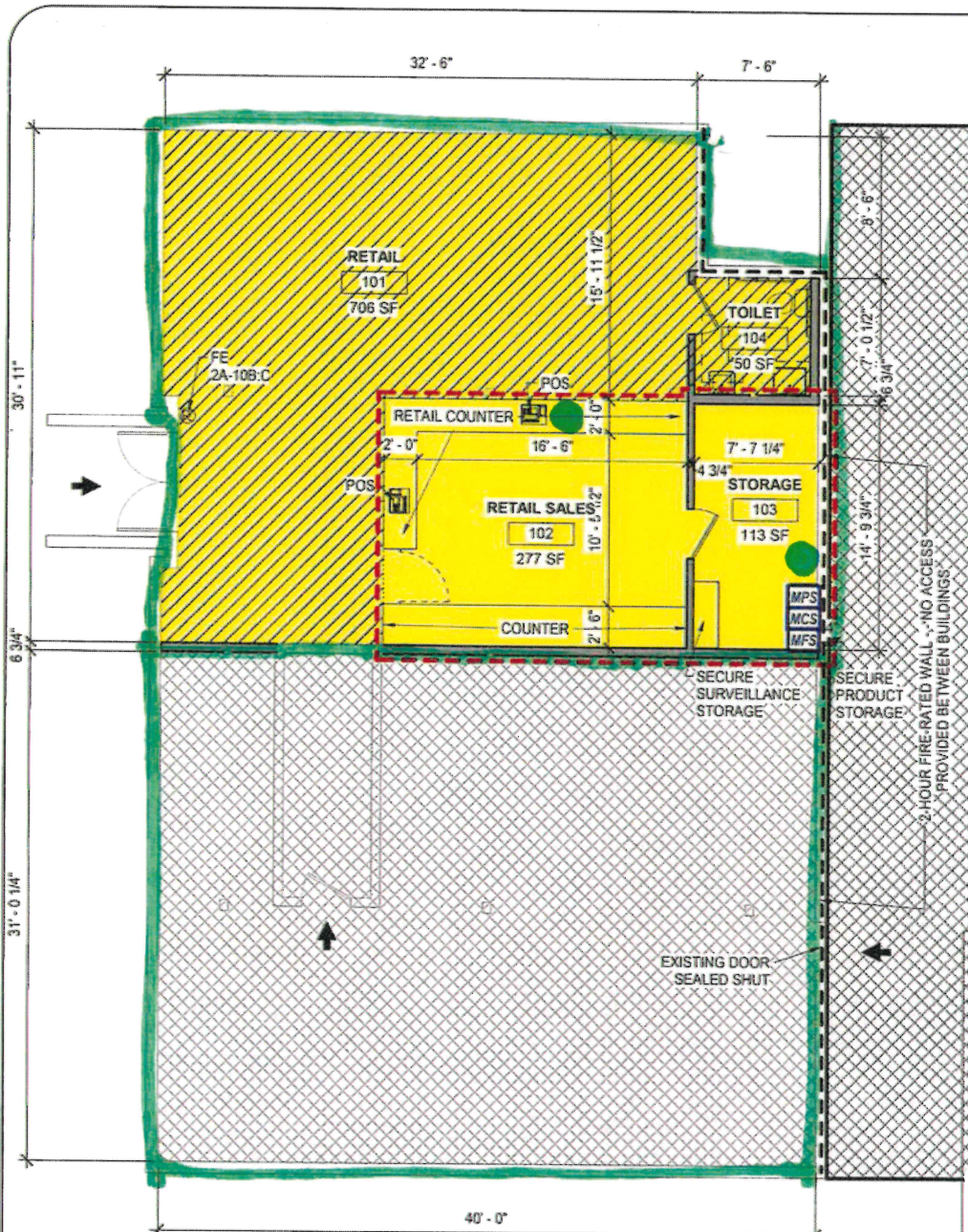


Diagram #1;
#2J5.1

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

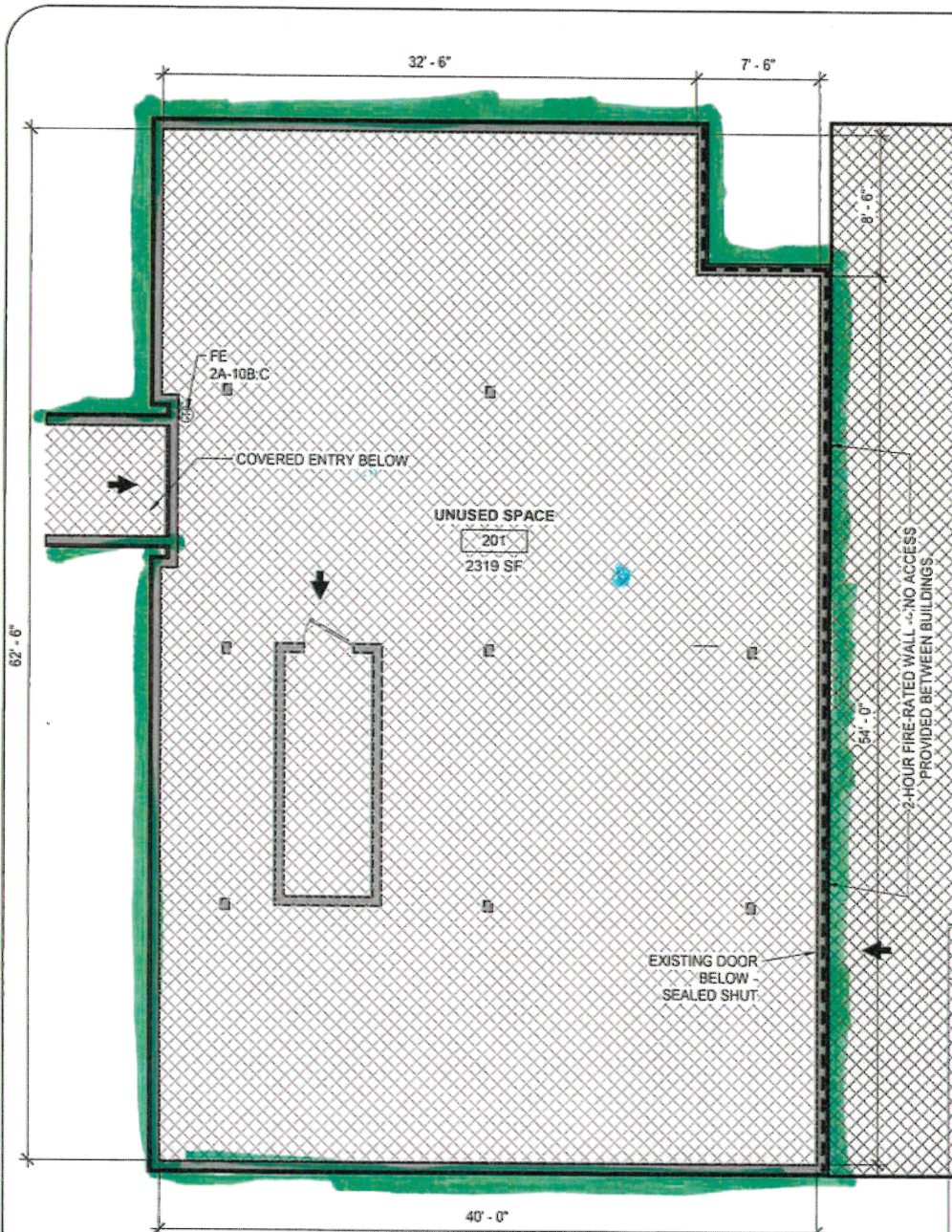


Diagram #5.2

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

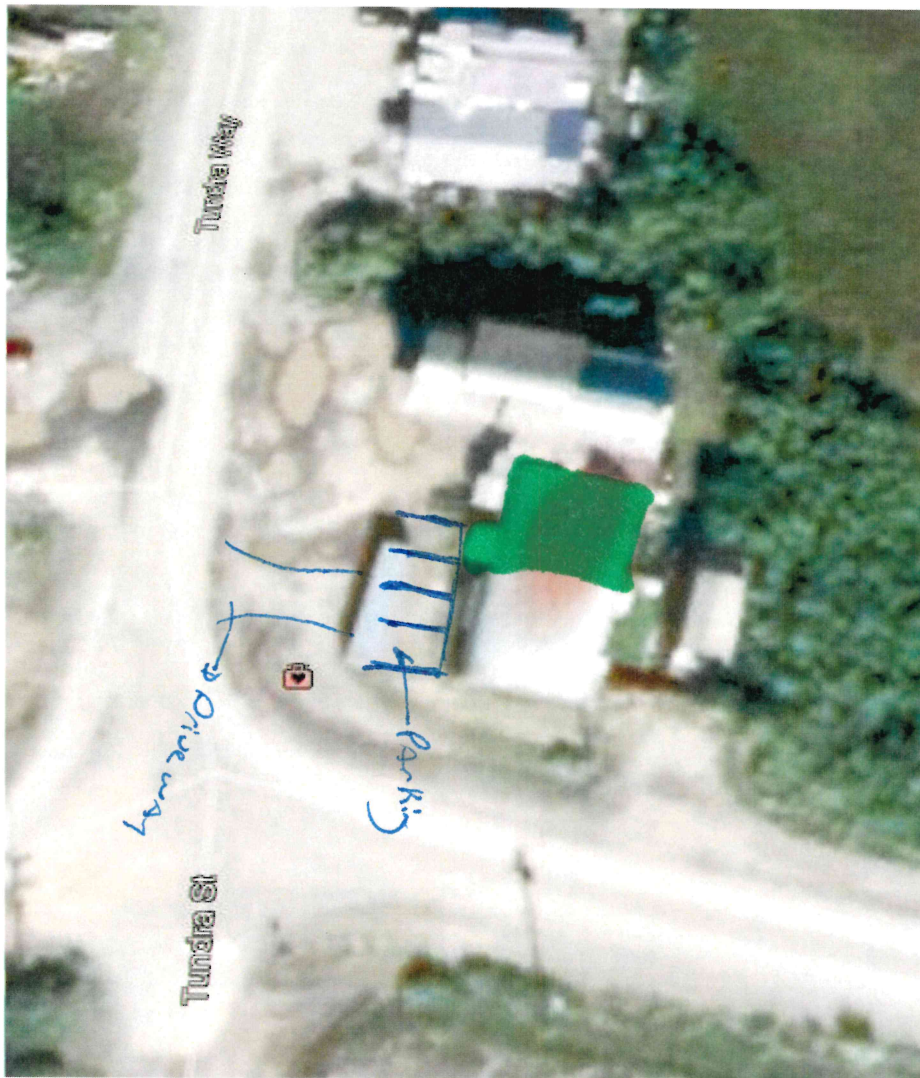


Diagram # 3

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

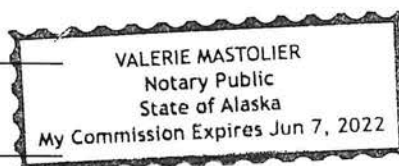
8.2. The retail marijuana store shall give the board at least three days written notice required under 3 AAC 306.740(c) before making marijuana waste unusable and disposing of it.

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.

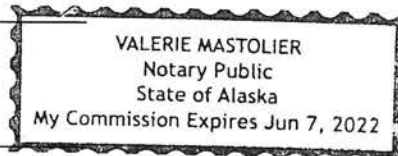
The procedures for obtaining a change, correction, or updating an FBI identification record are set forth in Title 28, CFR, 16.34.

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**

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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

ALASKAN GROWN PRODUCTS, LLC
OPERATING AGREEMENT

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Received by AMCO 5.22.19

Page 106 of 337

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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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

FOR DIVISION USE ONLY

Limited Liability Company
Initial Biennial Report

Web-3/26/2018 2:54:34 PM

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. _____

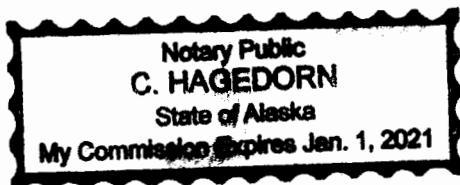
Alaska Grown Products, LLC dba Alaska Grown Cannabis
Re: Retail Marijuana Store License Public Notice
NAME OF PETITIONER
230 Tundra Way
Bethel, AK 99559
ADDRESS OF PETITIONER

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
Cassy Hagedorn
PRINTED NAME OF NOTARY

MY COMMISSION EXPIRES ON 1 Jan 21

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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.
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P.O. Box 1908 • 907-543-3773 • Bethel, AK 99559 (576)(6/12)

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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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Letters from page 6

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This is an update from the Doyon Limited Corporation.

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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

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 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:	Mayor Watson
Date:	October 8, 2019
Action:	Passed
Vote:	4-0
Amend Something Previously Adopted:	Mayor Barr
Amended Date:	November 12, 2019
Action:	

CITY OF BETHEL, ALASKA

Resolution #19-14 AMENDED

A RESOLUTION BY THE BETHEL CITY COUNCIL CONDITIONALLY PROTESTING THE ISSUANCE OF RETAIL MARIJUANA LICENSE NO. 21227 TO KUSKO KUSH, FOR THE OPERATION OF A MARIJUANA BUSINESS AT 781 3RD AVENUE, BETHEL, ALASKA

WHEREAS, Essenkay, LLC submitted an application for the licensure of a Retail Marijuana Facility called Kusko Kush to the State of Alaska Alcohol Marijuana Control Office (AMCO), License #21227; notice of the application was received by the City Clerk's Office on August 14, 2019; and the deadline for Council's Protest on the Application is October 13, 2019;

WHEREAS, the proposed location of the retail marijuana business is 781 3rd Avenue, Bethel, Alaska ("the premises");

WHEREAS, the proposed site is currently owned by the City of Bethel, which leased the property to Essenkay, LLC on April 23, 2019;

~~**WHEREAS**, section 4.06 of the lease agreement requires that the tenant "shall observe and comply with all state and federal laws, municipal ordinances, rules and regulations" which may be applicable to the leased premises;~~

~~**WHEREAS**, a lease provision requiring compliance with all state and federal laws is a standard requirement in leases by the City of Bethel;~~

~~**WHEREAS**, it is a violation of the federal Controlled Substances Act to "knowingly open, lease, rent, use, or maintain any place, whether permanently or temporarily, for the purpose of manufacturing, distributing, or using any controlled substance" (21 U.S.C. § 856(a)(1));~~

~~**WHEREAS**, it is also a violation of the Controlled Substances act to "manage or control any place, whether permanently or temporarily, either as an owner, lessee, agent, employee, occupant, or mortgagee, and knowingly and intentionally rent, lease, profit from, or make available for use, with or without compensation, the place for the purpose of unlawfully manufacturing, storing, distributing, or using a controlled substance" (21 U.S.C. § 856(a)(2));~~

Introduced by:	Mayor Watson
Date:	October 8, 2019
Action:	Passed
Vote:	4-0
Amend Something Previously Adopted:	Mayor Barr
Amended Date:	November 12, 2019
Action:	

~~**WHEREAS**, marijuana is classified as a Schedule I controlled substance under the Controlled Substances Act (21 U.S.C. § 812(c)(10))~~

~~**WHEREAS**, a purported "Lease Addendum" allowing Essenkay, LLC to operate a marijuana business on the leased premises was not approved by the Bethel City Council, as is required under Bethel Municipal Code section 4.08.010(b);~~

~~**WHEREAS**, the operation of a marijuana business on the leased premises would violate section 4.06 of the Lease Agreement;~~

~~**WHEREAS**, the Bethel City Council will not authorize the operation of a marijuana business on City property;~~

~~**WHEREAS**, grant funding received by the City of Bethel is conditioned upon the City's compliance with federal law;~~

~~**WHEREAS**, the City of Bethel may be denied federal grant payments or be required to reimburse federal grant funds if the City does not comply with federal law;~~

~~**WHEREAS**, Bethel Municipal Code section 5.10.070 requires each operator of a marijuana establishment to obtain a conditional use permit;~~

~~**WHEREAS**, Essenkay, LLC had not yet obtained a conditional use permit from the City's Planning Department as of September 10, 2019 November 12, 2019 however the City of Bethel and Essenkay are working on a sale agreement for 781 3rd Avenue which if agreed upon, will provide site control and allow the applicant to continue with the conditional use permitting process with the City's Planning Commission;~~

~~**WHEREAS**, Essenkay, LLC cannot obtain site control because the City of Bethel will not consent to the use of the leased premises for a marijuana business;~~

~~**WHEREAS**, the Planning Department cannot issue a conditional use permit to Essenkay, LLC to operate a marijuana business on the leased premises because Essenkay does not have site control;~~

NOW, THEREFORE, BE IT RESOLVED that the Bethel City Council conditionally protests the issuance of the marijuana retail license No. 21227 to Kusko Kush to operate a marijuana business at 781 3rd Avenue and will lift their protest following the

Introduced by:	Mayor Watson
Date:	October 8, 2019
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Action:	

issuance of a Conditional Use Permit by the Planning Commission and only if the City no longer has ownership of the property.

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

ATTEST:

Perry Barr, Mayor

Lori Strickler, City Clerk



August 14, 2019

City of Bethel

Attn: City Clerk

Via Email: lstickler@cityofbethel.net ; pburley@cityofbethel.net

License Number:	21227
License Type:	Retail Marijuana Store
Licensee:	Essenkay, LLC
Doing Business As:	Kusko Kush
Physical Address:	781 3rd Avenue Bethel, AK 99559
Designated Licensee:	Jared Karr
Phone Number:	907-545-4977
Email Address:	kuskokush@gmail.com

☒ **New Application** ☐ **New Onsite Consumption Endorsement Application (Retail Only)**

AMCO has received a complete application for a marijuana establishment within your jurisdiction. This notice is required under 3 AAC 306.025(d)(2). Application documents will be sent to you separately via ZendTo.

To protest the approval of this application pursuant to 3 AAC 306.060, you must furnish the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of the date of this notice, and provide AMCO proof of service of the protest upon the applicant. If the protest is a "conditional protest" as defined in 3 AAC 306.060(d)(2) and the application otherwise meets all the criteria set forth by the regulations, the Marijuana Control Board may approve the license, but require the applicant to show to the board's satisfaction that the requirements of the local government have been met before the director issues the license.

3 AAC 306.010, 3 AAC 306.080, and 3 AAC 306.250 provide that the board will deny an application for a new license if the board finds that the license is prohibited under AS 17.38 as a result of an ordinance or election conducted under AS 17.38 and 3 AAC 306.200, or when a local government protests an application on the grounds that the proposed licensed premises are located in a place within the local government where a local zoning ordinance prohibits the marijuana establishment, unless the local government has approved a variance from the local ordinance.

This application will be in front of the Marijuana Control Board at our September 11-13, 2019 meeting.

Sincerely,

Erika McConnell, Director
amco.localgovernmentonly@alaska.gov



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:	Essenkay, LLC	License Number:	21227		
License Type:	Retail Marijuana Store				
Doing Business As:	Kusko Kush				
Premises Address:	781 3rd Avenue				
City:	Bethel	State:	Alaska	ZIP:	99559

Section 2 – Individual Information

Enter information for the individual licensee.

Name:	Jared Karr
Title:	Member

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?

September 10, 2019

City of Bethel
P.O. Box 1388
Bethel, AK 99559



Mayor, Vice-Mayor, and Members of Bethel City Council:

In the matter of the Kusko Kush Marijuana license application to operate at the following proposed location: 781 3rd Ave, Bethel AK, 99559.

Bethel Municipal Code (BMC) 5.10.020(d) requires the City Manager to provide a written report to City Council, with a copy to the applicant, listing any objections to the AMCO Board's issuance of the application.

Per BMC 5.10.020 (c): the City Planner, City Finance Director, City Fire Chief and Police Chief have forwarded written statements to the City Manager outlining their findings. The following is a summary of their statements:

- **Finance Director** – Kusko Kush has a Bethel Business License issued on 4/23/19.
- **Planning Director** – A Conditional Use Permit (CUP) cannot currently be issued due to a lack of site control on the property.
- **Police Chief** – There have been no calls for service or arrests at this location as it is a newly constructed building.
- **Fire Chief** – The Acting Fire Chief cited that the building is brand new so there are no EMS calls or fire incidents at the location. He did add that there were eighteen (18) EMS calls and one (1) fire incident during 2018 at the surrounding areas (Longhouse Hotel, Sammy's Market, Red Basket, and Jacob's Way).

City Manager Conclusion: Kusko Kush has obtained a proper City of Bethel business license and there have been no calls for fire or police service at the property due to it being a recently constructed building. Despite this, the owners lack site control on the property and currently cannot obtain a conditional-use permit to operate their intended business. I cannot recommend issuance of this license at the proposed location at this time.


Bo Foley
Acting City Manager



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.



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



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



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.



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.



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.



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).



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



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.



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.



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.





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.



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.



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.



All marijuana establishment license applicants:

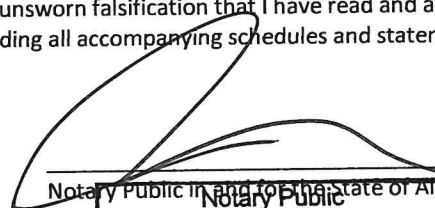
As an applicant for a marijuana establishment license, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that the online application and this form, including all accompanying schedules and statements, is true, correct, and complete.



Signature of licensee

Jared Karr

Printed name of licensee



Notary Public in and for the State of Alaska
JIM J. VALCARCE
State of Alaska
My Commission Expires Jan. 24, 2022

Subscribed and sworn to before me this 25 day of June, 2019



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:	Essenkay, LLC	License Number:	21227		
License Type:	Retail Marijuana Store				
Doing Business As:	Kusko Kush				
Premises Address:	781 3rd Avenue				
City:	Bethel	State:	Alaska	ZIP:	99559

Section 2 – Individual Information

Enter information for the individual licensee.

Name:	Naim Sabani
Title:	Member

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?

--



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.

N.S.

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

N.S.

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

N.S.

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.

N.S.

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.

N.S.

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.

N.S.

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).

N.S.

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

N.S.

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.

N.S.

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.

N.S.

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.

N.S.



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.



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.



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.



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.

Signature of licensee

Naim Sabani

Printed name of licensee

Notary Public in and for the State of Alaska
Notary Public
JIM J. VALCARCE
State of Alaska
My commission expires Jan. 24, 2022

Subscribed and sworn to before me this 25 day of June, 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:	Essenkay, LLC	MJ License #:	21227		
License Type:	Retail Marijuana Store				
Doing Business As:	Kusko Kush				
Premises Address:	781 3rd Avenue				
City:	Bethel	State:	Alaska	ZIP:	99559

Mailing Address:	PO Box 2343				
City:	Bethel	State:	Alaska	ZIP:	99559

Designated Licensee:	Jared Karr				
Main Phone:	907-545-4977	Cell Phone:			
Email:	kuskokush@gmail.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:

Kusko Kush will prominently display a sign at/on the entry to the retail store that states "No one under the age of 21 is allowed". the sign will not be less than 12 inches wide, with letters at least one-half inch in height in high contrast to the background of the sign. When a customer enters the Kusko Kush retail facility, they immediately enter the ID Check Area where they are greeted by one of our trained staff whom will ask for each person's photo ID. Once the staff have concluded that each person is 21 or older and has a valid photo ID, they may enter the sales floor. Once the customer is inside the retail store, the budtender will assist the customer and complete a sales transaction under the legal sale limits. After the customer's transaction is completed, and its purchase bagged/package in opaque and child resistant exit bag, the customer will be shown to the store's customer exit. Additionally, in compliance with 3AAC 306.325(c), any area where Kusko Kush stocks for sale, or dispenses for sale, marijuana or marijuana products, no customers are allowed into that area - as that area is designated as a restricted access area. Only pre-scheduled and preapproved visitors (with the exception of AMCO Enforcement and law officers, who are not considered visitors) may enter this area after complying with the visitor policy.

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:

Kusko Kush will be equipped with a 24 hour monitoring alarm system, exterior motion detecting lighting, and video surveillance. The restricted access area doors will be locked at all times with a spring loaded hinge to ensure it closes behind persons as they enter or leave the secured area. Access will only be granted to employees and Jared, and signage will be displayed on the door/entrance to each restricted access area indicating that members of the public are not allowed un-escorted access. At least one employee will be present behind the counter at all times, ensuring customers do not enter the restricted access area behind the counter. The facility will be equipped with an alarm system and video surveillance. Security cameras will be installed throughout the retail store that allow for monitoring of all areas 24 hours each day including, at a minimum: all entrances and exits, all restricted access areas, every portion of the office, and the exterior of the building to monitor and identify all activity adjacent to the facility.

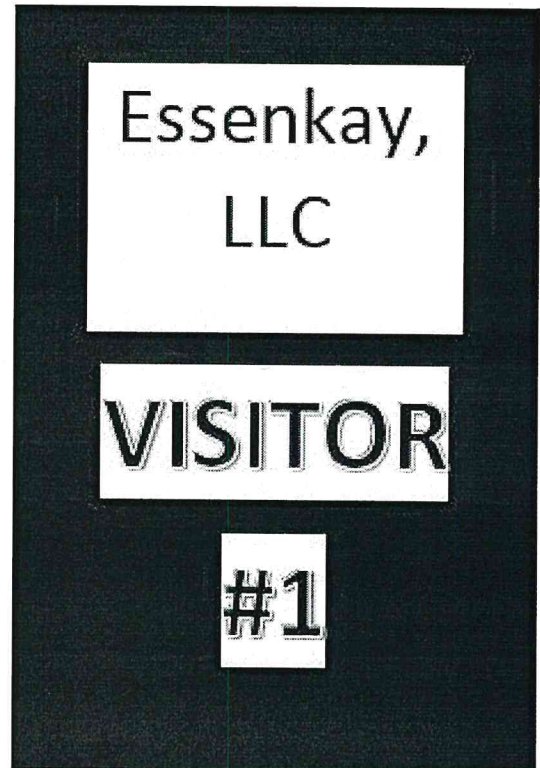
3.2. Describe your recordkeeping and processes for admitting visitors into and escorting them through restricted access areas:

No person, except a Kusko Kush employee or the licensee, (with the exception of AMCO enforcement, law enforcement, and other duly authorized agents) shall be allowed in the restricted access area unless they are a pre-authorized visitor by a designated employee/manager and escorted at all times. All persons who are not employees of the company, but who have been authorized by management to enter the restricted access areas of the facility shall provide a government issued identification to the escorting employee prior to entering the restricted access area in order to obtain a visitor identification badge. An employee will escort and monitor the visitor at all times while the visitor is in the restricted access area. The visitor identification badge shall be visible at all times. Kusko Kush will require the visitor to return the identification badge upon exiting the facility. Kusko Kush will maintain a visitor log, which shall include the name of the visitor, date, time and purpose of the visit. The visitor log will be made available to AMCO upon request. If an unforeseen circumstance requires the presence of a visitor and makes it impractical for designated employee/management to obtain prior authorization, the facility shall record in the visitor log the name of the visitor, date, time, purpose of the visit and the facts upon which the access was granted. Visitor records will be stored on the company's computer server, a hard original copy will be stored in the secured locked cabinet located in the office. Hard copies will be maintained for at least 7 years. Kusko Kush does not intend to destroy any electronic copies. There will never be more than 5 Visitors per employee/licensee at any given time.



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:



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 of the building will be well lit. Exterior lighting will be specifically designed and positioned to help visually secure the premises and allow the surveillance system to depict individuals up to twenty (20) feet from all entry points. Lights will be mounted in inaccessible places and have sturdy housings and lenses to help make them vandal proof. Kusko Kush will use extremely bright lights to deter crime and ensure maximum visibility. All lights will be commercial grade LED lights and will be checked by management to ensure that each light in the system is operational and well-placed for visibility in security footage and to deter loitering or otherwise unauthorized presence on the premises.



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:

Kusko Kush will install an alarm system, maintain the equipment, periodically test the devices and continuously monitor the facility with an on-site security monitor and DVR system. The alarm system will be set up to monitor for intrusions and will be active during closed hours. The last employee to leave the retail store at night will be entrusted to activate the alarm system and the first employee to arrive in the morning will deactivate the alarm. In the event of an unauthorized breach the alarm will send a notification to the licensees and management, the management team will evacuate the building (if it's safe to do so 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, the licensee's will notify AMCO and AMCO Enforcement within 24 hours.

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

Kusko Kush 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. 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.

3.7. Describe your policies and procedures for preventing loitering:

Kusko Kush will post "No Loitering" and 24 hour video surveillance signs on the exterior of the retail store. A designated employee will frequently check the perimeter of the retail store to ensure that there are no persons loitering near the facility. If there is anyone who is attempting to loiter, the employee will contact management, management will then ask said person to leave the premises. If they will not leave voluntarily, management will then contact local law enforcement. In any event that local law enforcement is contacted, Kusko Kush will notify AMCO enforcement via email within 24 hours.

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 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 a Kusko Kush manager 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 facility records will all reside in the locked and secured storage room located in the restricted access private office within the retail establishment. 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. 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 AMCO 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.

PKK

PKK

PKK

PKK

PKK

PKK

PKK

PKK

PKK

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:

Kusko Kush will keep all required records on site for a minimum of 6 months and will reside in the locked and secured storage room in a lockable file cabinet or safe. Hard copies will be scanned into digital files and stored as a back up. The backed up electronic files will be stored on a cloud based server or external hard drive to prevent loss or destruction of records. After 7 years Kusko Kush may destroy hard copies however, Kusko Kush does not intend to destroy any electronic records.

**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):

Employee training will include marijuana industry topics, customer care, food handling, AMCO regulations, State of Alaska Statutes and regulations, safety precautions and procedures, legal issues and Federal regulations. Kusko Kush will also ensure that all employees have a vast knowledge in regards to proper inventory tracking and METRC protocols. Training will take place throughout the year, as well as when topics arise that need further explanation. Either Jared or manager will personally present training and education to employees. All new employees will be required to meet with Jared or Manager to learn the company's business approach and to adopt the standard of service. Kusko Kush will encourage staff to attend seminars, conferences and, workshops. Management will maintain a library of resources on marijuana topics, available to employees at all times.

**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 Kusko Kush 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. 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.



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):

Kusko Kush may have up to three (3) signs on the Retail Store. Signs will not exceed 4800 square inches.





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):

Kusko Kush's 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/TV ads
- Social Media to feature specific strains, specials on products, and retail advertisements
- Magazine ads

Advertisements will include, but is not limited to, 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

Jared Karr

Printed name of licensee

Notary Public
Jim J. VALCARLOS
State of Alaska
My Commission Expires Jan. 24, 2022

Subscribed and sworn to before me this 25 day of June, 2019.



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

(Additional Space as Needed):



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 licensee must be contiguous. All diagrams must have the licensed premises area labeled, and outlined or shaded as appropriate.

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:	Essenkay, LLC	MJ License #:	21227		
License Type:	Retail Marijuana Store				
Doing Business As:	Kusko Kush				
Premises Address:	781 3rd Ave				
City:	Bethel	State:	Alaska	ZIP:	99559



Alaska Marijuana Control Board

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. Items marked with a double asterisks (**) are only required for those retail marijuana establishments that are also applying for an onsite consumption endorsement.

The following details must be included in all diagrams:

- ☐ License number and DBA
- ☐ Legend or key
- ☐ Color coding
- ☐ Licensed Premises Area Labeled and Shaded, or Outlined as appropriate
- ☐ 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 or endorsement types
- ☐ ** Serving area(s)
- ☐ ** Employee monitoring area(s)
- ☐ ** Ventilation exhaust points, if applicable

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:

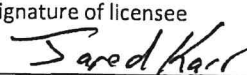
- ☐ Areas of ingress and egress
- ☐ Cross streets and points of reference

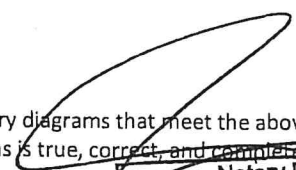
The following additional details must be included in Diagram 5:

- ☐ 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

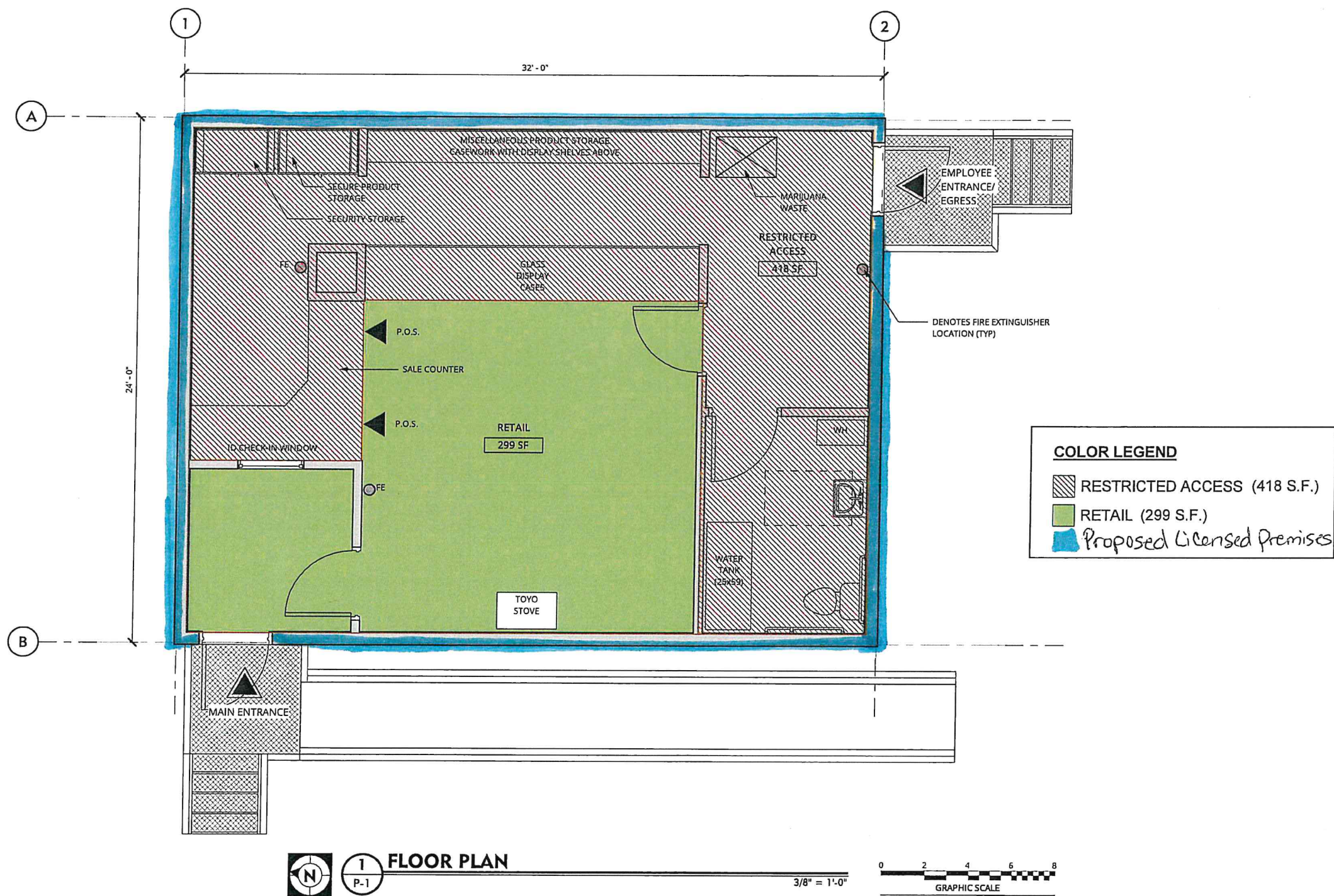

Printed name of licensee


Notary Public
JIM J. VALCARCE
State of Alaska
Notary Public in and for the State of Alaska
My Commission Expires Jan. 24, 2022

My commission expires: _____

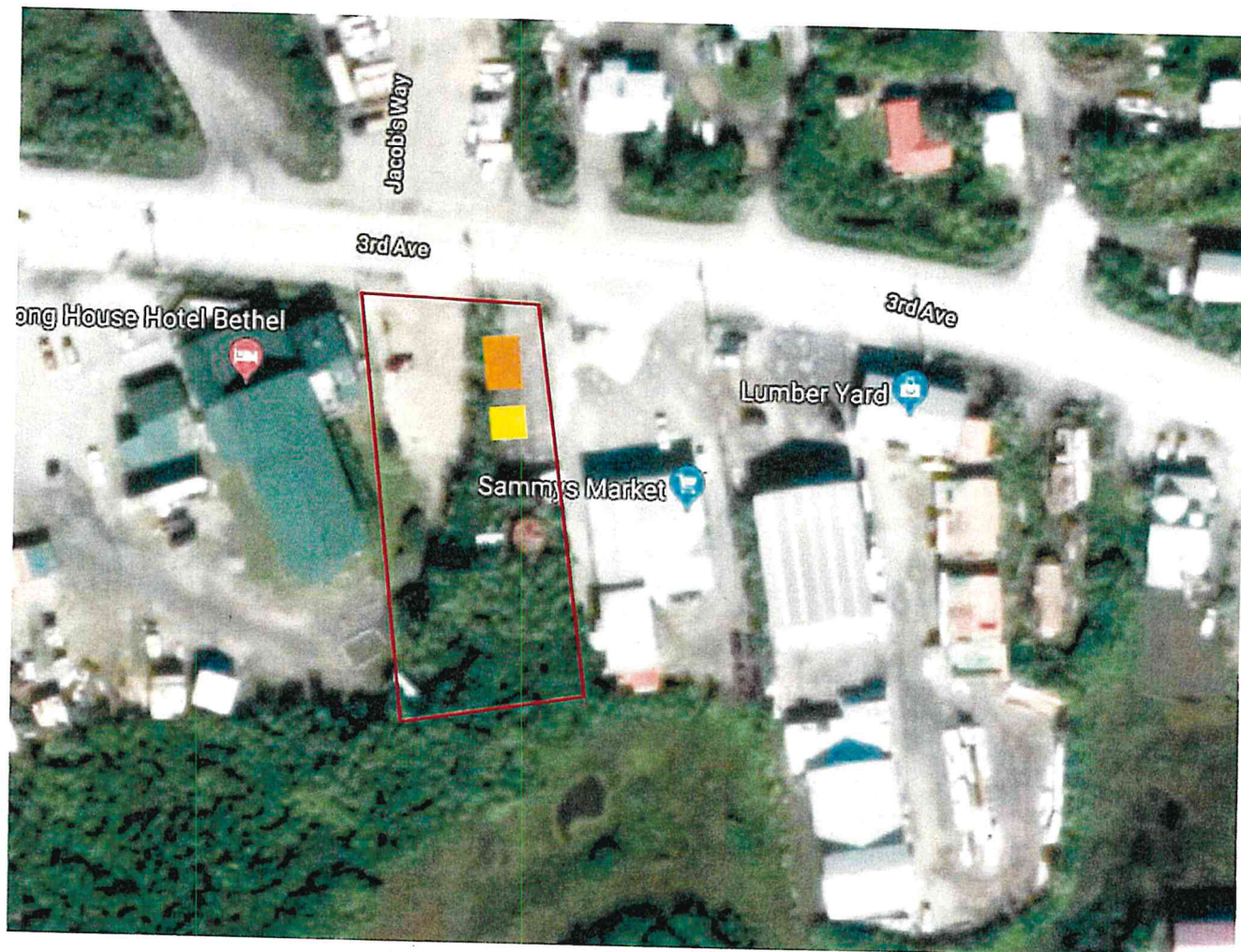
Subscribed and sworn to before me this 25 day of June, 2019

Diagram 1
License # 21227



ONE INCH =	P:\1250-1299\1263.01 Kuskokush Retail Shop\Architecture\1263.01 Kuskokush Retail Shop.rvt	KUSKO KUSH RETAIL		PREMISES DIAGRAM	
	SHEET SIZE:	34x22			
	DESIGNED BY:	WS			
	DRAWN BY:	UMD			
	CHECKED BY:	WS			
	DATE:	06/01/13/19			
FILE NO.	1263.01				
SHEET NUMBER					
P-1		OF			

Received by AMCO 8.2.19



- Licensee
-- Legal Right to Possession 781 3rd Ave.
- Kusko Kush 24' x 32' Building
- Vacant Building

Diagrams 2, 4 & 5
 Essenkay, LLC DBA Kusko Kush
 License #21227

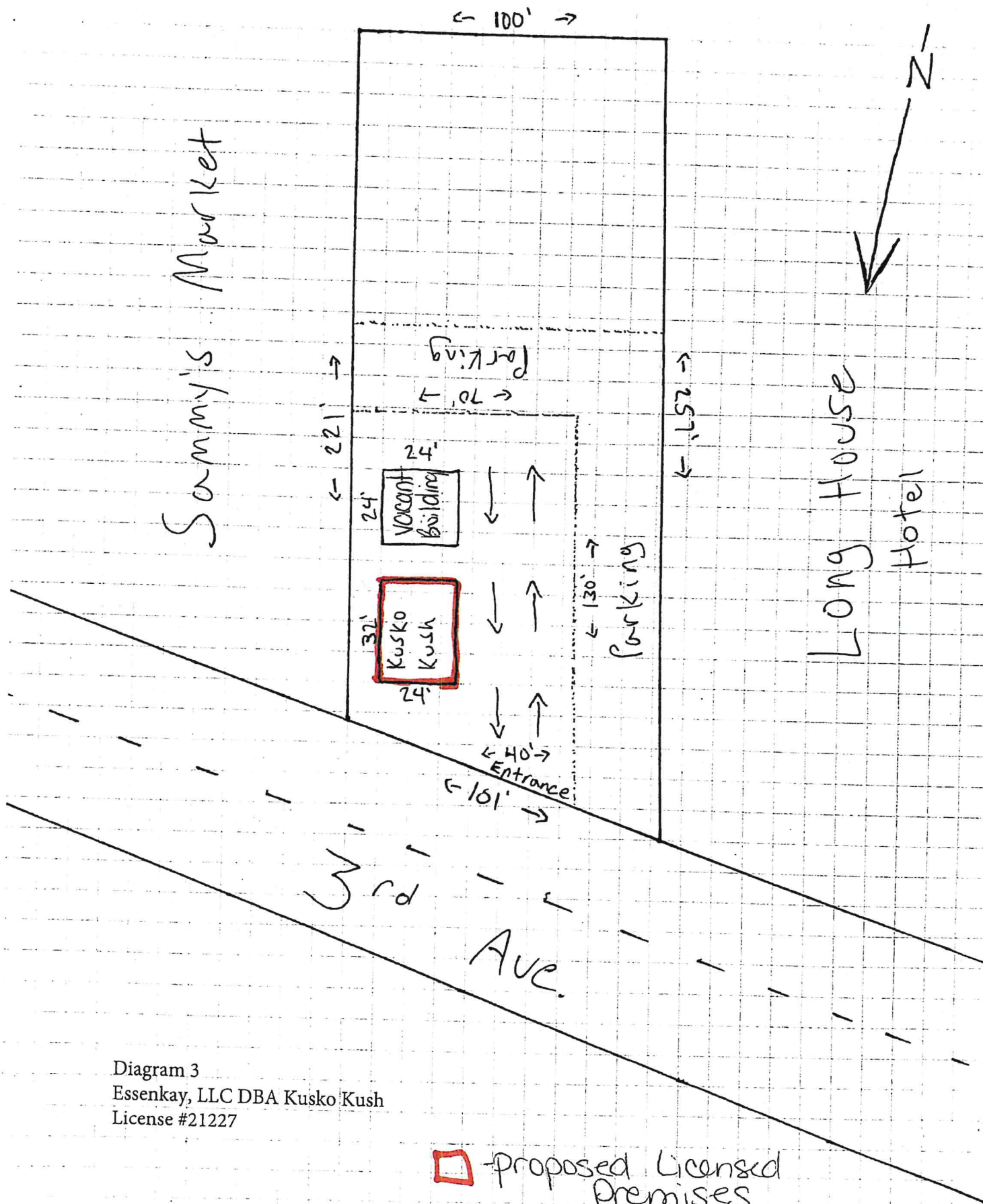


Diagram 3
 Essenkay, LLC DBA Kusko Kush
 License #21227

□ proposed Licensed premises

Alcohol & Marijuana Control Office

Initiating License Application

3/28/2019 11:48:13 AM

License Number: 21227**License Status:** New**License Type:** Retail Marijuana Store**Doing Business As:** Kusko Kush**Business License Number:** 2084675**Designated Licensee:** Jared Karr**Email Address:** kuskokush@gmail.com**Local Government:** Bethel**Community Council:****Latitude, Longitude:** 60.795355, -161.761337**Physical Address:** 781 3rd Avenue
Bethel, AK 99559
UNITED STATES**Licensee #1****Type:** Entity**Alaska Entity Number:** 10096634**Alaska Entity Name:** Essenkay, LLC**Phone Number:** 907-545-4977**Email Address:** kuskokush@gmail.com**Mailing Address:** PO BOX 2343
BETHEL, AK 99559
UNITED STATES**Entity Official #1****Type:** Individual**Name:** Jared Karr**Phone Number:** 907-545-4977**Email Address:** kuskokush@gmail.com**Mailing Address:** PO Box 2511
Bethel, AK 99559
UNITED STATES**Entity Official #2****Type:** Individual**Name:** Naim Sabani**Phone Number:** 907-545-4977**Email Address:** kuskokush@gmail.com**Mailing Address:** PO Box 2343
Bethel, AK 99559
UNITED STATES**Note:** No affiliates entered for this license.

CITY OF BETHEL

PO Box 1388

Bethel, Alaska 99559

Ph: 907-543-1373

Email: citymanager@cityofbethel.net

October 1, 2019



This document summarizes the City of Bethel's administrative decision regarding Essenkay, LLC's intent to operate a marijuana store at 781 3rd Avenue in Bethel, Alaska (the "premises").

Essenkay, LLC ("Essenkay") currently has a business license to operate a marijuana retail business. However, Essenkay cannot operate a marijuana business at the premises because (1) Essenkay cannot obtain a conditional use permit due to a lack of site control; (2) the proposed marijuana business would violate the terms of Essenkay's lease with the City; and (3) the lease of City property to a marijuana business very likely violates the Controlled Substances Act, thereby jeopardizing both current and future federal grant funding.

Essenkay, through a competitive bidding process, entered into a lease with the City of Bethel to lease the premises on April 23rd, 2019. The lease was approved by the Bethel City Council, as is required by Bethel Municipal Code section 4.08.010(B). The lease did not authorize Essenkay to operate a marijuana business on the premises.

On May 3rd 2019, the Planning department received a site plan permit application from Essenkay for approval to construct a marijuana retail business. On May 10th, 2019, this permit was approved. However, this approval was in error because Essenkay had not yet received a conditional use permit.

On May 28th 2019, Acting City Manager Howell was approached by Essenkay with a proposed addendum to the lease (Lease Addendum #1). This addendum purported to authorize Essenkay to operate a marijuana business on the premises. Although Acting City Manager Howell signed this amendment, the Bethel City Council never approved it. Absent City Council approval, the lease addendum was not incorporated into the lease.

In addition, the operation of a marijuana business on the leased premises is prohibited by the lease. Section 4.06 of the lease requires that the tenant "observe and comply with all state and federal laws, municipal ordinances, rules, and regulations" which may be applicable to the leased premises. It is a violation of the federal Controlled Substances Act to "knowingly open, lease, rent, use, or maintain any place, whether permanently or temporarily, for the purpose of manufacturing, distributing, or using any controlled substance." 21 U.S.C. section 856(a)(1). Marijuana is a Schedule 1 controlled substance under the Controlled substances Act. 21 U.S.C. section 812(c)(10).

Because leasing property for the purpose of distributing marijuana is illegal under federal law, Essenkay's proposed use of the premises for a retail marijuana business violates section 4.06 of the lease. Therefore, Lease Addendum #1 is of no force and effect.

Finally, the Planning Department has determined that Essenkay cannot operate a marijuana business at the leased premises because it cannot obtain a conditional use permit. Bethel Municipal Code section 5.10.070 requires each operator of a marijuana establishment to obtain a conditional use permit. However, Essenkay cannot obtain site control for the leased premises without the City's consent to the use of the leased premises for a marijuana business. Since Essenkay cannot obtain site control, it cannot obtain a conditional use permit.



Digitally signed by Bo Foley
DN: cn=Bo Foley, o=City of Bethel,
ou, email=bfoley@cityofbethel.net,
c=US
Date: 2019.10.01 13:31:36 -08'00'

Bo Foley
Acting City Manager

LEASE ADDENDUM #1

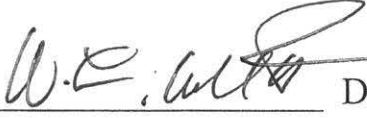
This Lease Addendum #1 is made the 28th day of May, 2019, by and between the City of Bethel, ("Lessor"), and Essenkay, LLC, ("Lessee"), an Alaska corporation.

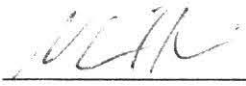
Whereas, Lessor and Lessee understand and agree to the following:

1. The Lessee/Lessor understand and agree the property at 781 3rd Avenue is going to be used for a marijuana business.
2. The Lessee/Lessor understand and agree that in case of default, Lessee will not take possession or remove marijuana from the premises and AMCO enforcement will be contacted to take possession.

Lessor

Lessee


Date: 5-28-19
Bill Howell, Acting City Manager
City of Bethel, Alaska


Date: 06-04-19
Naim Shabani, Owner
Essenkay, LLC


Date: 5/28/19
Jared Karr, Owner
Essenkay, LLC



City of Bethel

P.O. Box 1388 • Bethel, Alaska 99559-1388

907-543-1386

Fax # 543-1388

Website: www.cityofbethel.org

August 28, 2019

Essenkay, LLC
P.O. Box 2343
Bethel, AK 99559-2343

RE: Commercial lease between the City of Bethel and Essenkay, dated April 23, 2019.

Dear Mr. Shabani and Mr. Karr:

It has come to my attention that Lease Addendum #1 to the Commercial Lease between the City of Bethel and Essenkay, LLC (hereinafter the "Lease") is in violation of Article 4.06 of the Lease. Article 4.06 requires that the tenant "shall observe and comply with all state and federal laws, municipal ordinances, rules and regulations" which may be applicable to the leased premises. Lease Addendum #1 states that the leased premises "is going to be used for a marijuana business." The possession, sale, or distribution of marijuana is prohibited by federal law. As a result, Lease Addendum #1 is of no force and effect.

Sincerely,

A handwritten signature in blue ink, appearing to read "W. R. Howell", is written over a horizontal line.

Bill Howell, Acting City Manager
City of Bethel



City of Bethel

Planning Department
P.O. Box 1388
Bethel, Alaska 99559
(907) 543-5306

September 3, 2019

Essenkay, LLC
PO Box 2343
Bethel, AK. 99559

Dear Mr. Shabani and Mr. Karr,

As you are aware, the August 28, 2019 letter written by the Bethel City Manager invalidated your May 28, 2019 Lease Addendum #1 for operating a marijuana store on City owned property (Lot 4, Block 15, USS 3230 A & B, Bethel Recording District). Regarding your associated Conditional Use Permit Application for the Kusko Kush marijuana retail store, I need to inform you that all applications for any type of municipal permit must show proper site control (ownership, appropriate lease, or notarized permission) verification before being considered. As you currently lack site control on your commercial property lease for specifically operating a marijuana store, this is to notify you that I cannot present your Conditional Use Permit application to the Planning Commission for consideration at this time. Please contact me if you have any questions. Thank You.

Sincerely,

A handwritten signature in blue ink that reads "Ted Meyer". The signature is written over a horizontal line.

Ted Meyer, Planner
City of Bethel
PO Box 1388
Bethel, AK.99559
907-543-5306
tmeyer@cityofbethel.net

CC. Bill Howell, Acting City Manager
Bo Foley, IT Director
Pauline Boratko, Planner Assistant
Michael Gatty, City Attorney

VALCARCE LAW OFFICE

A LIMITED LIABILITY COMPANY

900 THIRD AVENUE

P.O. BOX 409

BETHEL, ALASKA 99559

TELEPHONE: (907) 543-2744 OR (907) 543-HELP

TOLL FREE (888) 610-2744

TELEFAX (907) 543-2746

EMAIL: jim@bushlawyers.com

JARED KARR, ESQ.

HEATHER SIA, ESQ.

JIM VALCARCE, ESQ.

Bush Lawyers Serving

Bush Alaska

September 9, 2019

Mayor Fred Watson

Vice-Mayor Thor Williams

Council Member Leif Albertson

Council Member Mitchell Forbes

Planning Commission Chair, Kathy Hanson

c/o *Attorney Michael Gatti*

City of Bethel Alaska

PO Box 1388

Bethel, AK 99559

Council Member Perry Barr

Council Member Carole Jung-Jordan

Council Member Fritz Charles

City Clerk Lori Strickler

Re: Lease of City property at 781 3rd Avenue

Dear City Officials:

Kindly accept this letter as notice that I represent Essenkay, LLC, regarding its breach of contract claims against the City.

The City of Bethel entered into a 15-year lease agreement with Essenkay, LLC to rent a property at 781 3rd Avenue on April 23, 2019. On May 28, 2019, Acting City Manager Bill Howell and the two authorized agents for Essenkay, LLC, signed Lease Addendum #1 ("Addendum") to that lease. In part it was agreed to, "the Lessor/Lessee understand and agree the property at 781 3rd Avenue is going to be used for a marijuana business."

Relying specifically upon that agreement, my client spent several hundred thousand dollars to improve its property and prepare to open such business (i.e. hired an engineer to draft building plans, hired a lawyer to assist in the marijuana application to the State of Alaska Marijuana Control Board; hired multiple contractors to haul in over several hundred tons of dirt and gravel; hired a contractor to custom build a building for the sole purpose of opening a marijuana retail business; applied for a conditional use permit to operate the marijuana store on the lot; applied for numerous licenses with the city and state – each with its own fee, and spent thousands of dollars on furniture, technology, and supplies for the business).

Moreover, after signing the May 28, 2019 addendum, the City of Bethel thereafter issued a site plan permit to my clients authorizing them to build their building, issued them a Marijuana Retail Business business license, and issued a license to collect sales tax.

Around the end of July 2019, Acting City Manager Howell contacted my clients and informed them that there may be an issue with the City having a tenant that is operating a marijuana retail store. He stated he was unclear as to whether that business might run afoul of federal grants. My client was told that the City was working on a solution and that when one is found, the City would notify my clients. The Acting City Manager even told my clients to text him every few days to remind him to keep this issue on the "front burner" of the City.

Thereafter, no solution was offered. But on August 28, 2019 the City thereafter sent a letter (dated September 28, 2019) stating that "Addendum #1 is of no force and effect."

Based upon such breach, on September 3, 2019, Ted Meyer, Planner for the City of Bethel, sent an email to my clients. That email stated that the "Bethel City manager invalidated your May 28, 2019 Lease Addendum #1" and because of that, "I cannot present your Conditional Use permit application to the Planning Commission." The conditional use permit application was taken off the agenda for the September 12, 2019 Planning Commission meeting.

The City is in breach of the April 23, 2019, Lease Agreement and May 28, 2019 Lease Addendum #1 with Essenkay, LLC. As codified by Bethel Municipal Code 4.20.390, the City Manager or duly appointed designee can bind the City with a written contract and in fact, is the only person within the City who can. Based upon the legal addendum to the Lease, my clients relied upon such addendum to spend in excess of \$350,000 in preparation to open a marijuana retail store, which includes:

1. \$185,000 for construction of a commercial building.
2. \$20,000 for fill and gravel.
3. \$18,000 for architectural drawing of the building and land.
4. \$7,000 in attorney fees.
5. \$7,500 in permit and licensing fees.
6. \$15,000 in furniture/equipment.

Moreover, damages not only include the costs and expenses of preparing such trade operation, but the actual profits generated from such business. A conservative estimate for the amount of profit a marijuana retail store could expect to generate within a year is \$1,100,000. Over the life of a 15-year lease, that equates to roughly \$16,500,000.

9/9/19

Essenkay, LLC v. City of Bethel, Alaska

Pg. 3-3

The City leased property knowing its tenant was planning to operate a marijuana retail store; allowed the tenant to spend hundreds of thousands of dollars on improvements; and then unilaterally chose to breach the lease and prohibit such. My client has attempted to ask and determine how the City intends to make him whole, but no response has been provided, to date.

Before we allow a Bethel Jury to determine damages, I propose that the City has three options: 1) Agree that the September 28 letter is in error and revoked. 2) Sell the property. 3) Pay damages.

I look forward to receiving your response to these options within the next ten (10) days.

VALCARCE LAW OFFICE, LLC

Jim Valcaree

Attorney for Essenkay, LLC

Attachments:

1. Lease
2. Lease Addendum
3. September 28, 2019 (August 28, 2019) Letter from Acting City Manager Howell
4. September 3, 2019 email from Planning Director Ted Meyer

September 17, 2019

Jim Valcarce
Valcarce Law Office
900 Third Avenue
P.O. Box 409
Bethel, AK 99559

Re: Lease of City property at 781 3rd Avenue

Dear Mr. Valcarce

My firm represents the City of Bethel (the “City”) with regard to the lease of City property at 781 3rd Avenue by the City to Essenkay, LLC (“Essenkay”). The City has received your September 9, 2019 letter regarding this lease. In your letter, you claim that the City’s August 28, 2019 letter noting that Lease Addendum #1 is of no force and effect constitutes a breach of the lease.

As the City noted in the August 28, 2019 letter, Article 4.06 of the Commercial Lease between the City and Essenkay requires that the tenant “shall observe and comply with all state and federal laws, municipal ordinances, rules and regulations” which may be applicable to the leased premises. Under the federal Controlled Substances Act (“CSA”), marijuana is considered a Schedule I controlled substance. *See* 21 U.S.C. § 812(c)(10). Knowingly leasing, renting, or using a place for the purpose of distributing a controlled substance violates the CSA. *See* 21 U.S.C. § 856(a)(1).

In 2013, the U.S. Department of Justice indicated that in states where marijuana has been legalized under state law, the Department of Justice would allow states to provide the primary means of addressing and regulating marijuana-related activity. *See* U.S. Dept. of Justice, Guidance Regarding Marijuana Enforcement (2013) (the “Cole memo”), Attachment 1 to this letter. However, the Cole memo was expressly rescinded by the Attorney General, and the federal government has provided no further guidance indicating that the CSA will not be enforced in states where marijuana has been legalized. *See* Office of the Att’y Gen., Marijuana Enforcement (2018), Attachment 2 to this letter.

Essenkay’s proposed use for the leased property as a marijuana retail store implicates the CSA. Accordingly, Lease Addendum #1, which purportedly authorizes this proposed illegal use, is of no force and effect. The City disavows Essenkay’s claim that it

suffered damages as outlined in your letter. The City is willing to discuss options for a fair resolution of this dispute. If you are interested in discussing a resolution, please contact me to set up a meeting.

Sincerely,

JERMAIN DUNNAGAN & OWENS, P.C.

A handwritten signature in black ink, appearing to read 'Michael Gatti', with a large, stylized loop at the end.

Michael Gatti
Max D. Holmquist

Attachments:

1. U.S. Dept. of Justice, Guidance Regarding Marijuana Enforcement (2013)
2. Office of the Att'y Gen., Marijuana Enforcement (2018)



U.S. Department of Justice

Office of the Deputy Attorney General

The Deputy Attorney General

Washington, D.C. 20530

August 29, 2013

MEMORANDUM FOR ALL UNITED STATES ATTORNEYS

FROM: James M. Cole 
Deputy Attorney General

SUBJECT: Guidance Regarding Marijuana Enforcement

In October 2009 and June 2011, the Department issued guidance to federal prosecutors concerning marijuana enforcement under the Controlled Substances Act (CSA). This memorandum updates that guidance in light of state ballot initiatives that legalize under state law the possession of small amounts of marijuana and provide for the regulation of marijuana production, processing, and sale. The guidance set forth herein applies to all federal enforcement activity, including civil enforcement and criminal investigations and prosecutions, concerning marijuana in all states.

As the Department noted in its previous guidance, Congress has determined that marijuana is a dangerous drug and that the illegal distribution and sale of marijuana is a serious crime that provides a significant source of revenue to large-scale criminal enterprises, gangs, and cartels. The Department of Justice is committed to enforcement of the CSA consistent with those determinations. The Department is also committed to using its limited investigative and prosecutorial resources to address the most significant threats in the most effective, consistent, and rational way. In furtherance of those objectives, as several states enacted laws relating to the use of marijuana for medical purposes, the Department in recent years has focused its efforts on certain enforcement priorities that are particularly important to the federal government:

- 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 on federal property.

These priorities will continue to guide the Department's enforcement of the CSA against marijuana-related conduct. Thus, this memorandum serves as guidance to Department attorneys and law enforcement to focus their enforcement resources and efforts, including prosecution, on persons or organizations whose conduct interferes with any one or more of these priorities, regardless of state law.¹

Outside of these enforcement priorities, the federal government has traditionally relied on states and local law enforcement agencies to address marijuana activity through enforcement of their own narcotics laws. For example, the Department of Justice has not historically devoted resources to prosecuting individuals whose conduct is limited to possession of small amounts of marijuana for personal use on private property. Instead, the Department has left such lower-level or localized activity to state and local authorities and has stepped in to enforce the CSA only when the use, possession, cultivation, or distribution of marijuana has threatened to cause one of the harms identified above.

The enactment of state laws that endeavor to authorize marijuana production, distribution, and possession by establishing a regulatory scheme for these purposes affects this traditional joint federal-state approach to narcotics enforcement. The Department's guidance in this memorandum rests on its expectation that states and local governments that have enacted laws authorizing marijuana-related conduct will implement strong and effective regulatory and enforcement systems that will address the threat those state laws could pose to public safety, public health, and other law enforcement interests. A system adequate to that task must not only contain robust controls and procedures on paper; it must also be effective in practice. Jurisdictions that have implemented systems that provide for regulation of marijuana activity

¹ These enforcement priorities are listed in general terms; each encompasses a variety of conduct that may merit civil or criminal enforcement of the CSA. By way of example only, the Department's interest in preventing the distribution of marijuana to minors would call for enforcement not just when an individual or entity sells or transfers marijuana to a minor, but also when marijuana trafficking takes place near an area associated with minors; when marijuana or marijuana-infused products are marketed in a manner to appeal to minors; or when marijuana is being diverted, directly or indirectly, and purposefully or otherwise, to minors.

must provide the necessary resources and demonstrate the willingness to enforce their laws and regulations in a manner that ensures they do not undermine federal enforcement priorities.

In jurisdictions that have enacted laws legalizing marijuana in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, distribution, sale, and possession of marijuana, conduct in compliance with those laws and regulations is less likely to threaten the federal priorities set forth above. Indeed, a robust system may affirmatively address those priorities by, for example, implementing effective measures to prevent diversion of marijuana outside of the regulated system and to other states, prohibiting access to marijuana by minors, and replacing an illicit marijuana trade that funds criminal enterprises with a tightly regulated market in which revenues are tracked and accounted for. In those circumstances, consistent with the traditional allocation of federal-state efforts in this area, enforcement of state law by state and local law enforcement and regulatory bodies should remain the primary means of addressing marijuana-related activity. If state enforcement efforts are not sufficiently robust to protect against the harms set forth above, the federal government may seek to challenge the regulatory structure itself in addition to continuing to bring individual enforcement actions, including criminal prosecutions, focused on those harms.

The Department's previous memoranda specifically addressed the exercise of prosecutorial discretion in states with laws authorizing marijuana cultivation and distribution for medical use. In those contexts, the Department advised that it likely was not an efficient use of federal resources to focus enforcement efforts on seriously ill individuals, or on their individual caregivers. In doing so, the previous guidance drew a distinction between the seriously ill and their caregivers, on the one hand, and large-scale, for-profit commercial enterprises, on the other, and advised that the latter continued to be appropriate targets for federal enforcement and prosecution. In drawing this distinction, the Department relied on the common-sense judgment that the size of a marijuana operation was a reasonable proxy for assessing whether marijuana trafficking implicates the federal enforcement priorities set forth above.

As explained above, however, both the existence of a strong and effective state regulatory system, and an operation's compliance with such a system, may allay the threat that an operation's size poses to federal enforcement interests. Accordingly, in exercising prosecutorial discretion, prosecutors should not consider the size or commercial nature of a marijuana operation alone as a proxy for assessing whether marijuana trafficking implicates the Department's enforcement priorities listed above. Rather, prosecutors should continue to review marijuana cases on a case-by-case basis and weigh all available information and evidence, including, but not limited to, whether the operation is demonstrably in compliance with a strong and effective state regulatory system. A marijuana operation's large scale or for-profit nature may be a relevant consideration for assessing the extent to which it undermines a particular federal enforcement priority. The primary question in all cases – and in all jurisdictions – should be whether the conduct at issue implicates one or more of the enforcement priorities listed above.

As with the Department's previous statements on this subject, this memorandum is intended solely as a guide to the exercise of investigative and prosecutorial discretion. This memorandum does not alter in any way the Department's authority to enforce federal law, including federal laws relating to marijuana, regardless of state law. Neither the guidance herein nor any state or local law provides a legal defense to a violation of federal law, including any civil or criminal violation of the CSA. Even in jurisdictions with strong and effective regulatory systems, evidence that particular conduct threatens federal priorities will subject that person or entity to federal enforcement action, based on the circumstances. This memorandum is not intended to, does not, and may not be relied upon to create any rights, substantive or procedural, enforceable at law by any party in any matter civil or criminal. It applies prospectively to the exercise of prosecutorial discretion in future cases and does not provide defendants or subjects of enforcement action with a basis for reconsideration of any pending civil action or criminal prosecution. Finally, nothing herein precludes investigation or prosecution, even in the absence of any one of the factors listed above, in particular circumstances where investigation and prosecution otherwise serves an important federal interest.

cc: Mythili Raman
Acting Assistant Attorney General, Criminal Division

Loretta E. Lynch
United States Attorney
Eastern District of New York
Chair, Attorney General's Advisory Committee

Michele M. Leonhart
Administrator
Drug Enforcement Administration

H. Marshall Jarrett
Director
Executive Office for United States Attorneys

Ronald T. Hosko
Assistant Director
Criminal Investigative Division
Federal Bureau of Investigation



Office of the Attorney General
Washington, D. C. 20530

January 4, 2018

MEMORANDUM FOR ALL UNITED STATES ATTORNEYS

FROM: Jefferson B. Sessions, III
Attorney General

SUBJECT: Marijuana Enforcement

In the Controlled Substances Act, Congress has generally prohibited the cultivation, distribution, and possession of marijuana. 21 U.S.C. § 801 *et seq.* It has established significant penalties for these crimes. 21 U.S.C. § 841 *et seq.* These activities also may serve as the basis for the prosecution of other crimes, such as those prohibited by the money laundering statutes, the unlicensed money transmitter statute, and the Bank Secrecy Act. 18 U.S.C. §§ 1956-57, 1960; 31 U.S.C. § 5318. These statutes reflect Congress's determination that marijuana is a dangerous drug and that marijuana activity is a serious crime.

In deciding which marijuana activities to prosecute under these laws with the Department's finite resources, prosecutors should follow the well-established principles that govern all federal prosecutions. Attorney General Benjamin Civiletti originally set forth these principles in 1980, and they have been refined over time, as reflected in chapter 9-27.000 of the U.S. Attorneys' Manual. These principles require federal prosecutors deciding which cases to prosecute to weigh all relevant considerations, including federal law enforcement priorities set by the Attorney General, the seriousness of the crime, the deterrent effect of criminal prosecution, and the cumulative impact of particular crimes on the community.

Given the Department's well-established general principles, previous nationwide guidance specific to marijuana enforcement is unnecessary and is rescinded, effective immediately.¹ This memorandum is intended solely as a guide to the exercise of investigative and prosecutorial discretion in accordance with all applicable laws, regulations, and appropriations. It is not intended to, does not, and may not be relied upon to create any rights, substantive or procedural, enforceable at law by any party in any matter civil or criminal.

¹ Previous guidance includes: David W. Ogden, Deputy Att'y Gen., Memorandum for Selected United States Attorneys: Investigations and Prosecutions in States Authorizing the Medical Use of Marijuana (Oct. 19, 2009); James M. Cole, Deputy Att'y Gen., Memorandum for United States Attorneys: Guidance Regarding the Ogden Memo in Jurisdictions Seeking to Authorize Marijuana for Medical Use (June 29, 2011); James M. Cole, Deputy Att'y Gen., Memorandum for All United States Attorneys: Guidance Regarding Marijuana Enforcement (Aug. 29, 2013); James M. Cole, Deputy Att'y Gen., Memorandum for All United States Attorneys: Guidance Regarding Marijuana Related Financial Crimes (Feb. 14, 2014); and Monty Wilkinson, Director of the Executive Office for U.S. Att'ys, Policy Statement Regarding Marijuana Issues in Indian Country (Oct. 28, 2014).

**COMMERCIAL LEASE BETWEEN
CITY OF BETHEL and
ESSENKAY, LLC**

This LEASE is made on April 23, 2019 by and between the City of Bethel, a municipal corporation ("Landlord") and Essenkay, LLC ("Tenant").

**ARTICLE 1
LEASED PREMISES AND TERM**

1.01 **Leased Land.** Landlord, for and in consideration of the rents, covenants and conditions hereinafter specified to be paid, performed and observed by Tenant, hereby leases to Tenant and Tenant hereby leases from Landlord, a parcel of land situated in the Bethel Recording District, Fourth Judicial District, State of Alaska, more particularly described as:

Lot 4, Block 15, United States Survey 3230 A & B, Bethel
Recording District, Fourth Judicial District, State of Alaska.

Latitude/Longitude: 67° 47' 41" North / 164° 45' 27" West,
NAD 83 Datum

together with all rights, easements, privileges, both subterranean and vertical, and appurtenances attaching or belonging to the described land, but subject to the reservation contained in paragraph 1.02 and the Covenants contained in Article 4 hereof (herein called the "Leased Premises").

1.02 **Reservation of Minerals.** All oil, gas, coal, geothermal resources and minerals whatever nature in or under the above-described land are excluded from the Leased Premises and are reserved to Landlord; provided, however, that during the term of this Lease, Landlord shall not have the right to enter on the surface of the Leased Premises for the purpose of mining and/or excavating such oil, gas, coal, geothermal resources or minerals.

1.03 **Improvements Owned by Landlord.** The following described improvements ("Landlord's Improvements") are situated on and are part of the Leased Premises and are and shall remain throughout the term of this Lease the property of the Landlord:

All fill, retaining walls, berms, earth contours, wells, utility pipes and lines and all other at-surface or below-surface improvements situated on the Leased Premises on the date of this Lease. Tenant may improve the Leased Premises by removing Landlord's improvements but only after the written consent of the Landlord has been obtained. Such consent shall not be unreasonably withheld.

- 1.04 **Lease Term.** This Lease shall be and continue in full force and effect for a term of fifteen (15) years commencing on April 23, 2019 and terminating on April 30, 2034 unless earlier terminated in accordance with the terms of this Lease.
- 1.04 **Holdover (with Consent).** If Tenant continues occupying the Premises after the Term ends (Holdover) and if the Holdover is with Landlord's written consent, it shall be a month-to-month tenancy, terminable on thirty (30) days advance notice by either party. During the holdover period, rent shall automatically be increased by ten (10%) percent and will remain due and owing on the first day of each month.
- A. **Holdover (without consent).** If the Holdover is without Landlord's written consent, then Tenant shall be a tenant-at-sufferance and shall be liable for any damages suffered by Landlord because of Tenant's Holdover. Landlord shall retain all remedies against Tenant who holds over without written consent.
- B. **Holdover Terms.** The Holdover shall be on the same terms and conditions of the Lease except: (i) the Term; (ii) Rent; (iii) any extension Term is deleted; (iv) the Quiet Possession provision is deleted; (v) consent to a sublease may be unreasonably withheld and delayed; (vi) the provision on Landlord's Default is deleted; and (vii) the Defaulting Party may be Tenant only.

ARTICLE 2 RENT

2.01 **Rent.** Effective May 1, 2019, Tenant shall pay to Landlord, without deduction and without notice or demand, net of all real property taxes, assessments, rates and other charges required to be paid by Tenant under this Lease with respect to the Leased Premises, Two Thousand and One Dollars (\$2,001) per month on or before the 1st day of each month during the Lease Term.

ARTICLE 3 QUIET ENJOYMENT

Upon timely payment by Tenant of all rent and other payments required to be paid by Tenant under this Lease, and upon full and faithful observance and performance by Tenant of all of its covenants contained in this Lease, and so long as such observance and performance continues, Tenant shall peaceably hold and enjoy the Leased Premises during the Lease Term without hindrance or interruption by Landlord or anyone lawfully claiming by, through, or under it.

ARTICLE 4 TENANT'S COVENANTS

4.01 Improvements Required by Law. Tenant, at Tenant's own expense, during the Lease Term and subject to the requirements of this Lease, shall make, build, maintain and repair all fences, sewers, drains, roads, road widening, driveways, sidewalks, water, underground electric and telecommunications lines, curbs, gutters and other installations which may be required by law to be made, built, maintained, or repaired upon, and in connection with, or for use of the Leased Premises or any part of it, and regardless of whether the same were erected by Landlord or in existence at the inception of this Lease. In case any such installations required by law shall be made, built, maintained or repaired by Landlord after giving the required notice provided for in paragraph 4.08, and if Tenant does not complete the required work within the timeframe provided for in the notice, Tenant shall reimburse Landlord for the actual reasonable costs to cover Landlord's overhead, upon presentation of a bill therefore, as additional rent.

4.02 Landlord's Improvements on the Premises. Landlord currently has a number of improvements on the Premises such as, but not limited to, a well and a small Shack. Tenant is not responsible for maintaining any of Landlord's improvements. However, Landlord currently has no plans to utilize the improvements, especially the well. Tenant agrees that Landlord has no responsibility for maintaining the improvements or making them useable for Tenant.

Should Tenant wish to remove any of Landlord's improvements currently situated on the Premises, Tenant shall file a written request to the Landlord. Consent by the Landlord shall not be unreasonably withheld.

4.03 Additions and Alterations to Leased Premises. "Significant Work" as used in this section, means all work which (1) involves the excavation, filling, or other alteration of the grade or drainage of the leased Premises, or (2) involves the construction, demolition, or removal on or from the Leased Premises of any improvement.

Tenant shall not make alterations to the grade or drainage of the Leased Premises without the written approval of the Landlord. Landlord shall not alter the grade or drainage of the adjacent properties such that drainage will flow over or through the Leased Premises of the Tenant.

4.04 Repair and Maintenance. Tenant shall, at Tenant's expense and without notice from Landlord, at all times during the Lease Term, keep all improvements now or hereafter built, purchased, installed or owned by Tenant on the Leased Premises, especially those improvements constructed thereon which are exposed to the view of the public (including but not limited

to exterior building walls, windows, doors, fences, signs, landscaping, and yard areas) in good order, condition, maintenance, operability, and repair and of a neat, clean and pleasing appearance to Landlord.

4.05 **Snow Removal.** Tenant shall be responsible for snow removal on the Leased land.

4.06 **Observance of Laws.** Tenant, at all times during the Lease Term, at its own expense, and with all due diligence shall observe and comply with all state and federal laws, municipal ordinances, rules and regulations which are now in effect or may later be adopted by any governmental agency, and which may be applicable to the Leased Premises or any improvement on it or any use of it, and shall promptly furnish such evidence of compliance with such laws, ordinances, rules and regulations as Landlord may request from time to time.

In furtherance, and not in limitation, Tenant must, at its own expense, comply with all laws, ordinances, regulations and administrative agency or court orders relating to health, safety, noise, environmental protection, waste disposal, hazardous or toxic materials, and water and air quality. In the event any discharge, leakage, spillage, emission or pollution of any type occurs upon or from the Leased Premises during the Lease Term or any holdover thereafter, Tenant, at its own expense, must clean and restore the Leased Premises to the satisfaction of the Landlord and any governmental body or court having jurisdiction over the matter. However, Tenant shall not be responsible for the clean-up or restoration of the Leased Premises resulting from any discharge, leakage, spillage, emission or pollution to the Leased Premises from surrounding or adjacent premises unless Tenant's actions caused in whole or in part such discharge, leakage, spillage, emission, or pollution, in which case Tenant shall be responsible for the portion of such discharge, leakage, spillage, emission or pollution which was caused by Tenant.

Landlord warrants that at the time this Lease between the parties, Landlord is not aware of any hazardous or toxic materials on the land.

4.07 Tenant agrees to hold harmless Landlord against all liability, cost and expense (including without limitation, any fines, clean-up costs, judgments, litigation costs, and attorneys' fees) incurred by or levied against Landlord as a result of Tenant's breach of this Lease.

4.08 **Inspection and Repair by Landlord.** Tenant shall repair, maintain, and make good, all conditions required under the provisions of this Lease to be repaired or maintained within five (5) working days from the date of written notice from Landlord with regard to removal of trash or debris, landscape or yard maintenance, snow removal or cleaning, or parking lot lighting

replacement and repair, and within thirty (30) days from the date of written notice from Landlord with regard to all other matters. If Tenant refuses or neglects to repair or maintain the Leased Premises as required under the terms of this Lease to the reasonable satisfaction of the Landlord after written demand, then Landlord, without prejudice to any other right or remedy it has under this Lease or otherwise, may perform such maintenance work or make such repairs without liability to Tenant for any loss or damage that may accrue to Tenant's property or Tenant's business by reason of the work or repairs. Upon completion of any such repair or maintenance, and no later than ten (10) days after presentation of a bill therefore, Tenant shall pay, as additional rent, Landlord's actual costs for making such repairs or performing such maintenance. However, Tenant shall not be responsible for the replacement or repair of any street lights that may illuminate the Premises.

- 4.09 **Waste and Wrongful Use.** Tenant shall not commit or suffer any waste of the Leased Premises or any unlawful, unsafe, improper, or offensive use thereof or any public or private nuisance thereon.
- 4.10 **Setback.** Tenant shall observe all setback lines applicable to the Leased Premises and shall not construct or maintain any building or other structure between any street boundary of the Leased Premises and any setback along such boundary, except for fences or walls approved by Landlord.
- 4.11 **Liens.** Tenant shall not commit or suffer any act or neglect whereby the Leased Premises or the interest of Landlord or Tenant therein at any time during the Lease Term may become subject to any attachment, execution lien, charge, or other encumbrance, and shall defend, indemnify and hold Landlord harmless against all losses, costs, and expenses, including reasonable attorney's fees, paid or incurred by Landlord in connection therewith.
- 4.12 **Indemnification.** Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims arising from (1) Tenant's use of the Leased Premises, or from the conduct of Tenant's business, or from any activity, work or things done, permitted or suffered by Tenant in or about the Leased Premises; (2) any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease; (3) any negligence of Tenant, or any of Tenant's agents, contractors, customers or employees, or any person claiming by, through or under Tenant; and (4) any accident on or in connection with the Leased Premises, or any fire thereon, or any nuisance made or suffered thereon when and to the extent such claim arises from the negligence of Tenant.

Tenant, upon notice from Landlord, shall defend any of the above described claims at Tenant's expense. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons,

in, upon or about the Leased Premises. However, this section does not require Tenant to indemnify, defend and hold harmless Landlord from and against any portion of a claim to the extent that portion of the claim is caused by Landlord's negligence, or the negligence of Landlord's agents, contractors or employees arising from Landlord's activities on the Leased Premises. To the extent permitted by law, Landlord shall indemnify, defend, and hold harmless Tenant from and against any portion of a claim to the extent that portion of the claim is caused by Landlord's negligence, or the negligence of Landlord's agents, contractors or employees arising from Landlord's activities on the Leased Premises.

Tenant acknowledges that before entering into this Lease it has fully inspected or been provided with an opportunity to fully inspect the Leased Premises and all documents in the possession of Landlord relating to the condition of the Leased Premises, and to test or examine all conditions of or on the Leased Premises. Tenant further acknowledges that, at the time this Lease is entered into and on the basis of the foregoing inspection or opportunity to inspect, Tenant is as knowledgeable about the physical condition of the Leased Premises as Landlord, and on that basis, assumes all risks relating to the condition of the Leased Premises, except risks relating to environmental pollution not caused by Tenant.

- 4.13 **Costs and Expenses of Landlord.** Tenant shall forthwith pay to Landlord all costs and expenses, including reasonable attorney's fees, which are (1) paid or incurred by Landlord but are required to be paid by Tenant under any provision of this Lease; (2) paid or incurred by Landlord in enforcing any covenant of Tenant contained in this Lease, in protecting itself against or remedying any breach thereof, in recovering possession of the Leased Premises or any part thereof, or in collecting or causing to be paid any delinquent rents, taxes, assessments, or rates; (3) incurred by Landlord in reviewing any matter for which Landlord's approval is sought and in processing such approval under this Lease; or (4) incurred by Landlord in connection with any other action in any respect related to this Lease, the Leased Premises, or Tenant's actions or omissions and the Leased Premises, other than a condemnation action filed by or against Tenant, to and in which Landlord is made a party but not adjudicated to be at fault. The term "costs and expenses" as used in this Lease shall include but not be limited to all of Landlord's out-of-pocket expenditures attributable to the matter involved. Except as otherwise expressly provided herein, all costs and expenses of Landlord shall be payable by Tenant to Landlord forthwith after mailing or personal delivery of statements therefore to Tenant. Such obligations and interest shall constitute additional rents.

- 4.14 **Surrender of Leased Premises and Improvements.** Upon the expiration or termination (including termination resulting from Tenant's breach) of this Lease, Tenant, without further notice, shall deliver to Landlord, possession of

the Leased Premises. Tenant's improvements shall remain the property of Tenant. At the expiration or termination of the Lease, or any extended term thereof, Tenant shall remove, demolish, or otherwise dispose of all Tenant's improvements within one hundred twenty (120) days of expiration or termination, unless Landlord agrees otherwise, in writing, and shall leave Leased Premises in a clean and cleared condition. In the event of failure or refusal of Tenant to surrender possession of the Leased Premises or to remove Tenant's improvements from the Leased Premises in accordance with this paragraph, Landlord shall have the right to re-enter the Leased Premises and remove therefrom Tenant or any other person, firm or corporation claiming by, through or under Tenant, and to declare abandoned and/or remove Tenant's improvements therefrom, and to obtain damages for trespass from Tenant, including but not limited to the actual costs of removal.

- 4.15 **Utility Services.** Tenant shall arrange for its own utility services and bear all costs for utilities.
- 4.16 **Discrimination Prohibited.** Tenant will not unlawfully discriminate in allowing access to and use of the Leased Premises on the grounds of race, color, religion, national origin, ancestry, marital status, disability, gender, sex, sexual orientation, gender identification, or other legally protected status.
- 4.17 **Underground Conditions and Water Drainage.** Tenant has made, or prior to the construction of any improvements on the Leased Premises will make, its own soil tests of the Leased Premises. This Lease is made subject to and without any liability on the part of the Landlord, its agents or employees because of or resulting from any fill or any subsurface or soil condition on the Leased Premises. Tenant shall not drain or discharge water from the Leased Premises onto adjoining land. The Leased Premises shall be graded and drained to cause the discharge of all water on the Leased Premises at a location or locations approved by Landlord, or into an established drainage easement, if any, on the Leased Premises.

ARTICLE 5 INSURANCE

- 5.01 **Liability Insurance.** During the entire Lease Term, and during any holdover thereafter, whether or not authorized by Landlord, Tenant shall keep in full force and effect, a policy or policies of general liability and property damage insurance which satisfies the coverage requirements set by Landlord with respect to the Leased Premises and the business operated by Tenant in which the limit of bodily injury, death, and property damage liability shall be not less than ONE MILLION DOLLARS per occurrence and not less than TWO MILLION DOLLARS in the aggregate, or such higher limits as Landlord may specify; provided, however, that no such limit shall in any way limit Tenant's liability or be construed as a representation of sufficiency to fully protect Tenant or Landlord. The policy or policies purchased pursuant to this paragraph shall name the Tenant as an

insured and the Landlord as an additional insured with respect to the Leased Premises and the business operated by Tenant on the Leased Premises. A copy of each policy shall be provided to Landlord within three (3) days of the date this Lease is entered into.

5.02 Policy Provisions. Each policy of comprehensive general liability described above shall:

Provide that the liability of the insurer thereunder shall not be affected by, and that the insurer shall not claim, any right of setoff; counterclaim, apportionment, proration, or contribution by reason of any other insurance obtained by or for Landlord, for any person claiming by, through or under Landlord.

Contain no provision relieving the insurer from liability for loss occurring while the hazard to buildings and/or other improvements is increased, whether or not within the knowledge of control of; or because of any breach of warranty or condition or any other act or neglect by Landlord, or any person claiming by, through or under Landlord.

Provide that such policy may not be canceled, whether or not requested by Tenant, unless the insurer first gives not less than thirty (30) days prior written notice thereof to Landlord.

Contain a waiver by the insurer of any right to subrogation to any right of Landlord or Tenant against either of them or against any person claiming by either of them.

ARTICLE 6 EMINENT DOMAIN

6.01 Permanent Taking. In the event of a taking by an entity of competent jurisdiction of all or materially all of the Leased Premises, or the determination of the Landlord that all or materially all of the Leased Premises is necessary for a public purpose, this Lease shall terminate on the earlier of vesting of title in, or the taking of possession by the condemner, or the written determination of the Landlord.

If less than materially all of the Leased Premises are taken or if the Landlord determines that it needs less than materially all of the Leased Premises for a public purpose (herein called a "partial taking"), this Lease shall continue in effect except as to the portion so taken or condemned, but the rent to be paid by Tenant shall thereafter be reduced by a percentage equal to the proportion that the number of square feet in the Leased Premises so taken bears to the number of square feet of Leased Premises before the partial taking.

6.02 Disposition of Proceeds. Landlord is entitled to all proceeds of condemnation except those proceeds specifically allocated for Tenant's improvements.

- 6.03 **Temporary Taking.** If the whole or any part of the Leased Premises or of Tenant's interest under this Lease is taken by any competent authority for its temporary use or occupancy, this Lease shall not terminate by reason thereof and Tenant shall continue to pay all rental payments and other charges payable by Tenant hereunder and to perform all other terms, covenants, and conditions contained herein, except to the extent Tenant is prevented from so doing by the terms of the order of the taking authority. In the event of a temporary taking, Tenant shall be entitled to receive the entire amount of the award and shall be obligated, at its sole expense, to restore the Leased Premises as nearly as may be reasonably possible to the condition in which they existed immediately prior to such taking; provided, however, that if the period of temporary use or occupancy extends beyond the expiration of the Lease Term, the award shall be apportioned between Landlord and Tenant as of said date of expiration, after Landlord shall have received the entire portion of the award attributable to physical damage to the Leased Premises and any improvements thereon and to the restoration thereof to the condition existing immediately prior to the taking or condemnation.
- 6.04 **Casualty.** If the improvements on the Leased Premises shall be damaged or rendered wholly or partially unusable for Tenant's business purposes by fire or other casualty during the Term of this Lease, Tenant may terminate this Lease by giving notice to Landlord within ninety (90) days of the date of the fire or other casualty. If Tenant does not terminate this Lease, no rent shall abate after the date of the casualty, whether the Leased Premises is usable or not, and Tenant shall promptly rebuild or repair the improvements to substantially their former condition.

ARTICLE 7 ASSIGNMENTS AND MORTGAGES

Landlord's Consent Required. Tenant shall not voluntarily or by operation of law assign, transfer, mortgage, or otherwise transfer or encumber all or any part of Tenant's interest in this Lease or in the Leased Premises without Landlord's prior written consent. Because Landlord's Premises are publicly owned, such consent may not be easily granted and will require significant City Council involvement. Any attempted assignment, transfer, mortgage, or encumbrance without such consent shall be void and shall constitute a breach of this Lease.

ARTICLE 8 SUBLETTING OF PREMISES

- 8.01 Tenant intends to sublease all or a portion of the Premises. Landlord acknowledges and accepts Tenant's intent to sublease and hereby consents to any subleases subject to the provisions set forth herein.

Tenant acknowledges that any subleases of the Premises shall be in compliance with (a) all applicable covenants, conditions and restrictions of record; and (b) all laws, ordinances and government regulations in effect during the Term of this Lease.

- 8.02 **Landlord's Consent.** Tenant shall make written application to Landlord for any and all subleases. Consent to Tenant's request to sublease shall not be unreasonably withheld. Tenant acknowledges that Landlord's refusal to consent to a sublease for a subtenant who is in arrears with the City of Bethel shall not be unreasonable. Tenant further acknowledges that Landlord's consent to a Sublease shall not in any way reduce, modify or absolve the Tenant from its obligations under this Lease Agreement.
- 8.03 **Conditions.** Subleases by Tenant are also subject to the terms of this Lease and the Term shall not extend beyond the Lease Term.
- 8.04 **Subtenants.** Subtenants shall not assign the Sublease nor sublet the subleased Premises in whole or in part and shall not permit the subtenant's interest in the sublease or the subleased Premises to be vested in a third party by operation of law or otherwise.
- 8.05 The execution of consent by Landlord shall not be deemed to be a consent to any subsequent assignment or subletting by either sublandlord or subtenant.

ARTICLE 9 TERMINATION, DEFAULT AND DEFEASANCE

9.01 **Event of Default:** Each of the following events shall be a default by Tenant and a breach of this Lease:

- A. **Failure to Continuously Operate a Facility for the General Public.**
If the land is used for commercial or retail purposes, to be available to the general public does not require that all members of the general public be admitted, only that there be no discrimination in admission based on race, gender, sexual orientation, gender identify age, sex or other protected category. Additionally, continuously operate shall be defined as open and operating regularly scheduled days and hours with no more than ninety (90) calendar days closure during any calendar year.
- B. **Failure to Perform Covenants.** Abandonment or surrender of the Leased Premises or of the leasehold estate, or failure or refusal to pay when due any installment of rent or any other sum required by this Lease to be paid by Tenant or to perform as required or conditioned by any other covenant or condition of this Lease.
- C. **Appointment of Receiver.** The appointment of a receiver or trustee to take possession of the Leased Premises or improvements or of the Tenant's interest

in the leasehold estate or of Tenant's operation on the Leased Premises for any reason, including but not limited to, assignment of benefit of creditors, but not including receivership pursuant to administration of the estate of any deceased or incompetent Tenant.

9.02 Notice and Right to Cure

- A. **Notices.** As a precondition to pursuing any remedy for an alleged default by Tenant, Landlord shall, before pursuing any remedy, give notice of default to Tenant.
- B. **Method of Giving Notice.** Landlord shall give notice of default by either personal service or by first class mail.
- C. **Tenant's Right to Cure Default(s).** If the alleged default is nonpayment of rent, Tenant shall have five (5) days after the notice is given to cure the default. For the cure of any other default, Tenant shall promptly and diligently cure the default and shall have thirty (30) days after notice is given to complete the cure.
- D. **Non-Waiver.** Acceptance by Landlord of any rents shall not be deemed to be a waiver by it of any breach by Tenant of any of its covenants contained in this Lease or of the right of Landlord to re-enter the Leased Premises or to declare forfeiture for any such breach. Waiver by Landlord of any breach by Tenant shall not be deemed to be a waiver of the right of Landlord to declare forfeiture for any other breach or of any other covenant.

9.03 Right of Landlord to Protect Against Default

If Tenant fails to observe or perform any of its covenants contained herein, Landlord, at any time thereafter and with seven (7) days' notice, or in the case of a situation deemed by Landlord to constitute an emergency, without notice, shall have the right but not the obligation to observe or perform such covenant for the account and at the expense of Tenant, and shall not be liable to Tenant or anyone claiming by, through, or under it for any loss or damage by reason thereof to the occupancy, business, or property of any of them. All costs and expenses paid or incurred by Landlord in observing or performing such covenant shall constitute additional rents, which Tenant shall forthwith pay to Landlord upon statements therefore.

9.04 Landlord's Remedies

If any default by Tenant shall continue uncured, following notice of default as required by this Lease, for the period applicable to the default, Landlord has the following remedies in addition to all other rights and remedies provided by law or equity or other provisions of this Lease, to which Landlord may resort cumulatively or in the alternative. The election of one remedy for any one default shall not foreclose an election of any other remedy for another default or for the same default at a later time.

- A. **Termination in the Event of Default.** Landlord may, at Landlord's election, terminate this Lease in the event of default by giving Tenant notice of termination. On the giving of the notice, all Tenants' rights in the Leased Premises shall terminate. Promptly after notice of termination, Tenant shall surrender and vacate the Leased Premises and all Improvements not required to be removed, and Landlord may re-enter and take possession of the Leased Premises and all remaining improvements. Termination under this paragraph shall not relieve Tenant from the payment of any sum then due to Landlord or from any claim for damages previously accrued or accruing against Tenant, or any other relief available to Landlord.
- B. **Recovery of Rent.** Landlord shall be entitled, at Landlord's election, to each installment of rent or to any combination of installments for any period before termination, plus interest at the rate of twelve and a half (12.5%) percent from the due date of each installment.
- C. **Tenant's Personal Property.** Landlord may, if Tenant fails to remove personal property or Tenant's improvements within the time allowed above, use Tenant's personal property, Tenant's improvements and trade fixtures on the Leased Premises, or any of such property without liability for use or damage, or store them at the sole risk and cost to Tenant.
- D. **Damages.** Landlord shall also be entitled, at Landlord's election, to damages in the following sums: (1) all amounts that would have fallen due as rent between the time of termination and the time the Leased premises are relet; (2) the amount, if any, by which the rent under this Lease exceeds the rent under any subsequent Lease upon reletting calculated over the Lease Term; and (3) all administrative, marketing, maintenance, repair, cleaning and similar costs incurred by Landlord.
- E. **Application of Sums Collected by Landlord.** Landlord shall apply all proceeds of reletting as follows: First, to the payment of reasonable expenses (including attorney's fees and broker's commissions or both) paid or incurred by or on behalf of Landlord. Second, in recovering possession, placing the Leased Premises and improvements in good condition, and preparing or altering the Leased Premises or improvements for reletting. Third, to the reasonable expenses of securing new Tenants. Fourth, to the fulfillment of Tenant's covenants to the end of the Lease term; and finally, to Landlord's uses and purposes.
- F. **Costs.** In the event Tenant shall be in default in the performance of any of its obligations under this Lease, and Landlord takes any action to enforce this Lease, including, but not limited to, court action, Tenant shall pay Landlord all the expenses incurred by Landlord in taking such action including full and reasonable attorney's fees.

9.05 **Early Termination by Tenant.** In the event Tenant desires to terminate the Lease Agreement before the natural expiration date, Tenant may so cancel provided that the following conditions are fully met. Failure to fulfill all of the conditions will be a breach of this Lease Agreement.

- A. Written notice of early termination must be received by Landlord not later than one hundred twenty (120) calendar days prior to the proposed termination date.
- B. Rent must be paid through the termination date.
- C. The termination date must be the end of the month. No mid-month termination dates will be accepted.
- D. If Tenant terminates the Lease prior to the completion of the Lease as contemplated by this Agreement, Tenant shall pay a penalty equal to twelve (12) months' rent, payable within no more than thirty (30) days upon termination of the Lease. Such payment will be considered liquidated damages as penalty for early termination.
- E. Upon payment by Tenant to Landlord of liquidated damages, Landlord formally waives its rights to any additional remedies it may have under paragraphs 9.04(B), (D) and (E) above.

ARTICLE 10 GENERAL PROVISIONS

10.01 Landlord's Right to Entry, Inspection and Repair

Landlord may enter and inspect the Premises, at any time during regular business hours, with or without the presence of Tenant or its authorized representative, after giving twenty-four (24) hours advance notice to Tenant of such inspection. To protect the confidentiality of Tenant's clients, Landlord shall take every step possible to not enter without the presence and consent of Tenant except in an emergency or upon agreement by Tenant, such agreement not to be unreasonably withheld or refused. In the event of an emergency, Landlord may enter and inspect the Leased Premises on reasonable notice to Tenant (including no notice if the circumstances warrant) and make such repairs or institute such measures, on the account and at the expense of Tenant, as may be necessary to avert or terminate the emergency. An emergency is any action, event or condition, either extant or imminent, that threatens significant damage to property or injury to persons on or near the Leased Premises, and includes, but is not limited to, flood, fire, explosion, uncontrolled dangerous discharge or release of water or fluids, or the unauthorized or illegal placement of hazardous or toxic materials on Leased Premises). The provisions of this paragraph apply to Landlord solely in its capacity as Landlord hereunder and not in any other capacity.

10.02 **Notices**

All notices, requests, demands and other communications hereunder shall be deemed given only if in writing signed by an authorized representative of the sender and delivered by facsimile, email (with a hard copy mailed first class) or mailed and addressed to the respective parties as follows:

To Landlord:
City Manager
City of Bethel
P.O. Box 1388
Bethel, Alaska 99559

With Required Copy to:

City of Bethel Legal Department
PO Box 1388
Bethel, Alaska 99559-1388

To Tenant:
Essenkay, LLC
PO Box 2343
Bethel AK 99559-2343

10.03 **Covenants and Conditions**

Every provision in this Lease which imposes an obligation upon Tenant or invests an option, power, or right in Landlord shall be deemed to be a covenant of Tenant in favor of Landlord, and the time of observance and performance by Tenant of each such covenant shall be of the essence. Full and faithful observance and performance by Tenant of each of its covenants contained in this Lease shall be a condition of this Lease.

10.04 **Integration and Amendment**

Except as otherwise expressly provided in this Lease, this Lease is a complete integration of every agreement and representation made by or on behalf of Landlord and Tenant with respect to the Leased Premises, and no implied covenant or prior oral or written agreement shall be held to vary the provisions of this Lease, any law or custom to the contrary notwithstanding. No amendment or other modification of the provisions of this Lease shall be effective unless incorporated in a written instrument duly executed and acknowledged by Landlord and Tenant.

10.05 Survival and Severability

If any provision of this Lease shall be deemed to be void or otherwise unenforceable by any court or other tribunal of competent jurisdiction, other than at the initiative or with the support of Landlord, within thirty (30) days of receipt of written notice of such holding, Landlord shall have the right and option, exercisable by written notice thereof to Tenant, to terminate this Lease effective as of the date of such written notice of exercise. It is understood and agreed that otherwise this Lease, except for such provision so held to be void or otherwise unenforceable, shall remain in full force and effect.

10.06 Binding Effect

This Lease shall be binding upon and shall inure to the benefit of Landlord and Tenant and their respective successors and assigns. The designations "Landlord" and "Tenant" include their respective successors and assigns and shall be so construed that the use of the singular includes the plural number, and vice versa, and the use of any gender include the other genders. If at any time during the Lease Term Tenant is more than one person or entity, including persons who are partners and operate Tenancy as a partnership, their liability thereunder shall be joint and several.

10.07 Landlord's Authority to Convey Fee Title

Landlord retains the absolute and unconditional right to convey fee title in the Leased Premises or an interest or estate therein, subject to this Lease and the interest of any Qualified Mortgagee.

10.08 Tenant's Authority to Execute Lease

The Tenant represents that the person signing this Lease on its behalf has been duly authorized to sign this Lease and has the authority to bind the Tenant.

10.09 Captions

The captions of the paragraphs are for convenience only, are not operative, and neither limit nor amplify in any way the provisions hereof.

10.10 Execution and Counterparts

This Lease may be executed in two or more counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

10.11 Governing Law/Construction

This Lease shall be construed and governed by the laws of the State of Alaska. This Lease was negotiated between the parties and shall not be strictly construed against either party. In the event that a question, dispute, or requirements for interpretation or construction shall arise with respect to this Lease, jurisdiction and venue shall lie exclusively with the Bethel Court in the Fourth Judicial District at Bethel, Alaska.

IN WITNESS WHEREOF. Landlord and Tenant have duly executed and acknowledged this Lease.

CITY OF BETHEL

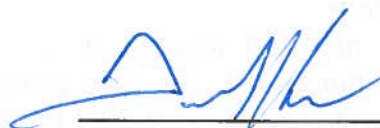
ESSENKAY, LLC



William F. Howell, III
Acting City Manager



Naim Shabani
Member



Jared Karr
Member

LEASE ADDENDUM #1

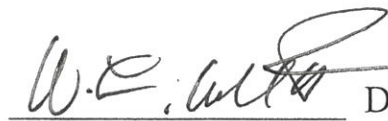
This Lease Addendum #1 is made the 28th day of May, 2019, by and between the City of Bethel, ("Lessor"), and Essenkay, LLC, ("Lessee"), an Alaska corporation.

Whereas, Lessor and Lessee understand and agree to the following:

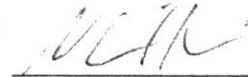
1. The Lessee/Lessor understand and agree the property at 781 3rd Avenue is going to be used for a marijuana business.
2. The Lessee/Lessor understand and agree that in case of default, Lessee will not take possession or remove marijuana from the premises and AMCO enforcement will be contacted to take possession.

Lessor

Lessee



Date: 5-28-19



Date: 06-04-19

Bill Howell, Acting City Manager

Naim Shabani, Owner

City of Bethel, Alaska

Essenkay, LLC



Date: 5/28/19

Jared Karr, Owner

Essenkay, LLC





City of Bethel

P.O. Box 1388 • Bethel, Alaska 99559-1388

907-543-1386

Fax # 543-1388

Website: www.cityofbethel.org

August 28, 2019

Essenkay, LLC
P.O. Box 2343
Bethel, AK 99559-2343

RE: Commercial lease between the City of Bethel and Essenkay, dated April 23, 2019.

Dear Mr. Shabani and Mr. Karr:

It has come to my attention that Lease Addendum #1 to the Commercial Lease between the City of Bethel and Essenkay, LLC (hereinafter the "Lease") is in violation of Article 4.06 of the Lease. Article 4.06 requires that the tenant "shall observe and comply with all state and federal laws, municipal ordinances, rules and regulations" which may be applicable to the leased premises. Lease Addendum #1 states that the leased premises "is going to be used for a marijuana business." The possession, sale, or distribution of marijuana is prohibited by federal law. As a result, Lease Addendum #1 is of no force and effect.

Sincerely,

A handwritten signature in blue ink, appearing to read "W. R. Howell", with a long horizontal line extending to the right.

Bill Howell, Acting City Manager
City of Bethel

City of Bethel Action Memorandum

Action memorandum No.	19-71		
Date action introduced:	November 12, 2019	Introduced by:	Mayor Barr
Date action taken:		Approved	Denied
Confirmed by:			

Appointment of Committee/Commission/Board member. Nathan McCabe-Finance Committee. Gerald Domnick- Board of Ethics

Amount of fiscal impact:		Account information:
x	No fiscal impact	

Action Memorandum 19-71 is sponsored by Mayor Barr at the request of the City Clerk.

Nathan McCabe 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.

Gerald Domnick has requested appointment to the Board of Ethics. If appointed, the term would be three years as a Regular member with a term expiration of December 31, 2021.

City of Bethel Action Memorandum

Action memorandum No.	19-72		
Date action introduced:	November 12, 2019	Introduced by:	Council Member DeWitt
Date action taken:		Approved	Denied
Confirmed by:			

Request the Finance Committee and the Parks, Recreation, Aquatic Health, and Safety Center Committee to, through joint meetings:

1. Evaluate the profit loss totals from July 2014 through year to date actuals provided by Administration.
2. Evaluate transfer dates and amounts from the YK Fitness Center's dedicated fund provided by Administration
3. Identify potential revenue opportunities for the facility with the goal to reduce or eliminate the need for transfers from the dedicated fund.

Attachment(s): None

Amount of fiscal impact:		Account information:
X	No fiscal impact at this time.	

The City Council wishes to engage the two committees through joint meetings, in an evaluation of financial operations and determination future revenue concepts to help reduce or eliminate the facilities use of the designated funds.

The City of Bethel has been funding the operation of the YK Fitness Center since 2014. Through a number of ordinances, the City had allocated a percentage of sales tax to be allocated to an interest bearing account to help fund the continued operations and maintenance of the facility. The Council also directed that funds be transferred monthly to the interest bearing account. The Council wishes to have the Committees review the collections, allocations, and transfers of the designated fund and operations of the facility and confirm accuracy.

As the City begins the preparation of the next fiscal year operations, and the negotiation of the contract for pool operations, the Council finds it necessary to evaluate the operations to determine if there is an opportunity for additional revenue that would reduce the dependence on the interest bearing account.

Ideally, Administration would have the details of the finance related material available to both Committees by December 1st. Once provided the members with support from the City's Ex Officio members, can begin collaborating on meeting dates and times. It is the Council's hope that the findings of the joint committee meetings would be available to council by February 1st to help ensure and adjustments to the next fiscal year budget and the contract for the facility operations.

City of Bethel Action Memorandum

Action memorandum No.	19-73		
Date action introduced:	November 12, 2019	Introduced by:	William F. Howell, Acting City Manager
Date action taken:		Approved	Denied
Confirmed by:			

Action Title: Direct Administration to sign the School Violence Prevention Program grant agreement and accept the award from the U.S. Department of Justice, Office of Community Oriented Policing Services in the amount of \$500,000 to purchase security features for Bethel schools and negotiate and execute a related Memorandum of Understanding between the City and the Lower Kuskokwim School District.

Attachment(s): (1) Award Letter from COPS Office, dated October 3, 2019.

Amount of fiscal impact:		Account information:
\$166,667 match	Funds in City FY 20 LKSD Budget.	TBD - LKSD

Summary Statement

The City of Bethel worked with the Lower Kuskokwim School District to prepare and submit a grant application to the COPS Office School Violence Prevention Program. The City sought and was awarded the maximum amount available through the grant: \$500,000. The School District pledged to contribute \$166,667 in cash match toward the project. This grant is unique in that only the City could apply as an eligible entity, but the money had to be used to improve school security.

In the two-year grant performance period, the City and LKSD plan to purchase and install a mobile phone application on all Bethel teacher and staff cell phones that has the capability to alert police, fire, medical service, or school staff members with the push of a button.

Grant funding will provide card reader door locks on all high school interior doors. This system will make every door more secure, reduce thefts, and stop unauthorized access.

Push bar door alarms will be installed on all high school exit doors. These fire alarm doors will prevent the ingress and egress through the doors that presently occurs.

The largest portion of grant funds will be used to purchase and install a front entry system with video cameras, monitors, intercom, and electronic door locks with controls located inside the Front Office. This "buzz-in" system will be monitored by an LKSD staff member.

The City and LKSD will prepare a Memorandum of Understanding that will specify each party's responsibilities. The MOU will be signed by the City Manager.



U.S. DEPARTMENT OF JUSTICE
OFFICE OF COMMUNITY ORIENTED POLICING SERVICES
145 N Street, NE, Washington, D.C. 20530

COPS

October 3, 2019

City Manager William Howell
Bethel Police Department
P.O. Box 1388, 300 State Highway
Bethel, AK 99559

Re: COPS Office School Violence Prevention Program (SVPP) Award # 2019SVWX0071
ORI#: AK00113

Dear City Manager Howell:

Congratulations on your agency's award for \$500,000.00 in federal funds over a two-year award period under the 2019 COPS Office School Violence Prevention Program (SVPP). Your agency may use SVPP award funds to improve security at schools and on school grounds within your jurisdiction through evidence-based school safety programs. **You will receive a subsequent email in the coming weeks that will contain additional details, to include a list of approved budget items and instructions on how to accept this award.**

Once again, congratulations on your 2019 COPS Office SVPP award. If you have any questions about your award, please do not hesitate to call your Grant Program Specialist through the COPS Office Response Center at 800-421-6770.

Sincerely,

Phil Keith
Director

ADVANCING PUBLIC SAFETY THROUGH COMMUNITY POLICING

This email was sent to bhowell@cityofbethel.org using GovDelivery Communications Cloud on behalf of: Office of Community Oriented Policing Services (COPS) · 145 N St, NE · Washington, DC 20530 · 800-421-6770

City of Bethel Action Memorandum

Action memorandum No.	19-74		
Date action introduced:	November 12, 2019	Introduced by:	William F. Howell, Acting City Manager
Date action taken:		Approved	Denied
Confirmed by:			

Action Title: Direct Administration to prepare a resolution identifying and describing the following City FY 2021 State Legislative Funding Priorities in order of importance: (1) Construct C-Loop, Extend Sewer System, and Perform Spot Repairs in Bethel Heights (\$10,146,000) (2) Public Works Building Repairs (\$7,000,000), and (3) Dust Control Measures (\$1,200,000).

Attachment(s): (1) Resolution #18-16: City of Bethel Priorities for the FY 2020 State of Alaska Capital Budget, (2) State of Alaska Capital Grant Priority Ideas for FY 2021.

Amount of fiscal impact:		Account information:
None	NA	NA

Summary Statement

Each year, the Bethel City Council determines State of Alaska Capital Funding Priorities and these priorities are written into a resolution and approved by Council. This year, City Administration is presenting to Council a list of capital projects categorized by Department for discussion and decision. The number of Council priorities have ranged from 5-9 over the last ten years. See last year's resolution attached.

Once the FY 2021 State Capital Funding Priorities Resolution is approved, the City Grant Manager prepares a full grant request for each priority. The grant request package is sent to the Governor's Office, the Bethel Senator and Representative, Finance Committee Chairs/Members, and other relevant parties.

While the chances of obtaining capital funding from the State may be slim considering the State's current financial woes, it behooves the City to express its strongest needs in the form of a resolution. The resolution can and will be used to seek funding from multiple sources.

State of Alaska Capital Grant Priority Ideas for FY 2021

Public Works

Construct C-Loop, Extend Sewer, and Perform Spot Repairs in Bethel Heights -

Preliminary Engineering Report 95% complete by DOWL engineering firm recommends this project. It can be done in phases for different amounts:

Phase 1: \$1,702,000 (C-Water Loop Only)

Phase 2: \$4,375,000 (Water and Sewer improvements)

Phase 3: \$4,927,000 (Water and Sewer improvements)

Total project all at once: \$10,146,000

Public Works Building Repairs – Full building repairs, including the foundation, glulam beams, wall panel replacement, and other repairs as determined by structural engineer reports (\$7,000,000)

Grader - City has two graders now, but one is over 20 years old, past its useful life in years and hours of operation, and due for replacement (\$350,000)

Front End Loader - \$350,000

New Kilbuck Lift Station – This lift station would be replaced and able to serve The Avenues Piped Water & Sewer Improvement Project. Pulling this project out of the cost of the Avenues will allow more USDA funding for the project (\$450,000)

Dust Control Measures – City can always use gravel, road implements, hydroseed materials (\$1,200,000)

Port

New floats – Small Boat Harbor currently has six, old fingers (floating docks) that have been used since the 1990s and must be repaired every winter. Each finger holds 20-25 boats each in summertime (\$1,500,000)

Kuskokwim River **Navigation Study** (\$100,000)

Fire

Pumper/Tender to replace old stock (\$500,000)

Police

Two new response **vehicles**, outfitted (\$110,000)

In-Car Videocameras – The in-car video cameras capture footage outside the front of the vehicle and inside vehicle, including backseat. Camera use would reduce City liability and provide evidence to support criminal convictions (\$ Cost to be determined)

Information Technology

City Videocamera System – Videocamera system installed on City buildings: City Hall, Courthouse, Water Treatment Plants, Public Works (\$120,000)

Parks and Recreation

Playground Equipment in Pinky's Park – Plenty of room exists for playground equipment. Likely placement would be between baseball field and skatepark (\$80,000)

Playground Equipment in Harbor Park – Residents and visitors to Bethel by boat would benefit by installation of playground equipment in Harbor Park. The only structure in the park currently is one basketball court constructed by Property Maintenance staff (\$80,000)

Introduced by: Pete Williams, City Manager
Date: October 23, 2018
Action: Passed
Vote: 4-1

CITY OF BETHEL

Resolution # 18-16

CITY OF BETHEL PRIORITIES FOR THE FY 2020 STATE OF ALASKA CAPITAL BUDGET

- WHEREAS,** the City of Bethel is proactively pursuing funding strategies with Federal and State agencies, as well as private funding sources;
- WHEREAS,** the City partners with other entities, such as the local tribe, Orutsararmuit Native Council, to work collaboratively for residents' needs;
- WHEREAS,** Bethel has had several recent community needs successfully funded by collaborating with Federal, State, and Tribal entities, including the Sewer Lagoon Rehabilitation Project and Water and Sewer truck replacement grants;
- WHEREAS,** Bethel City sales taxes and Port of Bethel dock and petro port revenues are used to fund the City's operating budget and major maintenance needs;
- WHEREAS,** in recent years, the City of Bethel raised its water and sewer subscription rate fees to fund capital depreciation and to better meet basic human health and sanitation needs;
- WHEREAS,** as a hub community for the 30,000 living in the Yukon-Kuskokwim Delta region, the City of Bethel often supports projects and expenditures that benefit tens of thousands of Alaskans who do not reside in City limits;
- WHEREAS,** the Bethel City Council is a seven-member body elected by resident voters of Bethel to act in the best interest of the community and intends to exhibit transparency, oversight, and accountability for all funds awarded through this request;
- WHEREAS,** the priorities established herein are rank-ordered and vital to the well-being of the community and municipality of Bethel;
- WHEREAS,** a summary of the City of Bethel's priorities and requested funding amounts are listed in the following table:

Introduced by: Pete Williams, City Manager
 Date: October 23, 2018
 Action: Passed
 Vote: 4-1

Five Priorities	Request
1. The Avenues Water and Sewer Improvements	\$8,250,000
2. Bethel Heights Water Loop A	\$9,024,803
3. Dust Control Measures	\$2,000,000
4. City Hall Roof	\$1,468,842
TOTAL	\$20,743,645

#1	The Avenues Water & Sewer Improvements	\$8,250,000
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- WHEREAS,** Engineer firm DOWL generated a Preliminary Engineering Report and Environmental Report (June 2018) that was approved by USDA Rural Development as a precursor to a grant/loan funding package;
- WHEREAS,** the Avenues project includes above-ground water and sewer connections to 112 residential and commercial customers and the purchase of six new water haul trucks;
- WHEREAS,** the water trucks are sorely needed to meet the Alaska Department of Transportation's axle weight restrictions and allow the City to operate with full capacity water trucks;
- WHEREAS,** the City of Bethel applied to the USDA Rural Development for a grant/loan to cover the cost of constructing the \$13,490,000 water and sewer project in the Avenues;
- WHEREAS,** the City cannot afford to pay back the proposed \$8,250,000 USDA loan over 40 years and must reduce the loan amount by securing State of Alaska Capital funding;
- NOW, THEREFORE, BE IT RESOLVED** the Bethel City Council hereby requests that the State of Alaska provide \$8,250,000 in its FY 2020 Capital Budget to partially fund the Avenues piped water and sewer improvements and purchase of six new water trucks.

#2	Bethel Heights Water Loop A	\$9,024,803
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- WHEREAS,** Bethel Heights Water Loop A, constructed in 1977, currently serves 150 residential and commercial customers;

Introduced by: Pete Williams, City Manager
Date: October 23, 2018
Action: Passed
Vote: 4-1

WHEREAS, Loop A is 20,700 linear feet and has more water customer connections than Loop B;

WHEREAS, the galvanized steel water pipes are ten years past their 30-year lifespan;

WHEREAS, Engineer studies reveal that interior pipe galvanization has worn off, causing rust to form, sediment to clog the filters of homeowners, blocked air valves, pipes to freeze when clogged, and brown water to be delivered occasionally to end users;

WHEREAS, Engineers warned the City not to use its "high demand pump" to facilitate water flow to fire hydrants for fear that the rushing water from its use would cause a blow-out in the weakened pipe;

WHEREAS, the purchase and installation of HDPE pipe to replace Loop A and form Loop C would solve the problems identified for this section of Bethel Heights and last the community 50 years;

NOW, THEREFORE, BE IT RESOLVED the Bethel City Council hereby requests that the State of Alaska provide \$9,024,803 in its FY 2019 Capital Budget to fund the reconstruction Loop A.

#3	Dust Control Measures	\$2,000,000
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WHEREAS, the community of Bethel is plagued by airborne dust and the ill-health effects associated with its inhalation, ingestion, and contact with eyes, ears, and skin;

WHEREAS, purchasing and applying gravel, calcium chloride, and hydroseed to road slopes have proven to be effective dust control measures for Bethel, Alaska;

WHEREAS, the City will purchase one new water spray truck with project funds so that it can apply water to the dusty streets throughout the summer;

WHEREAS, the City must purchase and apply gravel and other implements in bulk quantities on its subdivision roads, which are currently underserved because the City has had to focus on its thoroughfares;

WHEREAS, the City has the heavy equipment, trained personnel, and operating costs in its budget to apply gravel, calcium chloride, and hydroseed to the City's roads, as needed;

Introduced by: Pete Williams, City Manager
Date: October 23, 2018
Action: Passed
Vote: 4-1

NOW, THEREFORE, BE IT RESOLVED the Bethel City Council hereby requests that the State of Alaska provide \$2,000,000 in its FY 2020 Capital Budget to fund the Dust Control Measures project;

#4	City Hall Roof Replacement	\$1,468,842
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WHEREAS, Architects Alaska came to Bethel, assessed the condition of the City Hall roof, and produced a 19-page Existing Conditions report that recommends its replacement;

WHEREAS, Structural engineers from Architects Alaska determined that the sealants have failed, old roof patches are likely leaking, windows are in poor condition, and documented the heavy water damage to the interior of the building from years of water leaks;

WHEREAS, the current R-value of the roof is 17.18, vastly different from the current energy standard of R-35;

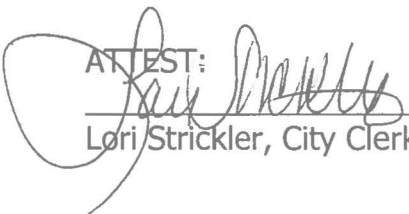
WHEREAS, the total cost to replace the flat City Hall roof with a modern sloped roof is \$1,468,842;

WHEREAS, the City prefers to install a new roof structure that would solve the drainage and pooling problems, bring natural light into the building, and protect walkways and access ramps below by diverting rain, ice, and snow;

NOW, THEREFORE, BE IT RESOLVED, the Bethel City Council hereby requests that the State of Alaska provide \$1,468,842 in its FY 2020 Capital Budget to fund the construction of a new roof structure for City Hall, Bethel's seat of government;

ENACTED THIS 23rd DAY OF OCTOBER 2018 BY A VOTE OF 4 IN FAVOR AND 1 OPPOSED.


Thor Williams, Vice-Mayor

ATTEST:

Lori Strickler, City Clerk

City of Bethel Information Memorandum

Information Memo No.	IM-19-12		
Date introduced:	November 12, 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 October 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 October 31, 2019 and (2) October 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 October 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 - October 2019

Public Works Director - William Arnold

City Sub Water Treatment Plant

Bethel Heights Water Treatment Plant

October
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)
4,739,180	1,822,000	1,576,377	746,000	1,050	9,900	240	2,106,790	507,000	2,741,766	187,390	750	2,400	85
21,718,508	7,946,000	7,336,585	3,012,400	4,200	45,450	991	9,565,575	2,043,961	12,178,815	727,820	2,700	12,900	431

Bethel Heights WTP	Monthly water logs to ADEC from BHWTP and CSWTP. Both main boilers are on line and operating for winter.Minor service needed .Small boiler placed off line status for winter.
City Sub WTP	Monthly water logs for BHWTP and CSWTP to ADEC. Minor adjustments and repairs to the A and B loop glycol lines return and supply.Pump boiler pressures up with additional glycol .Four new pressure relief valves on A/B glycol lines at return and discharge lines this took away alot of represurring the lines on a daily bases.
Sewer Lagoon	DMR report to ADEC. Lagoon discharge complete for month.
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. New Service line connected at the YK Long-Term Care (LTC) & LTC Managers Apartment connected 7/30. New Service Line connected to the YK Prematernal Building. 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 4 MONTHS ENDING OCTOBER 31, 2019

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>TAXES</u>					
10-40-400 TAX - TRANSIENT LODGING	658,151.89	128,685.29	600,000.00	471,314.71	21.5
10-40-401 TAX - SALES	6,984,914.69	594,852.50	6,464,744.00	5,869,891.50	9.2
10-40-403 PENALTIES & INT - SALES TAX	93,027.76	5,032.61	75,000.00	69,967.39	6.7
10-40-407 CIGARETTE AND TOBACCO TAX	649,684.51	43,305.46	575,000.00	531,694.54	7.5
10-40-408 TAX - ALCOHOL TAX	521,099.02	69,988.66	500,000.00	430,011.34	14.0
10-40-420 MARIJUANA TAX	.00	.00	100,000.00	100,000.00	.0
10-40-468 TAX - MOTOR VEH REGISTRATION	57,649.04	14,739.32	66,000.00	51,260.68	22.3
TOTAL TAXES	8,964,526.91	856,603.84	8,380,744.00	7,524,140.16	10.2
<u>STATE & FEDERAL REVENUES</u>					
10-42-410 PERS ON BEHALF	243,935.68	.00	.00	.00	.0
10-42-414 COMMUNITY DIVIDEND	193,287.27	.00	120,000.00	120,000.00	.0
10-42-418 PILT PROGRAM - STATE	1,802,829.29	909,685.46	.00	(909,685.46)	.0
10-42-419 MISCELLANEOUS STATE REV	550.00	.00	.00	.00	.0
10-42-430 SOA - JURY DUTY REIMB.	850.00	175.00	.00	(175.00)	.0
10-42-432 PERS FORFEITURE	221,006.15	.00	.00	.00	.0
TOTAL STATE & FEDERAL REVENUES	2,462,458.39	909,860.46	120,000.00	(789,860.46)	758.2
<u>CHARGES FOR SERVICES</u>					
10-43-422 AMBULANCE REVENUE	205,818.96	366.00	336,140.00	335,774.00	.1
10-43-424 POLICE DEPT PC FEES	16,479.66	965.00	9,000.00	8,035.00	10.7
10-43-426 AMBULANCE/PC COLLECTIONS	1,043.20	.00	.00	.00	.0
10-43-435 PARKS & REC OTC SALES	103.00	100.00	.00	(100.00)	.0
TOTAL CHARGES FOR SERVICES	223,444.82	1,431.00	345,140.00	343,709.00	.4
<u>RENTAL INCOME</u>					
10-44-463 LOG CABIN RENTAL	1,515.00	.00	.00	.00	.0
TOTAL RENTAL INCOME	1,515.00	.00	.00	.00	.0

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>LICENSES, PERMITS & FEES</u>					
10-45-450 GAMING TAX	548,263.53	73,132.78	500,000.00	426,867.22	14.6
10-45-451 TAXI PERMITS	201,125.00	51,765.00	153,848.00	102,083.00	33.7
10-45-452 BUSINESS LICENSES	37,000.00	850.00	36,660.00	35,810.00	2.3
10-45-453 ANIMAL CONTROL LICENSES	3,380.00	1,055.00	3,048.00	1,993.00	34.6
10-45-454 PLANNING FEES	780.00	325.00	1,042.00	717.00	31.2
10-45-455 PLAT/RECORDING FEES	565.00	100.00	705.00	605.00	14.2
10-45-456 SITE REVIEWS	10,635.00	875.00	20,000.00	19,125.00	4.4
10-45-457 PARKS & REC JULY 4TH FEES	5,625.00	350.00	2,500.00	2,150.00	14.0
10-45-458 PARKS & REC - OTHER	100.00	.00	.00	.00	.0
10-45-465 PARKS & REC PROGRAM FEES	(50.00)	.00	.00	.00	.0
10-45-469 MISC PERMITS/LICENSES/FEE	10,175.74	2,816.35	5,000.00	2,183.65	56.3
TOTAL LICENSES, PERMITS & FEES	817,599.27	131,269.13	722,803.00	591,533.87	18.2
<u>OTHER FINANCING SOURCES</u>					
10-46-990 OPERATING TRANSFER OUT	(113,299.36)	.00	.00	.00	.0
TOTAL OTHER FINANCING SOURCES	(113,299.36)	.00	.00	.00	.0
<u>MISCELLANEOUS</u>					
10-49-460 NSF - CLEARING ACCOUNT	60.00	.00	.00	.00	.0
10-49-487 INVESTMENT INCOME	552,976.57	.00	500,000.00	500,000.00	.0
10-49-488 POLICE DEPT MISC	8,982.17	6,260.92	5,000.00	(1,260.92)	125.2
10-49-495 MISCELLANEOUS REVENUE	10,373.57	1,824.59	.00	(1,824.59)	.0
10-49-497 RESTITUTION PMTS RECEIVED	1,598.00	.00	1,000.00	1,000.00	.0
TOTAL MISCELLANEOUS	573,990.31	8,085.51	506,000.00	497,914.49	1.6
TOTAL FUND REVENUE	12,930,235.34	1,907,249.94	10,074,687.00	8,167,437.06	18.9

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>ADMINISTRATION</u>					
10-51-501 SALARIES	364,380.47	54,355.49	346,679.00	292,323.51	15.7
10-51-508 LEAVE CASHOUT	17,110.04	10,301.11	.00	(10,301.11)	.0
10-51-510 SOCIAL SECURITY EXPENSE	972.16	.00	744.00	744.00	.0
10-51-511 MEDICARE FICA	5,752.36	966.52	5,027.00	4,060.48	19.2
10-51-512 EMPLOYEE GROUP BENEFITS	102,307.68	25,603.68	72,324.00	46,720.32	35.4
10-51-515 UNEMPLOYMENT	.00	.00	2,131.00	2,131.00	.0
10-51-516 WORKERS' COMPENSATION	758.87	.00	926.00	926.00	.0
10-51-517 PERS ON BEHALF	18,107.79	.00	.00	.00	.0
10-51-518 PERS	76,256.55	11,958.24	73,629.00	61,670.76	16.2
10-51-519 UTILITY BENEFIT	14,560.02	2,012.68	13,680.00	11,667.32	14.7
10-51-545 TRAINING/TRAVEL	22,231.97	3,834.13	10,000.00	6,165.87	38.3
10-51-561 SUPPLIES	5,991.21	2,730.84	6,700.00	3,969.16	40.8
10-51-601 VEHICLE PARTS	198.91	198.91	.00	(198.91)	.0
10-51-602 GASOLINE / DIESEL / OIL	235.90	.00	1,500.00	1,500.00	.0
10-51-621 ELECTRICITY	24,453.14	4,030.98	14,400.00	10,369.02	28.0
10-51-622 TELEPHONE	18,357.19	4,407.90	20,000.00	15,592.10	22.0
10-51-623 HEATING FUEL	16,519.07	2,352.98	26,400.00	24,047.02	8.9
10-51-626 WATER/SEWER/GARB/	11,293.36	.00	11,500.00	11,500.00	.0
10-51-627 STAFF CELLULAR PHONES	1,232.96	275.97	840.00	564.03	32.9
10-51-642 LEGAL FEES	39,322.97	36,588.27	5,000.00	(31,588.27)	731.8
10-51-646 DRUG TESTING/BCKGRND CKS	11,674.50	1,980.00	9,500.00	7,520.00	20.8
10-51-649 PROFESSIONAL FEES	64,590.59	20,855.20	20,000.00	(855.20)	104.3
10-51-661 VEHICLE MAINT/REPAIR	953.48	.00	1,502.00	1,502.00	.0
10-51-663 JANITORIAL	12,020.00	3,900.00	11,400.00	7,500.00	34.2
10-51-669 OTHER PURCHASED SERVICES	8,484.20	1,026.50	6,500.00	5,473.50	15.8
10-51-683 MINOR EQUIPMENT	652.14	415.88	2,000.00	1,584.12	20.8
10-51-721 INSURANCE	15,403.66	5,382.40	16,224.00	10,841.60	33.2
10-51-724 DUES/SUBSCRIPTIONS	1,654.00	.00	1,200.00	1,200.00	.0
10-51-727 ADVERTISING	2,572.05	44.00	1,000.00	956.00	4.4
10-51-732 EQUIPMENT RENTAL	2,446.50	489.30	2,000.00	1,510.70	24.5
10-51-733 POSTAGE	565.85	266.00	1,000.00	734.00	26.6
10-51-734 CASH OVER/SHORT	27.10	.00	.00	.00	.0
10-51-790 ALLOWANCE SPECIAL EVENTS	6,597.32	.00	5,000.00	5,000.00	.0
10-51-799 MISCELLANEOUS EXPENSES	3,859.27	35.75	1,000.00	964.25	3.6
10-51-875 INDIRECT COST RECOVERY	(254,291.00)	.00	(291,468.00)	(291,468.00)	.0
10-51-996 ADMIN OVERHEAD-IT SVCS	16,150.04	.00	17,028.00	17,028.00	.0
TOTAL ADMINISTRATION	633,402.32	194,012.73	415,366.00	221,353.27	46.7

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>CITY CLERKS OFFICE</u>					
10-52-501 SALARIES	155,511.78	39,716.66	118,364.00	78,647.34	33.6
10-52-502 OVERTIME	1,273.44	1,046.76	500.00	(546.76)	209.4
10-52-511 MEDICARE	2,324.62	595.19	1,724.00	1,128.81	34.5
10-52-512 EMPLOYEE GROUP BENEFITS	27,349.33	9,726.15	24,108.00	14,381.85	40.3
10-52-515 UNEMPLOYMENT	.00	.00	1,065.00	1,065.00	.0
10-52-516 WORKERS' COMPENSATION	266.42	.00	318.00	318.00	.0
10-52-517 PERS ON BEHALF	7,162.50	.00	.00	.00	.0
10-52-518 P.E.R.S.	34,400.46	8,967.95	26,150.00	17,182.05	34.3
10-52-519 UTILITY BENEFIT	6,410.96	945.32	4,560.00	3,614.68	20.7
10-52-541 TRAVEL/TRAINING-COUNCIL	13,675.20	1,383.14	10,000.00	8,616.86	13.8
10-52-545 TRAINING/TRAVEL-CLERK	2,404.02	.00	6,300.00	6,300.00	.0
10-52-561 SUPPLIES-CLERK	1,502.06	570.37	4,300.00	3,729.63	13.3
10-52-562 SUPPLIES-COUNCIL	61.89	.00	500.00	500.00	.0
10-52-627 STAFF CELLULAR PHONES	662.00	179.19	840.00	660.81	21.3
10-52-642 LEGAL FEES	8,399.00	7,567.00	15,000.00	7,433.00	50.5
10-52-644 CONSULTING FEES	9,334.00	9,334.00	16,000.00	6,666.00	58.3
10-52-669 OTHER PURCHASE SERVICES	23,732.15	8,020.21	14,600.00	6,579.79	54.9
10-52-682 ELECTION EXPENSES	22,137.43	7,198.50	15,000.00	7,801.50	48.0
10-52-683 MINOR EQUIPMENT	17,055.81	.00	.00	.00	.0
10-52-684 DONATIONS & AWARDS	653.96	.00	500.00	500.00	.0
10-52-721 INSURANCE	2,462.77	868.28	2,617.00	1,748.72	33.2
10-52-724 DUES/SUBSCRIPTIONS	470.00	100.00	7,000.00	6,900.00	1.4
10-52-790 ALLOWANCE FOR SPECIAL EVENTS	.00	.00	600.00	600.00	.0
10-52-799 OTHER MISC. EXPENSES	5,000.00	.00	.00	.00	.0
10-52-875 INDRIECT COST RECOVERY	(111,997.00)	.00	(129,576.00)	(129,576.00)	.0
10-52-996 ADMIN OVERHEAD-IT SVCS	16,150.04	.00	17,028.00	17,028.00	.0
TOTAL CITY CLERKS OFFICE	246,402.84	96,218.72	157,498.00	61,279.28	61.1

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>FINANCE</u>					
10-53-501 SALARIES	370,005.08	105,506.79	367,721.21	262,214.42	28.7
10-53-502 OVERTIME	3,896.56	425.33	3,000.00	2,574.67	14.2
10-53-508 LEAVE CASHOUT	8,500.76	7,495.90	12,035.00	4,539.10	62.3
10-53-510 SOCIAL SECURITY EXPENSE	119.04	.00	.00	.00	.0
10-53-511 MEDICARE FICA	5,621.43	1,661.35	6,906.00	5,244.65	24.1
10-53-512 EMPLOYEE GROUP BENEFITS	146,822.18	43,403.13	150,675.00	107,271.87	28.8
10-53-515 UNEMPLOYMENT	5,005.00	.00	4,439.00	4,439.00	.0
10-53-516 WORKERS' COMPENSATION	1,091.46	.00	1,273.00	1,273.00	.0
10-53-517 PERS ON BEHALF	15,935.31	.00	.00	.00	.0
10-53-518 PERS	79,887.94	23,305.06	104,786.00	81,480.94	22.2
10-53-519 UTILITY BENEFIT	11,285.72	1,707.63	28,500.00	26,792.37	6.0
10-53-523 PRIOR YEAR IRS PENALTY	(191.31)	.00	.00	.00	.0
10-53-545 TRAINING/TRAVEL	32,217.97	540.00	36,000.00	35,460.00	1.5
10-53-561 SUPPLIES	11,353.16	3,673.77	8,000.00	4,326.23	45.9
10-53-601 VEHICLE MT. (PARTS & TOOLS)	1,500.72	.00	1,500.00	1,500.00	.0
10-53-602 GASOLINE	1,207.35	156.06	1,200.00	1,043.94	13.0
10-53-622 TELEPHONE	181.16	43.88	1,000.00	956.12	4.4
10-53-627 STAFF CELLULAR PHONES	544.68	79.32	840.00	760.68	9.4
10-53-640 SALES TAX AUDITS	.00	.00	15,000.00	15,000.00	.0
10-53-641 AUDITING EXPENSE	101,782.41	.00	95,000.00	95,000.00	.0
10-53-649 OTHER PROFESSIONAL SVS	67,911.75	.00	10,000.00	10,000.00	.0
10-53-661 VEHICLE MAINT/REPAIRS	953.45	.00	1,502.00	1,502.00	.0
10-53-668 HARDWARE/SOFTWARE SUP/669	31,770.00	2,942.00	32,000.00	29,058.00	9.2
10-53-669 OTHER PURCHASED SERVICES	114,828.24	1,711.02	8,000.00	6,288.98	21.4
10-53-683 MINOR EQUIPMENT	8,640.87	4,196.66	4,500.00	303.34	93.3
10-53-721 INSURANCE	5,522.45	1,917.92	5,781.00	3,863.08	33.2
10-53-724 DUES/SUBSCRIPTIONS	960.00	.00	1,500.00	1,500.00	.0
10-53-727 ADVERTISING	.00	.00	2,500.00	2,500.00	.0
10-53-733 POSTAGE	16.65	.00	.00	.00	.0
10-53-734 CASH OVER/SHORT	.20	.00	.00	.00	.0
10-53-735 FINANCE CHARGES/PENALTIES	13,012.35	(36.58)	5,000.00	5,036.58	(.7)
10-53-736 BANK CHARGES	45,776.03	.00	35,000.00	35,000.00	.0
10-53-737 IRS PENALTIES AND INTEREST	29,538.55	.00	.00	.00	.0
10-53-739 LOSSES- FRAUDULAENT TRANSACTI	12,100.89	.00	.00	.00	.0
10-53-799 MISCELLANEOUS EXPENSES	919.55	230.00	1,000.00	770.00	23.0
10-53-875 INDIRECT COST RECOVERY	(424,740.00)	.00	(549,832.00)	(549,832.00)	.0
10-53-996 ADMIN OVERHEAD-IT SVCS	21,366.81	.00	22,523.00	22,523.00	.0
TOTAL FINANCE	725,344.41	198,959.24	417,349.21	218,389.97	47.7

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>PLANNING</u>					
10-54-501 SALARIES	159,733.84	31,854.05	102,363.00	70,508.95	31.1
10-54-502 OVERTIME	134.51	21.79	.00	(21.79)	.0
10-54-508 LEAVE CASHOUT	7,353.60	.00	6,575.00	6,575.00	.0
10-54-511 MEDICARE FICA	2,456.38	469.05	274.00	(195.05)	171.2
10-54-512 EMPLOYEE GROUP BENEFITS	54,863.63	6,084.60	44,600.00	38,515.40	13.6
10-54-515 UNEMPLOYMENT	5,920.00	.00	1,420.00	1,420.00	.0
10-54-516 WORKERS' COMPENSATION	296.57	.00	351.00	351.00	.0
10-54-517 PERS ON BEHALF	7,901.51	.00	.00	.00	.0
10-54-518 PERS	35,069.28	7,012.70	22,520.00	15,507.30	31.1
10-54-519 UTILITY BENEFIT	4,172.54	302.18	9,120.00	8,817.82	3.3
10-54-545 TRAINING/TRAVEL	3,188.69	.00	17,000.00	17,000.00	.0
10-54-561 SUPPLIES	4,913.04	1,279.67	5,600.00	4,320.33	22.9
10-54-563 WEARING APPAREL	19.98	.00	300.00	300.00	.0
10-54-601 VEHICLE PARTS	917.02	36.55	1,000.00	963.45	3.7
10-54-602 GASOLINE	887.92	156.90	1,800.00	1,643.10	8.7
10-54-621 ELECTRICITY	1,622.08	.00	1,440.00	1,440.00	.0
10-54-622 TELEPHONE	90.58	21.94	200.00	178.06	11.0
10-54-623 HEATING FUEL	3,369.82	.00	2,400.00	2,400.00	.0
10-54-626 WATER/SEWER/GARBAGE	1,227.00	.00	1,400.00	1,400.00	.0
10-54-627 STAFF CELLULAR PHONES	534.68	79.32	840.00	760.68	9.4
10-54-642 LEGAL FEES	4,464.00	.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	33,489.11	8,466.25	30,000.00	21,533.75	28.2
10-54-661 VEHICLE MAINT/REPAIRS	953.47	.00	1,502.00	1,502.00	.0
10-54-668 HARDWARE/SOFTWARE SUPPORT	4,084.00	.00	7,500.00	7,500.00	.0
10-54-669 PROFESSIONAL SERVICES	83.40	.00	4,000.00	4,000.00	.0
10-54-683 MINOR EQUIPMENT	9,007.24	6,250.26	5,500.00	(750.26)	113.6
10-54-690 CAPITAL EXPENDITURES	37,455.73	.00	80,000.00	80,000.00	.0
10-54-721 INSURANCE	2,919.79	1,016.72	3,065.00	2,048.28	33.2
10-54-724 DUES & SUBSCRIPTION	8.99	.00	240.00	240.00	.0
10-54-727 ADVERTISING	550.00	161.50	2,000.00	1,838.50	8.1
10-54-771 NUISANCE ENFORCEMENT EXPENSE	.00	.00	200.00	200.00	.0
10-54-799 MISCELLANEOUS EXPENSES	364.91	8.99	1,000.00	991.01	.9
10-54-996 ADMIN OVERHEAD-IT SVCS	16,151.04	.00	17,028.00	17,028.00	.0
TOTAL PLANNING	404,204.35	63,222.47	379,238.00	316,015.53	16.7

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
TECHNOLOGY DEPARTMENTS					
10-55-501 SALARIES	113,249.25	25,490.17	91,422.00	65,931.83	27.9
10-55-511 MEDICARE FICA	1,716.21	390.97	1,326.00	935.03	29.5
10-55-512 EMPLOYEE GROUP BENEFITS	18,202.11	4,867.68	24,108.00	19,240.32	20.2
10-55-515 UNEMPLOYMENT	.00	.00	710.00	710.00	.0
10-55-516 WORKERS' COMPENSATION	205.77	.00	244.00	244.00	.0
10-55-517 PERS ON BEHALF	5,417.76	.00	.00	.00	.0
10-55-518 PERS	24,845.15	5,607.85	20,616.00	15,008.15	27.2
10-55-519 UTILITY BENEFIT	5,300.78	945.32	4,560.00	3,614.68	20.7
10-55-545 TRAINING/TRAVEL	.00	.00	5,000.00	5,000.00	.0
10-55-561 SUPPLIES	1,168.36	29.99	4,500.00	4,470.01	.7
10-55-601 VEHICLE MT. (PARTS & TOOLS)	332.69	.00	.00	.00	.0
10-55-602 GASOLINE	1,042.15	174.13	1,440.00	1,265.87	12.1
10-55-627 STAFF CELLULAR PHONES	395.69	79.32	1,800.00	1,720.68	4.4
10-55-649 OTHER PROFESSIONAL SERVICES	215,621.45	57,041.05	185,000.00	127,958.95	30.8
10-55-661 VEHICLE MAINT/REPAIRS	953.47	.00	1,502.00	1,502.00	.0
10-55-667 CONNECTIVITY SERVICES	318,990.48	67,728.50	277,000.00	209,271.50	24.5
10-55-668 SOFTWARE/SUPPORT	38,540.65	4,940.65	30,000.00	25,059.35	16.5
10-55-669 ADMIN OVERHEAD-IT SVCS	30.16	.00	.00	.00	.0
10-55-683 MINOR EQUIPMENT	20,499.17	1,715.46	20,000.00	18,284.54	8.6
10-55-690 CAPITAL EXPENDITURES	13,887.62	7,891.25	27,875.00	19,983.75	28.3
10-55-721 INSURANCE	2,294.70	793.68	2,392.00	1,598.32	33.2
10-55-732 EQUIPMENT RENTAL	35,222.76	.00	3,000.00	3,000.00	.0
10-55-799 MISCELLANEOUS EXPENSES	1,299.59	47.84	2,000.00	1,952.16	2.4
10-55-875 INDIRECT COST RECOVERY	(469,855.52)	.00	(495,000.00)	(495,000.00)	.0
10-55-996 ADMIN OVERHEAD-IT SVCS	61,323.14	.00	64,598.00	64,598.00	.0
TOTAL TECHNOLOGY DEPARTMENTS	410,683.59	177,743.86	274,093.00	96,349.14	64.9

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>CITY ATTORNEY'S OFFICE</u>					
10-56-501 SALARIES	141,784.70	11,984.62	125,440.00	113,455.38	9.6
10-56-508 LEAVE CASHOUT	6,400.00	6,400.00	6,400.00	.00	100.0
10-56-510 SOCIAL SECURITY	111.60	.00	.00	.00	.0
10-56-511 MEDICARE	2,047.54	233.72	1,912.00	1,678.28	12.2
10-56-512 EMPLOYEE GROUP BENEFITS	35,453.09	5,477.16	24,108.00	18,630.84	22.7
10-56-515 UNEMPLOYMENT	.00	.00	710.00	710.00	.0
10-56-516 WORKERS' COMPENSATION	305.65	.00	352.00	352.00	.0
10-56-517 PERS ON BEHALF	7,902.00	.00	.00	.00	.0
10-56-518 PERS	30,694.95	2,636.62	29,005.00	26,368.38	9.1
10-56-519 UTILITY BENEFIT	1,870.09	151.09	4,560.00	4,408.91	3.3
10-56-545 TRANING/TRAVEL	5,789.71	398.00	6,500.00	6,102.00	6.1
10-56-561 SUPPLIES	971.72	.00	3,000.00	3,000.00	.0
10-56-602 GASOLINE	5.00	.00	.00	.00	.0
10-56-627 STAFF CELLULAR PHONES	349.93	33.58	840.00	806.42	4.0
10-56-642 LEGAL FEES	23,442.99	4,650.00	25,000.00	20,350.00	18.6
10-56-649 PROFESSIONAL SERVICES	16,705.00	225.00	10,000.00	9,775.00	2.3
10-56-669 OTHER PURCHASED SERVICES	10,641.99	3,785.63	9,600.00	5,814.37	39.4
10-56-721 INSURANCE	1,654.59	636.84	1,920.00	1,283.16	33.2
10-56-724 DUES AND SUBSCRIPTIONS	710.00	.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	45.00	.00	1,200.00	1,200.00	.0
10-56-875 INDIRECT COST RECOVERY	(47,698.00)	.00	(64,146.00)	(64,146.00)	.0
10-56-996 ADMIN OVERHEAD-IT SVCS	13,536.16	.00	14,260.00	14,260.00	.0
TOTAL CITY ATTORNEY'S OFFICE	252,723.71	36,612.26	204,661.00	168,048.74	17.9

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>FIRE DEPARTMENT</u>					
10-60-501 SALARIES	673,654.86	145,083.95	539,282.00	394,198.05	26.9
10-60-502 FLSA OVERTIME	81,183.99	18,347.98	50,225.00	31,877.02	36.5
10-60-506 CALL BACK OVERTIME	64,127.53	12,163.41	45,100.00	32,936.59	27.0
10-60-508 LEAVE CASHOUT	24,488.59	.00	20,905.00	20,905.00	.0
10-60-510 SOCIAL SECURITY EXPENSE	3,489.74	1,112.76	694.00	(418.76)	160.3
10-60-511 MEDICARE FICA	12,960.14	2,797.15	9,616.00	6,818.85	29.1
10-60-512 EMPLOYEE GROUP BENEFITS	251,980.05	59,961.40	192,864.00	132,902.60	31.1
10-60-515 UNEMPLOYMENT	.00	.00	5,682.00	5,682.00	.0
10-60-516 WORKERS' COMPENSATION	23,252.99	.00	24,409.00	24,409.00	.0
10-60-517 PERS ON BEHALF	38,212.31	.00	.00	.00	.0
10-60-518 PERS	172,859.47	37,175.67	133,058.00	95,882.33	27.9
10-60-519 UTILITY BENEFIT	29,771.17	3,709.68	36,480.00	32,770.32	10.2
10-60-545 TRAINING/TRAVEL	31,799.47	5,152.50	36,000.00	30,847.50	14.3
10-60-561 SUPPLIES	24,732.57	844.17	22,500.00	21,655.83	3.8
10-60-563 WEARING APPAREL	16,723.02	.00	15,687.00	15,687.00	.0
10-60-567 FIRE PREVENTION PROGRAM	8,735.62	3,899.88	5,200.00	1,300.12	75.0
10-60-600 VEHICLE MT. (PARTS & TOOLS)	3,198.80	.00	3,200.00	3,200.00	.0
10-60-601 VEHICLE MT. (PARTS & TOOLS)	27,237.91	2,576.46	27,250.00	24,673.54	9.5
10-60-602 GASOLINE/DIESEL/OIL	17,183.21	3,159.13	14,400.00	11,240.87	21.9
10-60-621 ELECTRICITY	20,570.07	3,529.54	18,720.00	15,190.46	18.9
10-60-622 TELEPHONE	1,179.88	230.46	2,500.00	2,269.54	9.2
10-60-623 HEATING FUEL	17,276.55	2,988.21	24,000.00	21,011.79	12.5
10-60-626 WATER/SEWER/GARBAGE	9,062.59	.00	8,500.00	8,500.00	.0
10-60-627 STAFF CELLULAR PHONES	1,822.24	317.25	3,360.00	3,042.75	9.4
10-60-647 COLLECTION/SMALL CLAIMS	23,264.94	.00	31,200.00	31,200.00	.0
10-60-649 VOLUNTEER STIPEND	25,281.00	11,333.00	28,540.00	17,207.00	39.7
10-60-660 VEHICLE MAINT SERVICES	8,000.00	.00	.00	.00	.0
10-60-661 VEHICLE MAINT/REPAIRS	6,356.47	.00	10,011.00	10,011.00	.0
10-60-662 PROPERTY MAINT	3,735.04	1,373.75	16,500.00	15,126.25	8.3
10-60-669 OTHER PURCHASED SERVICES	37,005.39	10,456.33	22,500.00	12,043.67	46.5
10-60-683 MINOR EQUIPMENT	18,934.92	.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
10-60-699 XFER TO F-58 FLEET REPLACEMENT	71,217.61	.00	.00	.00	.0
10-60-721 INSURANCE	82,059.80	28,889.32	87,078.00	58,188.68	33.2
10-60-724 DUES/SUBSCRIPTIONS	6,710.01	.00	7,324.00	7,324.00	.0
10-60-727 ADVERTISING	1,136.50	.00	1,500.00	1,500.00	.0
10-60-799 MISCELLANEOUS EXPENSES	178.36	.00	1,000.00	1,000.00	.0
10-60-996 ADMIN OVERHEAD-IT SVCS	16,151.04	.00	17,028.00	17,028.00	.0
TOTAL FIRE DEPARTMENT	1,855,533.85	355,102.00	1,753,331.00	1,398,229.00	20.3

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>POLICE</u>					
10-61-501 SALARIES	1,743,201.09	362,578.73	1,650,830.00	1,288,251.27	22.0
10-61-502 OVERTIME	190,773.00	33,788.97	180,000.00	146,211.03	18.8
10-61-508 LEAVE CASHOUT	86,530.94	12,631.82	76,799.00	64,167.18	16.5
10-61-510 SOCIAL SECURITY EXPENSE	175.58	.00	6,377.00	6,377.00	.0
10-61-511 MEDICARE	29,869.04	6,043.70	26,547.00	20,503.30	22.8
10-61-512 GROUP HEALTH INSURANCE	557,828.03	143,690.13	552,073.00	408,382.87	26.0
10-61-515 UNEMPLOYMENT	.00	.00	16,264.00	16,264.00	.0
10-61-516 WORKERS' COMPENSATION	33,028.83	.00	56,357.00	56,357.00	.0
10-61-517 PERS ON BEHALF	99,290.49	.00	.00	.00	.0
10-61-518 PERS	395,105.25	84,765.69	402,783.00	318,017.31	21.1
10-61-519 UTILITY BENEFIT	65,107.10	8,504.07	104,424.00	95,919.93	8.1
10-61-520 RELOCATION COSTS	.00	.00	2,500.00	2,500.00	.0
10-61-545 TRAINING/TRAVEL	52,708.51	5,836.08	36,000.00	30,163.92	16.2
10-61-561 SUPPLIES	18,465.66	3,630.70	10,000.00	6,369.30	36.3
10-61-563 EMPLOYEE WEARING APPAREL	6,328.54	.00	16,250.00	16,250.00	.0
10-61-601 VEHICLE MT. (PARTS & TOOLS)	6,415.56	316.43	6,000.00	5,683.57	5.3
10-61-602 GASOLINE/DIESEL/OIL	38,159.16	8,465.60	36,000.00	27,534.40	23.5
10-61-621 ELECTRICITY	51,886.61	9,548.98	40,800.00	31,251.02	23.4
10-61-622 TELEPHONE	20,746.04	5,312.71	20,500.00	15,187.29	25.9
10-61-623 HEATING FUEL	26,702.84	3,074.80	30,000.00	26,925.20	10.3
10-61-626 WATER/SEWER/GARBAGE	8,549.41	.00	10,000.00	10,000.00	.0
10-61-627 STAFF CELLULAR PHONES	6,201.02	1,065.41	9,240.00	8,174.59	11.5
10-61-660 VEHICLE MAINT SERVICES	9,609.27	3,437.83	6,000.00	2,562.17	57.3
10-61-661 VEHICLE MAINT/REPAIR	14,100.56	25.00	20,021.00	19,996.00	.1
10-61-668 SART EXAMS	820.20	(492.90)	10,000.00	10,492.90	(4.9)
10-61-669 OTHER PURCHASED SERVICES	27,240.02	4,067.82	30,000.00	25,932.18	13.6
10-61-683 MINOR EQUIPMENT	32,191.11	1,557.43	30,000.00	28,442.57	5.2
10-61-691 VEHICLES	113,107.10	113,107.10	110,000.00	(3,107.10)	102.8
10-61-699 XFER TO FLEET REPLACE FUND	39,496.00	.00	.00	.00	.0
10-61-721 INSURANCE	190,330.60	66,840.24	202,503.00	135,662.76	33.0
10-61-722 INSURANCE-DED EXP & OTHER	.00	.00	15,000.00	15,000.00	.0
10-61-724 DUES/SUBSCRIPTIONS	1,500.00	675.00	1,000.00	325.00	67.5
10-61-996 ADMIN OVERHEAD-IT SVCS	57,804.47	.00	60,885.00	60,885.00	.0
TOTAL POLICE	3,923,272.03	878,471.34	3,775,153.00	2,896,681.66	23.3

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>PUBLIC WORKS-ADMIN</u>					
10-65-501 SALARIES	36,595.48	8,256.61	25,293.00	17,036.39	32.6
10-65-502 OVERTIME	103.68	63.83	.00	(63.83)	.0
10-65-508 LEAVE CASHOUT	.00	.00	354.00	354.00	.0
10-65-511 MEDICARE FICA	573.99	122.52	367.00	244.48	33.4
10-65-512 EMPLOYEE GROUP BENEFITS	9,605.56	3,583.28	7,232.00	3,648.72	49.6
10-65-515 UNEMPLOYMENT	2,079.79	.00	213.00	213.00	.0
10-65-516 WORKERS' COMPENSATION	54.27	.00	68.00	68.00	.0
10-65-517 PERS ON BEHALF	1,819.50	.00	.00	.00	.0
10-65-518 PERS	8,291.18	1,830.52	5,565.00	3,734.48	32.9
10-65-519 UTILITY BENEFIT	9,019.96	101.74	1,368.00	1,266.26	7.4
10-65-545 TRAINING/TRAVEL	548.77	568.00	5,000.00	4,432.00	11.4
10-65-561 SUPPLIES	2,622.79	1,137.35	1,000.00	(137.35)	113.7
10-65-601 VEHICLE PARTS	2,577.53	315.08	1,000.00	684.92	31.5
10-65-602 GASOLINE/DIESEL/OIL	201.42	.00	4,200.00	4,200.00	.0
10-65-621 ELECTRICITY	14,947.95	9,692.16	.00	(9,692.16)	.0
10-65-622 TELEPHONE	115.51	19.19	150.00	130.81	12.8
10-65-623 HEATING FUEL	16,253.74	12,426.71	9,600.00	(2,826.71)	129.4
10-65-626 WATER/SEWER/GARBAGE	1,226.95	.00	1,233.00	1,233.00	.0
10-65-627 STAFF CELLULAR PHONES	2,382.08	170.27	1,680.00	1,509.73	10.1
10-65-649 OTHER PROFESSIONAL FEES	63.00	63.00	.00	(63.00)	.0
10-65-661 VEHICLE MAINT/REPAIRS	1,976.96	20.00	3,003.00	2,983.00	.7
10-65-669 OTHER PURCHASED SERVICES	3,156.09	1,042.26	2,500.00	1,457.74	41.7
10-65-721 INSURANCE	949.97	819.80	2,471.00	1,651.20	33.2
10-65-724 DUES/SUBSCRIPTIONS	103.88	38.93	500.00	461.07	7.8
10-65-799 MISCELLANEOUS EXPENSES	359.28	121.76	500.00	378.24	24.4
10-65-996 ADMIN OVERHEAD-IT SVCS	14,841.09	.00	15,642.00	15,642.00	.0
TOTAL PUBLIC WORKS-ADMIN	130,470.42	40,393.01	88,939.00	48,545.99	45.4

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>PW-STREETS & ROADS</u>					
10-66-501 SALARIES	471,796.28	97,766.64	403,465.00	305,698.36	24.2
10-66-502 OVERTIME	32,897.30	5,239.46	20,500.00	15,260.54	25.6
10-66-508 LEAVE CASHOUT	22,956.27	8,236.57	19,378.00	11,141.43	42.5
10-66-510 SOCIAL SECURITY EXPENSE	913.50	310.96	.00	(310.96)	.0
10-66-511 MEDICARE FICA	7,743.17	1,634.84	6,147.00	4,512.16	26.6
10-66-512 EMPLOYEE GROUP BENEFITS	157,965.44	38,899.97	128,978.00	90,078.03	30.2
10-66-515 UNEMPLOYMENT	.00	.00	3,711.00	3,711.00	.0
10-66-516 WORKERS' COMPENSATION	14,891.04	.00	16,449.00	16,449.00	.0
10-66-517 PERS ON BEHALF	24,203.20	.00	93,272.00	93,272.00	.0
10-66-518 PERS	107,498.34	21,557.93	.00	(21,557.93)	.0
10-66-519 UTILITY BENEFIT	13,445.84	1,862.24	24,168.00	22,305.76	7.7
10-66-545 TRAINING/TRAVEL	.00	.00	1,000.00	1,000.00	.0
10-66-561 SUPPLIES	2,076.16	692.42	4,500.00	3,807.58	15.4
10-66-562 SIGNS	2,001.00	.00	3,800.00	3,800.00	.0
10-66-563 WEARING APPAREL	2,129.14	.00	2,500.00	2,500.00	.0
10-66-567 CALCIUM CHLORIDE	49,338.58	.00	50,000.00	50,000.00	.0
10-66-576 SALT	97,000.24	15,100.00	50,000.00	34,900.00	30.2
10-66-577 ASPHALT PRODUCTS/SUPPLIES	.00	.00	3,500.00	3,500.00	.0
10-66-600 TIRES & WHEELS	22,475.90	2,880.00	18,000.00	15,120.00	16.0
10-66-601 VEHICLE MT. (PARTS & TOOLS)	71,516.45	13,293.95	50,000.00	36,706.05	26.6
10-66-602 GASOLINE/DIESEL/OIL	88,254.70	2,494.86	72,000.00	69,505.14	3.5
10-66-620 ELECTRICITY (STREET LTS)	60,197.92	8,673.52	60,000.00	51,326.48	14.5
10-66-621 ELECTRICITY	1,515.82	.00	14,400.00	14,400.00	.0
10-66-622 TELEPHONE	45.29	10.97	650.00	639.03	1.7
10-66-623 HEATING FUEL	4,387.96	.00	10,000.00	10,000.00	.0
10-66-626 WATER/SEWER/GARBAGE	3,374.28	.00	.00	.00	.0
10-66-627 STAFF CELLULAR PHONES	1,075.78	158.64	1,680.00	1,521.36	9.4
10-66-647 STREET LIGHT MT & POLE RENTAL	20,992.63	.00	19,000.00	19,000.00	.0
10-66-661 VEHICLE MAINT/REPAIR	103,063.90	9,703.83	150,158.00	140,454.17	6.5
10-66-669 OTHER PURCHASED SERVICES	3,826.75	841.48	10,000.00	9,158.52	8.4
10-66-683 MINOR EQUIPMENT	3,314.51	.00	7,000.00	7,000.00	.0
10-66-690 CAPITAL PROJECT EXPENDITURES	103,948.80	.00	.00	.00	.0
10-66-691 CAP EXP ASPHALT KETTLE 01	24,131.36	.00	.00	.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	9,600.00	9,600.00	57,880.00	48,280.00	16.6
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	27,425.60	7,055.36	34,150.00	27,094.64	20.7
10-66-727 ADVERTISING	29.50	29.50	200.00	170.50	14.8
10-66-771 GRAVEL (WAS #578)	725,496.20	373,959.20	375,000.00	1,040.80	99.7
10-66-774 SEAWALL PIPE	92,013.60	.00	.00	.00	.0
10-66-776 PROJEXP RIDGECREST DOT MATCH	.00	.00	7,398.00	7,398.00	.0
10-66-777 CONTAMINATED SOIL PROCESSING	.00	.00	7,197.00	7,197.00	.0
10-66-799 MISCELLANEOUS EXPENSES	.00	.00	500.00	500.00	.0
10-66-996 ADMIN OVERHEAD-IT SVCS	13,536.16	.00	(14,256.00)	(14,256.00)	.0
TOTAL PW-STREETS & ROADS	2,387,078.61	620,002.34	2,272,964.00	1,652,961.66	27.3

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>PROPERTY MAINTENANCE</u>					
10-70-501 SALARIES	334,946.92	73,405.50	321,851.00	248,445.50	22.8
10-70-502 OVERTIME	54,837.62	8,387.69	30,750.00	22,362.31	27.3
10-70-508 LEAVE CASHOUT	5,112.09	5,112.09	15,441.00	10,328.91	33.1
10-70-510 SOCIAL SECURITY EXPENSE	1,215.22	175.14	1,746.00	1,570.86	10.0
10-70-511 MEDICARE FICA	5,932.88	1,313.98	5,113.00	3,799.02	25.7
10-70-512 EMPLOYEE GROUP BENEFITS	136,421.19	38,225.29	122,951.00	84,725.71	31.1
10-70-515 UNEMPLOYMENT	.00	.00	4,538.00	4,538.00	.0
10-70-516 WORKERS' COMPENSATION	12,145.86	.00	15,321.00	15,321.00	.0
10-70-517 PERS ON BEHALF	17,983.31	.00	.00	.00	.0
10-70-518 PERS	81,227.96	17,373.05	77,572.00	60,198.95	22.4
10-70-519 UTILITY BENEFIT	14,708.69	1,415.32	23,028.00	21,612.68	6.2
10-70-545 TRAINING/TRAVEL	1,400.00	.00	8,000.00	8,000.00	.0
10-70-561 SUPPLIES	2,685.40	104.43	2,000.00	1,895.57	5.2
10-70-562 MATERIALS	309.50	.00	2,000.00	2,000.00	.0
10-70-563 WEARING APPAREL	3,018.62	627.65	5,000.00	4,372.35	12.6
10-70-566 CLEANUP GREENUP SUPPLIES	400.00	.00	700.00	700.00	.0
10-70-580 BOILER EXPENSE	17,785.03	1,093.09	25,000.00	23,906.91	4.4
10-70-590 GLYCOL SUPPLIES	4,998.00	.00	6,000.00	6,000.00	.0
10-70-591 CARPENTRY EXPENSE	7,155.94	210.38	15,000.00	14,789.62	1.4
10-70-592 PLUMBING SUPPLIES	5,761.33	205.51	6,000.00	5,794.49	3.4
10-70-593 ELECTRICAL SUPPLIES	14,129.68	1,531.59	8,000.00	6,468.41	19.1
10-70-594 PAINT SUPPLIES	2,606.50	61.48	3,000.00	2,938.52	2.1
10-70-595 BOARDWALK REPAIR SUPPLIES	2,915.92	.00	7,000.00	7,000.00	.0
10-70-601 VEHICLE MT. (PARTS & TOOLS)	2,169.27	.00	5,000.00	5,000.00	.0
10-70-602 GASOLINE/DIESEL/OIL	11,272.55	1,612.49	7,200.00	5,587.51	22.4
10-70-621 ELECTRICITY	18,341.10	2,301.16	14,400.00	12,098.84	16.0
10-70-622 TELEPHONE	179.85	37.23	100.00	62.77	37.2
10-70-623 HEATING FUEL	46,981.53	1,578.89	36,000.00	34,421.11	4.4
10-70-626 WATER/SEWER/GARBAGE	18,231.45	.00	17,400.00	17,400.00	.0
10-70-627 STAFF CELLULAR PHONES	920.19	158.64	1,680.00	1,521.36	9.4
10-70-661 VEHICLE MAINT/REPAIR	5,807.22	.00	6,006.00	6,006.00	.0
10-70-662 WIND TURBINE CONTRACT	4,654.83	.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	19,540.89	1,582.67	25,000.00	23,417.33	6.3
10-70-669 OTHER PURCHASED SERVICES	44,272.59	6,658.65	40,000.00	33,341.35	16.7
10-70-681 BOARDWALK LIGHTING PROJECT	.00	.00	156,200.00	156,200.00	.0
10-70-683 MINOR EQUIPMENT	17,291.38	3,484.40	17,000.00	13,515.60	20.5
10-70-690 CAPITAL EXPENDITURES	446,768.83	445,433.80	1,953,138.00	1,507,704.20	22.8
10-70-721 INSURANCE	11,124.66	3,825.60	11,937.00	8,111.40	32.1
10-70-776 4TH OF JULY	2,400.00	400.00	2,000.00	1,600.00	20.0
10-70-799 MISCELLANEOUS EXPENSES	.00	.00	2,000.00	2,000.00	.0
10-70-875 INDIRECT COST RECOVERY	(246,571.46)	.00	(306,194.00)	(306,194.00)	.0
10-70-996 ADMIN OVERHEAD-IT SVCS	25,763.38	.00	27,126.00	27,126.00	.0
TOTAL PROPERTY MAINTENANCE	1,156,845.92	616,315.72	2,731,004.00	2,114,688.28	22.6

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>COMMUNITY SERVICE</u>					
10-72-745 LIBRARY CONTRIBUTION	106,400.00	33,800.00	67,600.00	33,800.00	50.0
10-72-760 COMMUNITY ACTION GRANT	125,819.56	41,831.07	120,000.00	78,168.93	34.9
10-72-798 UAF 4-H CONTRIBUTION	.00	.00	112,000.00	112,000.00	.0
TOTAL COMMUNITY SERVICE	232,219.56	75,631.07	299,600.00	223,968.93	25.2
<u>IN KIND MATCH & TRANFERS</u>					
10-73-550 CASH XFER POOL F40- SALES TAX	532,507.00	.00	538,513.00	538,513.00	.0
10-73-551 CASH XFER POOL F40- ALCO TAX	15,037.00	.00	16,665.00	16,665.00	.0
10-73-622 CASH XFER- FUND	.00	.00	80,580.00	80,580.00	.0
10-73-695 TRANSFER TO GRANT	12,117.06	.00	.00	.00	.0
TOTAL IN KIND MATCH & TRANFERS	559,661.06	.00	635,758.00	635,758.00	.0
TOTAL FUND EXPENDITURES	12,917,842.67	3,352,684.76	13,404,954.21	10,052,269.45	25.0
NET REVENUE OVER EXPENDITURES	12,392.67	(1,445,434.82)	(3,330,267.21)	(1,884,832.39)	(43.4)

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

POLICE ASSET FORFEITURE

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
MISCELLANEOUS REVENUE					
16-49-487 INVESTMENT INCOME	1.62	.00	.00	.00	.0
TOTAL MISCELLANEOUS REVENUE	1.62	.00	.00	.00	.0
TOTAL FUND REVENUE	1.62	.00	.00	.00	.0
NET REVENUE OVER EXPENDITURES	1.62	.00	.00	.00	.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

VSW-HEAT TRACE REPLACEMENT

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>VSW-HEAT TRACE REPLACEMENT</u>						
17-50-669	PURCHASED SERVICES,EVID	75,600.00	75,600.00	.00	(75,600.00)	.0
	TOTAL VSW-HEAT TRACE REPLACEMENT	75,600.00	75,600.00	.00	(75,600.00)	.0
	TOTAL FUND EXPENDITURES	75,600.00	75,600.00	.00	(75,600.00)	.0
	NET REVENUE OVER EXPENDITURES	(75,600.00)	(75,600.00)	.00	75,600.00	.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

BOARDWALK LIGHTING PROJECT

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
BYC FOOD PROGRAM EXPENDITURES						
18-50-669	OTHER PURCHASED SERVICES	3,615.58	3,615.58	.00	(3,615.58)	.0
TOTAL BYC FOOD PROGRAM EXPENDITURES		3,615.58	3,615.58	.00	(3,615.58)	.0
TOTAL FUND EXPENDITURES		3,615.58	3,615.58	.00	(3,615.58)	.0
NET REVENUE OVER EXPENDITURES		(3,615.58)	(3,615.58)	.00	3,615.58	.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 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	20,295.50	15,875.40	.00	(15,875.40)	.0
TOTAL CITY SHOP FLOOR REPAIR	20,295.50	15,875.40	.00	(15,875.40)	.0
TOTAL FUND EXPENDITURES	20,295.50	15,875.40	.00	(15,875.40)	.0
NET REVENUE OVER EXPENDITURES	(20,295.50)	(15,875.40)	.00	15,875.40	.0

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

PARKS DEVELOPMENT FUND

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET</u>	<u>UNEARNED</u>	<u>PCNT</u>
26-42-413 GRANT REVENUE	19,922.01	.00	.00	.00	.0
TOTAL SOURCE 42	19,922.01	.00	.00	.00	.0
TOTAL FUND REVENUE	19,922.01	.00	.00	.00	.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

PARKS DEVELOPMENT FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>PARKS DEVELOPMENT</u>						
26-50-690	PARK DEVELOPMENT	82,627.03	.00	.00	.00	.0
	TOTAL PARKS DEVELOPMENT	82,627.03	.00	.00	.00	.0
	TOTAL FUND EXPENDITURES	82,627.03	.00	.00	.00	.0
	NET REVENUE OVER EXPENDITURES	(62,705.02)	.00	.00	.00	.0

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

COMMUNITY SERVICE PATROL GRANT

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET</u>	<u>UNEARNED</u>	<u>PCNT</u>
27-42-415 GRANT REVENUE	254,603.93	.00	.00	.00	.0
TOTAL SOURCE 42	254,603.93	.00	.00	.00	.0
<u>SOURCE 46</u>					
27-46-490 OPERATING TRANSFER IN	12,117.06	.00	.00	.00	.0
TOTAL SOURCE 46	12,117.06	.00	.00	.00	.0
<u>SOURCE 47</u>					
27-47-451 IN-KIND EXPENSES	32,308.00	.00	.00	.00	.0
TOTAL SOURCE 47	32,308.00	.00	.00	.00	.0
TOTAL FUND REVENUE	299,028.99	.00	.00	.00	.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

COMMUNITY SERVICE PATROL GRANT

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
CSP PROGRAM					
27-50-501 SALARIES	187,383.48	46,707.20	149,286.00	102,578.80	31.3
27-50-502 OVERTIME	15,816.83	3,985.53	10,000.00	6,014.47	39.9
27-50-508 LEAVE CASHOUT	9,718.13	.00	7,042.00	7,042.00	.0
27-50-511 MEDICARE FICA	3,252.29	765.85	2,310.00	1,544.15	33.2
27-50-512 EMPLOYEE GROUP BENEFITS	64,806.94	12,473.94	72,324.00	59,850.06	17.3
27-50-515 UNEMPLOYMENT	74.38	.00	2,131.00	2,131.00	.0
27-50-516 WORKMEN'S COMP	3,502.79	.00	8,568.00	8,568.00	.0
27-50-518 PERS	44,704.09	11,152.40	35,043.00	23,890.60	31.8
27-50-519 UTILITY BENEFIT	2,399.81	1,426.61	13,680.00	12,253.39	10.4
27-50-561 SUPPLIES	2,478.22	.00	1,500.00	1,500.00	.0
27-50-563 WEARING APPAREL	2,249.89	.00	1,500.00	1,500.00	.0
27-50-570 IN-KIND EXPENSES	32,308.00	.00	32,308.00	32,308.00	.0
27-50-602 GASOLINE / DIESEL / OIL	8,283.05	1,706.84	3,431.00	1,724.16	49.8
27-50-627 STAFF CELLULAR PHONES	507.09	158.64	500.00	341.36	31.7
27-50-683 MINOR EQUIPMENT	1,337.21	638.21	1,500.00	861.79	42.6
27-50-721 INSURANCE	963.36	963.36	2,904.00	1,940.64	33.2
TOTAL CSP PROGRAM	379,785.56	79,978.58	344,027.00	264,048.42	23.3
TOTAL FUND EXPENDITURES	379,785.56	79,978.58	344,027.00	264,048.42	23.3
NET REVENUE OVER EXPENDITURES	(80,756.57)	(79,978.58)	(344,027.00)	(264,048.42)	(23.3)

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

YKHC POOL GRANT

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
STATE REVENUE					
29-42-415 DMV REV/SOA COMMISSION	25.00	25.00	.00	(25.00)	.0
TOTAL STATE REVENUE	25.00	25.00	.00	(25.00)	.0
TOTAL FUND REVENUE	25.00	25.00	.00	(25.00)	.0
NET REVENUE OVER EXPENDITURES	25.00	25.00	.00	(25.00)	.0

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

VOL. FIRE ASSISTANCE-DOF

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET</u>	<u>UNEARNED</u>	<u>PCNT</u>
33-42-413 VOL FIRE ASSISTANCE GRANT REV	7,470.00	.00	.00	.00	.0
TOTAL SOURCE 42	7,470.00	.00	.00	.00	.0
<u>SOURCE 46</u>					
33-46-490 XFERS IN FROM OTHER FUNDS	10.80	.00	.00	.00	.0
TOTAL SOURCE 46	10.80	.00	.00	.00	.0
TOTAL FUND REVENUE	7,480.80	.00	.00	.00	.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

VOL. FIRE ASSISTANCE-DOF

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>DEPARTMENT 51</u>					
33-51-683	MINOR EQUIP	2,739.60	.00	.00	.00	.0
	TOTAL DEPARTMENT 51	2,739.60	.00	.00	.00	.0
	<u>DEPARTMENT 52</u>					
33-52-683	MINOR EQUIPMENT	4,741.20	.00	.00	.00	.0
	TOTAL DEPARTMENT 52	4,741.20	.00	.00	.00	.0
	TOTAL FUND EXPENDITURES	7,480.80	.00	.00	.00	.0
	NET REVENUE OVER EXPENDITURES	.00	.00	.00	.00	.0

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

YK REG AQUA HLTH & SAFETY CTR

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
40-42-414 DELTA WOMEN'S GROUP GRANT	3,901.00	.00	.00	.00	.0
40-42-415 CAG	(344.00)	.00	.00	.00	.0
TOTAL SOURCE 42	3,557.00	.00	.00	.00	.0
SOURCE 43					
40-43-430 PRO-SHOP REVENUE	41,667.00	.00	44,100.00	44,100.00	.0
40-43-435 CONCESSION REVENUE	68,100.00	.00	64,900.00	64,900.00	.0
40-43-460 ENTRY FEE	105,901.00	.00	115,730.00	115,730.00	.0
40-43-463 FACILITY RENTAL	49,874.00	.00	42,075.00	42,075.00	.0
40-43-465 PROGRAM FEES	56,034.00	.00	83,318.00	83,318.00	.0
TOTAL SOURCE 43	321,576.00	.00	350,123.00	350,123.00	.0
TRANSFERS IN					
40-46-412 LOCAL SOURCES-SALES TAX REV	532,507.00	.00	538,513.00	538,513.00	.0
40-46-413 LOCAL SOURCES-ALCOHOLTAX REV	15,037.00	.00	16,665.00	16,665.00	.0
40-46-414 WELLNESS PROGRAM	295,543.00	.00	394,655.00	394,655.00	.0
TOTAL TRANSFERS IN	843,087.00	.00	949,833.00	949,833.00	.0
MISCELLANEOUS					
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	1,168,220.00	.00	1,349,956.00	1,349,956.00	.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 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	1,800.17	341.25	2,400.00	2,058.75	14.2
40-50-621 ELECTRICITY	137,799.63	24,257.77	117,000.00	92,742.23	20.7
40-50-622 TELEPHONE	1,632.04	403.60	750.00	346.40	53.8
40-50-623 HEATING FUEL	191,805.87	30,275.07	240,000.00	209,724.93	12.6
40-50-624 WATER/SEWER/GARBAGE	51,638.19	.00	55,000.00	55,000.00	.0
40-50-646 CONTRACTOR'S FEES	677,628.85	.00	1,044,704.00	1,044,704.00	.0
40-50-649 PROFESSIONAL SVS	132,183.37	.00	148,526.00	148,526.00	.0
40-50-661 VEHICL MAINT/REPAIR	16.79	.00	1,000.00	1,000.00	.0
40-50-662 PROP MAINT	37,564.15	204.84	.00	(204.84)	.0
40-50-669 OTHER PURCHASED SERVICES	8,126.87	2,366.94	25,160.00	22,793.06	9.4
40-50-683 MINOR EQUIPMENT	845.07	.00	.00	.00	.0
40-50-699 CAPITAL EXP-SERVER DOMAIN	13,878.02	.00	.00	.00	.0
40-50-721 INSURANCE	60,235.76	21,130.60	63,692.00	42,561.40	33.2
40-50-996 ADMIN OVERHEAD-IT SVCS	38,239.94	.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	23,653.00	.00	25,362.00	25,362.00	.0
TOTAL LOCAL FUNDED EXPENDITURES	1,377,047.72	78,980.07	1,812,161.00	1,733,180.93	4.4
TOTAL FUND EXPENDITURES	1,377,047.72	78,980.07	1,812,161.00	1,733,180.93	4.4
NET REVENUE OVER EXPENDITURES	(208,827.72)	(78,980.07)	(462,205.00)	(383,224.93)	(17.1)

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 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	194,979.64	47,908.53	144,000.00	96,091.47	33.3
TOTAL E-911 SURCHARGE	194,979.64	47,908.53	144,000.00	96,091.47	33.3
TOTAL FUND REVENUE	194,979.64	47,908.53	144,000.00	96,091.47	33.3

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

E-911 SYSTEM/SURCHARGE

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>E-911 SERVICES</u>					
41-50-501 SALARIES	57,294.39	22,935.95	56,847.00	33,911.05	40.4
41-50-502 OVERTIME	9,069.34	4,027.03	.00	(4,027.03)	.0
41-50-508 LEAVE CASHOUT	.00	.00	2,198.00	2,198.00	.0
41-50-511 MEDICARE FICA	963.77	389.28	824.00	434.72	47.2
41-50-512 EMPLOYEE GROUP BENEFITS	12,602.43	6,084.60	26,519.00	20,434.40	22.9
41-50-515 UNEMPLOYMENT	.00	.00	992.00	992.00	.0
41-50-516 WORKERS' COMPENSATION	125.92	.00	215.00	215.00	.0
41-50-518 PERS	14,600.05	5,931.88	12,929.00	6,997.12	45.9
41-50-519 UTILITY BENEFIT	368.83	.00	4,560.00	4,560.00	.0
41-50-649 OTHER PROFESSIONAL SRVS	75,324.65	35,880.95	35,500.00	(380.95)	101.1
41-50-669 OTHER PURCHASED SERVICES	18,096.83	518.71	5,000.00	4,481.29	10.4
41-50-721 INSURANCE	1,921.31	677.16	2,041.00	1,363.84	33.2
41-50-732 RENTS & LEASES	6,400.00	1,600.00	4,800.00	3,200.00	33.3
TOTAL E-911 SERVICES	196,767.52	78,045.56	152,425.00	74,379.44	51.2
TOTAL FUND EXPENDITURES	196,767.52	78,045.56	152,425.00	74,379.44	51.2
NET REVENUE OVER EXPENDITURES	(1,787.88)	(30,137.03)	(8,425.00)	21,712.03	(357.7)

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

SOA SEWAGE LAGOON

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET</u>	<u>UNEARNED</u>	<u>PCNT</u>
42-42-413 REVENUE-GRANT	122,739.85	.00	.00	.00	.0
TOTAL SOURCE 42	122,739.85	.00	.00	.00	.0
TOTAL FUND REVENUE	122,739.85	.00	.00	.00	.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

SOA SEWAGE LAGOON

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
SEWAGE LAGOON					
42-50-501 SALARIES	324.66	189.63	.00	(189.63)	.0
42-50-511 MEDICARE FICA	4.72	2.77	.00	(2.77)	.0
42-50-512 EMPLOYEE GROUP BENEFITS	85.28	85.28	.00	(85.28)	.0
42-50-518 PERS	71.43	41.72	.00	(41.72)	.0
42-50-646 CONTRACTOR FEES	122,573.16	.00	.00	.00	.0
TOTAL SEWAGE LAGOON	123,059.25	319.40	.00	(319.40)	.0
TOTAL FUND EXPENDITURES	123,059.25	319.40	.00	(319.40)	.0
NET REVENUE OVER EXPENDITURES	(319.40)	(319.40)	.00	319.40	.0

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

INSTITUTIONAL CORRIDOR PROJECT

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>STATE GRANT REVENUE</u>					
45-42-411 REVENUE-STATE	3,435,514.59	.00	.00	.00	.0
TOTAL STATE GRANT REVENUE	3,435,514.59	.00	.00	.00	.0
<u>SOURCE 46</u>					
45-46-490 XFRS IN FROM OTHER FUNDS	113,288.56	.00	.00	.00	.0
TOTAL SOURCE 46	113,288.56	.00	.00	.00	.0
TOTAL FUND REVENUE	3,548,803.15	.00	.00	.00	.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

INSTITUTIONAL CORRIDOR PROJECT

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
INSTITUTIONAL CORRIDOR PROJECT					
45-50-501 SALARIES	78.52	6.51	.00	(6.51)	.0
45-50-508 PTO PO	24.81	.00	.00	.00	.0
45-50-511 MEDICARE FICA	1.40	.07	.00	(.07)	.0
45-50-512 EMPLOYEE GROUP BENEFITS	6.47	2.96	.00	(2.96)	.0
45-50-518 PERS	17.31	1.47	.00	(1.47)	.0
45-50-562 MATERIALS	1,654.12	.00	.00	.00	.0
45-50-643 ENGINEERING FEES	151,022.06	.00	.00	.00	.0
45-50-646 IC-SOA GRANT	3,406,513.96	11,675.00	300,000.00	288,325.00	3.9
45-50-669 OTHER PURCHASED SERVICES	1,170.51	.00	.00	.00	.0
TOTAL INSTITUTIONAL CORRIDOR PROJECT	3,560,489.16	11,686.01	300,000.00	288,313.99	3.9
TOTAL FUND EXPENDITURES	3,560,489.16	11,686.01	300,000.00	288,313.99	3.9
NET REVENUE OVER EXPENDITURES	(11,686.01)	(11,686.01)	(300,000.00)	(288,313.99)	(3.9)

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

PUBLIC SAFETY BUILDING-CAP PRJ

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>STATE FUNDING</u>					
46-42-412 SOA PD DISPATCH SYS GRANT REV	673.78	.00	.00	.00	.0
TOTAL STATE FUNDING	673.78	.00	.00	.00	.0
TOTAL FUND REVENUE	673.78	.00	.00	.00	.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

PUBLIC SAFETY BUILDING-CAP PRJ

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
SOA POLICE DISPATCH SYS GRANT					
46-51-501 SALARIES	510.55	112.91	.00	(112.91)	.0
46-51-508 LEAVE CASHOUT	86.39	40.33	.00	(40.33)	.0
46-51-511 MEDICARE FICA	8.39	2.12	.00	(2.12)	.0
46-51-512 EMPLOYEE GROUP BENEFITS	170.01	57.36	.00	(57.36)	.0
46-51-518 PERS	112.31	24.85	.00	(24.85)	.0
46-51-643 ENGINEERING	1,402.50	1,402.50	.00	(1,402.50)	.0
TOTAL SOA POLICE DISPATCH SYS GRANT	2,290.15	1,640.07	.00	(1,640.07)	.0
TOTAL FUND EXPENDITURES	2,290.15	1,640.07	.00	(1,640.07)	.0
NET REVENUE OVER EXPENDITURES	(1,616.37)	(1,640.07)	.00	1,640.07	.0

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

SOLID WASTE SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>STATE AND FEDERAL SOURCES</u>					
50-42-411 PENSION ON BEHALF	18,013.89	.00	.00	.00	.0
TOTAL STATE AND FEDERAL SOURCES	18,013.89	.00	.00	.00	.0
<u>SOLID WASTE & RECYLING</u>					
50-44-412 COMMERCIAL GARBAGE PICKUP	806,415.15	61,380.58	762,976.00	701,595.42	8.0
50-44-413 RESIDENTIAL GARBAGE PICKUP	357,155.66	27,710.88	325,987.00	298,276.12	8.5
50-44-416 LANDFILL DUMP FEE	113,660.00	16,980.00	92,826.00	75,846.00	18.3
TOTAL SOLID WASTE & RECYLING	1,277,230.81	106,071.46	1,181,789.00	1,075,717.54	9.0
TOTAL FUND REVENUE	1,295,244.70	106,071.46	1,181,789.00	1,075,717.54	9.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

SOLID WASTE SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
HAULED REFUSE					
50-70-501 SALARIES	156,067.91	34,953.49	227,153.00	192,199.51	15.4
50-70-502 OVERTIME	7,942.37	1,253.38	10,250.00	8,996.62	12.2
50-70-508 LEAVE CASHOUT	3,274.15	.00	5,586.00	5,586.00	.0
50-70-511 MEDICARE FICA	2,407.65	529.02	3,442.00	2,912.98	15.4
50-70-512 EMPLOYEE GROUP BENEFITS	36,817.14	6,581.76	40,984.00	34,402.24	16.1
50-70-515 UNEMPLOYMENT	.00	.00	4,226.00	4,226.00	.0
50-70-516 WORKERS' COMPENSATION	4,181.75	.00	12,430.00	12,430.00	.0
50-70-517 PERS ON BEHALF	7,895.21	.00	52,229.00	52,229.00	.0
50-70-518 PERS	35,999.75	7,965.53	.00	(7,965.53)	.0
50-70-519 UTILITY BENEFIT	5,700.68	812.66	7,752.00	6,939.34	10.5
50-70-545 TRAINING/TRAVEL	.00	.00	5,000.00	5,000.00	.0
50-70-561 SUPPLIES	803.48	3.99	500.00	496.01	.8
50-70-563 WEARING APPAREL	135.85	.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	10,112.85	881.26	20,000.00	19,118.74	4.4
50-70-602 GASOLINE / DIESEL / OIL	16,476.13	.00	21,600.00	21,600.00	.0
50-70-661 VEHICLE MAINT/REPAIRS	47,673.63	.00	75,079.00	75,079.00	.0
50-70-669 OTHER PURCHASED SERVICES	245.16	245.16	500.00	254.84	49.0
50-70-683 MINOR EQUIPMENT	32,339.21	.00	.00	.00	.0
50-70-691 4 YD DUMPSTERS	.00	.00	40,000.00	40,000.00	.0
50-70-721 INSURANCE	6,061.60	2,066.80	6,230.00	4,163.20	33.2
50-70-738 BAD DEBTS EXPENSE	.00	.00	3,000.00	3,000.00	.0
50-70-998 ADMINISTRATIVE OVERHEAD-GF	34,137.00	.00	62,250.00	62,250.00	.0
TOTAL HAULED REFUSE	408,271.52	55,293.05	606,711.00	551,417.95	9.1

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

SOLID WASTE SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>LANDFILL OPERATIONS</u>					
50-71-501 SALARIES	195,532.41	40,292.92	150,632.00	110,339.08	26.8
50-71-502 OVERTIME	21,814.69	10,996.57	10,250.00	(746.57)	107.3
50-71-508 LEAVE CASHOUT	2,109.17	.00	7,055.00	7,055.00	.0
50-71-510 SOCIAL SECURITY EXPENSE	611.15	472.44	.00	(472.44)	.0
50-71-511 MEDICARE FICA	3,269.58	744.11	2,333.00	1,588.89	31.9
50-71-512 EMPLOYEE GROUP BENEFITS	38,721.88	7,798.68	55,448.00	47,649.32	14.1
50-71-515 UNEMPLOYMENT	.00	.00	1,634.00	1,634.00	.0
50-71-516 WORKERS' COMPENSATION	3,967.45	.00	4,905.00	4,905.00	.0
50-71-517 PERS ON BEHALF	10,118.68	.00	.00	.00	.0
50-71-518 PERS	45,536.56	9,607.27	35,394.00	25,786.73	27.1
50-71-519 UTILITY BENEFIT	552.27	44.34	10,488.00	10,443.66	.4
50-71-545 TRAINING/TRAVEL	268.00	.00	3,000.00	3,000.00	.0
50-71-561 SUPPLIES	41,155.37	151.81	5,000.00	4,848.19	3.0
50-71-563 WEARING APPAREL	672.48	.00	1,500.00	1,500.00	.0
50-71-567 SALT	29,999.90	29,999.90	30,000.00	.10	100.0
50-71-601 VEHICLE PARTS	9,674.05	2,253.70	10,000.00	7,746.30	22.5
50-71-602 GASOLINE / DIESEL / OIL	20,288.55	6,267.00	12,000.00	5,733.00	52.2
50-71-621 ELECTRICITY	3,678.68	427.99	3,000.00	2,572.01	14.3
50-71-623 HEATING FUEL	3,924.59	.00	3,600.00	3,600.00	.0
50-71-627 STAFF CELLULAR PHONES	537.90	79.32	840.00	760.68	9.4
50-71-649 ENGINEERING SERVICES	57,800.00	.00	.00	.00	.0
50-71-661 VEHICLE MAINT/REPAIRS	68,513.04	14.36	75,079.00	75,064.64	.0
50-71-662 PROPERTY MAINT	22,415.59	.00	27,836.00	27,836.00	.0
50-71-669 OTHER PURCHASED SERVICES	20,704.00	1,365.84	5,000.00	3,634.16	27.3
50-71-683 MINOR EQUIPMENT	3,487.67	396.57	8,000.00	7,603.43	5.0
50-71-690 CAPITAL EXPENSE-END DUMP	.00	.00	190,889.00	190,889.00	.0
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	265,533.62	265,533.62	265,534.00	.38	100.0
50-71-699 CAPITAL EXP-BELLY DUMP TRUCK	.00	.00	70,000.00	70,000.00	.0
50-71-721 INSURANCE	5,297.74	1,407.60	6,525.00	5,117.40	21.6
50-71-724 DUES & SUBSCRIPTION	40.00	.00	50.00	50.00	.0
50-71-996 ADMIN OVERHEAD-IT SVCS	14,890.70	.00	15,494.00	15,494.00	.0
50-71-998 ADMINISTRATIVE OVERHEAD-GF	42,020.00	.00	47,560.00	47,560.00	.0
TOTAL LANDFILL OPERATIONS	933,135.72	377,854.04	1,455,501.00	1,077,646.96	26.0
<u>RECYCLING OPERATIONS</u>					
50-72-623 HEATING FUEL	580.16	616.24	.00	(616.24)	.0
TOTAL RECYCLING OPERATIONS	580.16	616.24	.00	(616.24)	.0
TOTAL FUND EXPENDITURES	1,341,987.40	433,763.33	2,062,212.00	1,628,448.67	21.0
NET REVENUE OVER EXPENDITURES	(46,742.70)	(327,691.87)	(880,423.00)	(552,731.13)	(37.2)

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

WATER & SEWER SERVICES					
	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>STATE FUNDING</u>					
51-41-410	FY06 PERS INCREASE	125,662.90	.00	.00	.0
	TOTAL STATE FUNDING	125,662.90	.00	.00	.0
<u>WATER</u>					
51-42-410	TRUCKED WATER	3,166,030.65	257,253.41	2,798,807.00	2,541,553.59 9.2
51-42-412	METERED PIPED WATER COMM.	520,337.62	22,393.62	1,035,290.00	1,012,896.38 2.2
51-42-414	UNMETERED PIPED WTR RESID	910,300.21	72,850.28	808,639.00	735,788.72 9.0
51-42-416	CONTRACT WATER	10,160.00	.00	10,675.00	10,675.00 .0
51-42-436	PUMPHOUSE WATER	30,899.92	10,106.15	18,859.00	8,752.85 53.6
	TOTAL WATER	4,637,728.40	362,603.46	4,672,270.00	4,309,666.54 7.8
<u>SEWER</u>					
51-43-411	TRUCKED SEWER (EVAC/HB)	1,741,271.15	140,731.68	1,648,000.00	1,507,268.32 8.5
51-43-412	METERED PIPED SEWER COMM.	2,590,152.54	1,899,205.00	867,887.00	(1,031,318.00) 218.8
51-43-414	UNMETERED PIPED SEWER RES	269,931.47	21,512.68	242,255.00	220,742.32 8.9
51-43-416	CONTRACT SEWER	16,648.32	523.94	24,828.00	24,304.06 2.1
	TOTAL SEWER	4,618,003.48	2,061,973.30	2,782,970.00	720,996.70 74.1
<u>MISCELLANEOUS</u>					
51-45-434	UTILITY PENALTY/INTEREST	23,683.95	1,825.11	38,163.00	36,337.89 4.8
51-45-435	RECONNECT FEES	4,524.56	105.00	2,758.00	2,653.00 3.8
51-45-450	SENIOR DISCOUNT	(55,083.75)	(4,242.74)	46,000.00	50,242.74 (9.2)
51-45-467	NSF CHECKS AND FEES	215.00	65.00	130.00	65.00 50.0
51-45-468	UTILITY INSPECTION FEES	3,028.83	640.00	2,000.00	1,360.00 32.0
51-45-471	WATER SUBSCRIPTION FEES	15,089.94	15,089.94	168,395.00	153,305.06 9.0
51-45-472	SEWER SUBSCRIPTION FEES	15,970.59	15,970.59	177,428.00	161,457.41 9.0
51-45-487	INVESTMENT INCOME	.00	.00	16,000.00	16,000.00 .0
	TOTAL MISCELLANEOUS	7,429.12	29,452.90	450,874.00	421,421.10 6.5
<u>MISCELLANEOUS</u>					
51-49-466	CASH OVER/SHORT	290.45	60.00	100.00	40.00 60.0
51-49-495	MISCELLANEOUS INCOME	3,961.90	213.57	3,226.00	3,012.43 6.6
	TOTAL MISCELLANEOUS	4,252.35	273.57	3,326.00	3,052.43 8.2
	TOTAL FUND REVENUE	9,393,076.25	2,454,303.23	7,909,440.00	5,455,136.77 31.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

WATER & SEWER SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>UTILITY BILLING</u>					
51-80-501 SALARIES	94,571.64	19,308.94	90,127.00	70,818.06	21.4
51-80-502 OVERTIME	494.59	95.74	1,025.00	929.26	9.3
51-80-508 LEAVE CASHOUT	2,373.27	.00	4,396.00	4,396.00	.0
51-80-511 MEDICARE FICA	1,432.49	284.81	1,322.00	1,037.19	21.5
51-80-512 GROUP HEALTH INSURANCE	33,725.11	10,036.96	42,189.00	32,152.04	23.8
51-80-515 UNEMPLOYMENT	1,283.70	.00	1,322.00	1,322.00	.0
51-80-516 WORKERS' COMPENSATION	201.20	.00	244.00	244.00	.0
51-80-517 PERS ON BEHALF	4,691.84	.00	.00	.00	.0
51-80-518 PERS	20,928.74	4,269.02	20,053.00	15,783.98	21.3
51-80-519 UTILITY BENEFIT	5,068.29	224.87	7,980.00	7,755.13	2.8
51-80-545 TRAINING/TRAVEL	.00	.00	2,000.00	2,000.00	.0
51-80-561 SUPPLIES	2,571.00	.00	4,000.00	4,000.00	.0
51-80-649 ONLINE BILL PAY	3,199.86	.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	1,274.87	309.16	932.00	622.84	33.2
51-80-727 ADVERTISING	.00	.00	500.00	500.00	.0
51-80-733 POSTAGE	19,533.73	6,074.91	13,000.00	6,925.09	46.7
51-80-736 BANK CHARGES	42,722.30	.00	36,500.00	36,500.00	.0
51-80-777 PROJECT-BOILER & HVAC REBUILD	529,811.57	91,236.00	.00	(91,236.00)	.0
51-80-799 MISCELLANEOUS EXPENSES	.00	.00	500.00	500.00	.0
51-80-996 ADMIN OVERHEAD-IT SVCS	13,619.18	.00	14,256.00	14,256.00	.0
51-80-998 ADMINISTRATIVE OVERHEAD-GF	25,581.00	.00	28,839.00	28,839.00	.0
TOTAL UTILITY BILLING	803,084.38	131,840.41	273,685.00	141,844.59	48.2

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

WATER & SEWER SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>HAULED WATER</u>					
51-81-501 SALARIES	543,772.56	115,424.20	463,487.00	348,062.80	24.9
51-81-502 OVERTIME	181,126.15	32,269.91	125,000.00	92,730.09	25.8
51-81-508 LEAVE CASHOUT	1,049.36	.00	22,313.00	22,313.00	.0
51-81-511 MEDICARE	11,017.35	2,225.10	8,533.00	6,307.90	26.1
51-81-512 EMPLOYEE GROUP BENEFITS	219,271.47	62,245.83	210,945.00	148,699.17	29.5
51-81-515 UNEMPLOYMENT	1,564.64	.00	6,379.00	6,379.00	.0
51-81-516 WORKERS' COMPENSATION	10,415.08	.00	15,202.00	15,202.00	.0
51-81-517 PERS ON BEHALF	35,595.42	.00	.00	.00	.0
51-81-518 PERS	159,038.03	32,492.75	129,467.00	96,974.25	25.1
51-81-519 UTILITY BENEFIT	34,256.76	5,198.14	39,900.00	34,701.86	13.0
51-81-545 TRAINING/TRAVEL	1,853.35	1,853.35	2,000.00	146.65	92.7
51-81-561 SUPPLIES	2,881.82	335.48	10,000.00	9,664.52	3.4
51-81-563 WEARING APPAREL	7,275.18	1,194.02	10,000.00	8,805.98	11.9
51-81-600 TIRES	63,263.11	20,900.53	42,000.00	21,099.47	49.8
51-81-601 VEHICLE MT. (PARTS & TOOLS)	156,160.53	42,947.43	180,000.00	137,052.57	23.9
51-81-602 GASOLINE/DIESEL/OIL	118,790.59	2,569.90	120,000.00	117,430.10	2.1
51-81-621 ELECTRICITY	7,937.82	.00	10,500.00	10,500.00	.0
51-81-622 TELEPHONE	45.29	10.97	650.00	639.03	1.7
51-81-623 HEATING FUEL	17,058.26	.00	14,500.00	14,500.00	.0
51-81-626 WATER/SEWER/GARBAGE	8,522.53	.00	8,500.00	8,500.00	.0
51-81-627 STAFF CELLULAR PHONES	1,039.77	158.64	840.00	681.36	18.9
51-81-650 LAB TESTS	2,250.00	450.00	5,000.00	4,550.00	9.0
51-81-661 VEHICLE MAINT/REPAIR	197,924.90	221.50	310,326.00	310,104.50	.1
51-81-662 PROPERTY MAINT	37,359.31	.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	4,967.74	4,722.74	5,000.00	277.26	94.5
51-81-683 MINOR EQUIPMENT	3,349.09	1,265.64	4,000.00	2,734.36	31.6
51-81-690 WATER TRUCKS	225,000.00	.00	.00	.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	224,823.00	224,823.00	1,573,938.00	1,349,115.00	14.3
51-81-721 INSURANCE	82,368.49	29,215.87	86,739.00	57,523.13	33.7
51-81-722 INSURANCE-DED EXP & OTHER	10,920.78	439.90	10,000.00	9,560.10	4.4
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
51-81-777 CONTAMINATED SOIL PROCESSING	62.11	.00	.00	.00	.0
51-81-799 MISCELLANEOUS	553.76	.00	2,000.00	2,000.00	.0
51-81-996 ADMIN OVERHEAD-IT SVCS	12,916.34	.00	13,563.00	13,563.00	.0
51-81-998 ADMINISTRATIVE OVERHEAD-GF	131,428.00	.00	174,623.00	174,623.00	.0
TOTAL HAULED WATER	2,515,858.59	580,964.90	3,700,201.00	3,119,236.10	15.7

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

WATER & SEWER SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>PIPED WATER</u>					
51-82-501 SALARIES	197,736.83	34,407.70	167,422.00	133,014.30	20.6
51-82-502 OVERTIME	48,009.77	8,105.81	30,750.00	22,644.19	26.4
51-82-508 LEAVE CASHOUT	7,225.15	.00	7,575.00	7,575.00	.0
51-82-511 MEDICARE	3,698.38	623.85	2,874.00	2,250.15	21.7
51-82-512 EMPLOYEE GROUP BENEFITS	55,827.94	13,513.57	55,448.00	41,934.43	24.4
51-82-515 UNEMPLOYMENT	.00	.00	1,634.00	1,634.00	.0
51-82-516 WORKERS' COMPENSATION	3,588.71	.00	5,119.00	5,119.00	.0
51-82-517 PERS ON BEHALF	12,556.46	.00	.00	.00	.0
51-82-518 PERS	53,938.27	9,352.96	43,598.00	34,245.04	21.5
51-82-519 UTILITY BENEFIT	5,356.88	378.60	10,488.00	10,109.40	3.6
51-82-545 TRAINING/TRAVEL	6,780.74	.00	5,000.00	5,000.00	.0
51-82-561 SUPPLIES	6,446.67	929.65	6,000.00	5,070.35	15.5
51-82-563 WEARING APPAREL	2,619.00	75.00	3,000.00	2,925.00	2.5
51-82-592 PLUMBING SUPPLIES	24,590.72	436.70	15,000.00	14,563.30	2.9
51-82-600 TIRES AND WHEELS	.00	.00	1,200.00	1,200.00	.0
51-82-601 VEHICLE MT. (PARTS & TOOLS)	16,095.67	4,571.58	8,000.00	3,428.42	57.1
51-82-602 GASOLINE/DIESEL/OIL	9,677.07	2,516.14	15,000.00	12,483.86	16.8
51-82-621 ELECTRICITY-UTIL MT SHOP	3,387.32	407.19	5,500.00	5,092.81	7.4
51-82-622 TELEPHONE	139.32	21.94	100.00	78.06	21.9
51-82-623 HEATING FUEL	24,178.63	1,031.09	25,000.00	23,968.91	4.1
51-82-626 WATER/SEWER/GARB	510.78	.00	600.00	600.00	.0
51-82-627 STAFF CELLULAR PHONES	921.98	158.64	1,680.00	1,521.36	9.4
51-82-649 ENGINEERING SERVICES	36,087.10	.00	25,000.00	25,000.00	.0
51-82-661 VEHICLE MAINT/REPAIR	1,906.96	.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	768.34	122.58	1,500.00	1,377.42	8.2
51-82-683 MINOR EQUIPMENT	35,732.85	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	6,280.53	2,176.56	6,646.00	4,469.44	32.8
51-82-727 ADVERTISING	931.43	17.25	1,000.00	982.75	1.7
51-82-735 FINANCE CHARGES/PENALTIES	41,250.00	41,250.00	.00 (	41,250.00)	.0
51-82-777 PROJECT EXPENSES-CULVERTS	176,153.00	176,153.00	175,000.00 (	1,153.00)	100.7
51-82-996 ADMIN OVERHEAD-IT SVCS	14,096.12	.00	14,801.00	14,801.00	.0
51-82-998 ADMINISTRATIVE OVERHEAD-GF	49,149.00	.00	77,228.00	77,228.00	.0
TOTAL PIPED WATER	845,641.62	296,774.19	804,666.00	507,891.81	36.9

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

WATER & SEWER SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
BETHEL HTS WTR TREATMENT					
51-83-501 SALARIES	163,350.90	32,898.75	124,086.00	91,187.25	26.5
51-83-502 OVERTIME	41,370.98	6,863.87	35,875.00	29,011.13	19.1
51-83-508 LEAVE CASHOUT	13,870.67	4,104.62	5,757.00	1,652.38	71.3
51-83-511 MEDICARE	988.16	155.84	2,319.00	2,163.16	6.7
51-83-512 EMPLOYEE GROUP BENEFITS	33,785.39	9,320.34	42,189.00	32,868.66	22.1
51-83-515 UNEMPLOYMENT	.00	.00	1,243.00	1,243.00	.0
51-83-516 WORKERS' COMPENSATION	2,992.82	.00	4,132.00	4,132.00	.0
51-83-517 PERS ON BEHALF	10,188.96	.00	.00	.00	.0
51-83-518 PERS	44,926.58	8,747.77	35,192.00	26,444.23	24.9
51-83-519 UTILITY BENEFIT	10,081.07	1,457.36	7,980.00	6,522.64	18.3
51-83-545 TRAINING/TRAVEL	2,869.65	568.00	4,000.00	3,432.00	14.2
51-83-561 SUPPLIES	1,607.02	.00	4,000.00	4,000.00	.0
51-83-563 WEARING APPAREL	515.88	.00	1,500.00	1,500.00	.0
51-83-567 CHEMICALS	77,968.23	25,034.80	55,000.00	29,965.20	45.5
51-83-592 PLUMBING SUPPLIES	2,572.11	.00	5,000.00	5,000.00	.0
51-83-621 ELECTRICITY (PUMPHOUSE)	91,118.36	11,977.10	90,000.00	78,022.90	13.3
51-83-622 TELEPHONE	.00	.00	500.00	500.00	.0
51-83-623 HEATING FUEL (PUMPHOUSE)	131,702.96	12,399.81	130,000.00	117,600.19	9.5
51-83-649 ENGINEERING SERVICES	.00	.00	2,000.00	2,000.00	.0
51-83-650 LAB TESTS	2,317.75	405.00	12,000.00	11,595.00	3.4
51-83-661 VEHICLE MAINT/REPAIR	1,906.96	.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	6,024.67	.00	10,000.00	10,000.00	.0
51-83-683 MINOR EQUIPMENT	25,698.32	2,150.50	25,000.00	22,849.50	8.6
51-83-721 INSURANCE	20,360.82	7,128.88	21,729.00	14,600.12	32.8
51-83-727 ADVERTISING	559.57	.00	500.00	500.00	.0
51-83-772 PROJECT EXPENSES	49,924.50	.00	50,000.00	50,000.00	.0
51-83-773 SITE IMPROVEMENTS -CAPITAL	27,094.00	27,094.00	70,000.00	42,906.00	38.7
51-83-996 ADMIN OVERHEAD-IT SVCS	13,360.63	.00	14,108.00	14,108.00	.0
51-83-998 ADMINISTRATIVE OVERHEAD-GF	40,342.00	.00	44,249.00	44,249.00	.0
TOTAL BETHEL HTS WTR TREATMENT	817,498.96	150,306.64	807,362.00	657,055.36	18.6

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

WATER & SEWER SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
CITY SUB WTR TREATMENT					
51-84-501 SALARIES	183,574.21	32,960.66	189,169.00	156,208.34	17.4
51-84-502 OVERTIME	44,163.91	6,953.67	35,875.00	28,921.33	19.4
51-84-508 LEAVE CASHOUT	6,691.59	.00	8,932.00	8,932.00	.0
51-84-511 MEDICARE	3,744.96	614.33	3,263.00	2,648.67	18.8
51-84-512 EMPLOYEE GROUP BENEFITS	52,900.17	14,062.14	66,297.00	52,234.86	21.2
51-84-515 UNEMPLOYMENT	.00	.00	1,953.00	1,953.00	.0
51-84-516 WORKERS' COMPENSATION	4,263.41	.00	5,814.00	5,814.00	.0
51-84-517 PERS ON BEHALF	11,600.47	.00	.00	.00	.0
51-84-518 PERS	49,971.95	8,781.15	49,510.00	40,728.85	17.7
51-84-519 UTILITY BENEFIT	6,661.36	1,366.85	12,540.00	11,173.15	10.9
51-84-545 TRAINING/TRAVEL	1,410.75	.00	5,000.00	5,000.00	.0
51-84-561 SUPPLIES	1,671.43	.00	2,500.00	2,500.00	.0
51-84-563 WEARING APPAREL	779.94	.00	1,500.00	1,500.00	.0
51-84-567 CHEMICALS	192,294.51	78,104.38	100,000.00	21,895.62	78.1
51-84-592 PLUMBING SUPPLIES	798.72	.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	254.96	47.97	1,000.00	952.03	4.8
51-84-621 ELECTRICITY (CS WTF)	77,460.11	17,351.60	60,000.00	42,648.40	28.9
51-84-622 TELEPHONE	45.29	10.97	100.00	89.03	11.0
51-84-623 HEATING FUEL(CS WTF)	121,165.37	27,217.33	150,000.00	122,782.67	18.1
51-84-650 LAB TESTS	13,674.91	5,597.19	10,000.00	4,402.81	56.0
51-84-661 VEHICLE MAINT (ISF)	1,906.96	.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	2,115.49	122.58	5,000.00	4,877.42	2.5
51-84-683 MINOR EQUIPMENT	14,543.00	2,525.50	20,000.00	17,474.50	12.6
51-84-721 INSURANCE	12,751.83	4,438.68	13,560.00	9,121.32	32.7
51-84-727 ADVERTISING	500.00	.00	.00	.00	.0
51-84-772 PROJECT EXPENSES	49,624.50	.00	.00	.00	.0
51-84-996 ADMIN OVERHEAD-IT SVCS	14,704.22	.00	15,494.00	15,494.00	.0
51-84-998 ADMINISTRATIVE OVERHEAD-GF	57,117.00	.00	63,841.00	63,841.00	.0
TOTAL CITY SUB WTR TREATMENT	926,391.02	200,155.00	831,351.00	631,196.00	24.1

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

WATER & SEWER SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>HAULED SEWER</u>					
51-85-501 SALARIES	544,918.24	100,042.07	524,733.00	424,690.93	19.1
51-85-502 OVERTIME	150,856.94	24,930.34	125,000.00	100,069.66	19.9
51-85-508 LEAVE CASHOUT	12,504.19	907.73	25,301.00	24,393.27	3.6
51-85-511 MEDICARE	10,511.62	1,895.81	9,421.00	7,525.19	20.1
51-85-512 EMPLOYEE GROUP BENEFITS	284,258.44	75,633.53	234,571.00	158,937.47	32.2
51-85-515 UNEMPLOYMENT (131.00)		.00	6,910.00	6,910.00	.0
51-85-516 WORKERS' COMPENSATION	13,809.01	.00	18,393.00	18,393.00	.0
51-85-517 PERS ON BEHALF	35,189.51	.00	.00	.00	.0
51-85-518 PERS	152,444.32	27,493.84	142,941.00	115,447.16	19.2
51-85-519 UTILITY BENEFIT	27,447.43	3,342.52	44,346.00	41,003.48	7.5
51-85-545 TRAINING/TRAVEL	.00	.00	300.00	300.00	.0
51-85-561 SUPPLIES	2,079.95	448.79	7,000.00	6,551.21	6.4
51-85-563 WEARING APPAREL	1,179.13	1,015.21	7,000.00	5,984.79	14.5
51-85-600 TIRES & WHEELS	14,660.81	10,959.81	12,000.00	1,040.19	91.3
51-85-601 VEHICLE MT. (PARTS & TOOLS)	69,821.61	6,926.11	50,000.00	43,073.89	13.9
51-85-602 GASOLINE/DIESEL/OIL	115,497.58	5,521.69	110,000.00	104,478.31	5.0
51-85-621 ELECTRICITY	7,575.56	.00	8,300.00	8,300.00	.0
51-85-622 TELEPHONE	.00	.00	400.00	400.00	.0
51-85-623 HEATING FUEL	16,680.36	.00	12,000.00	12,000.00	.0
51-85-626 WATER/SEWER/GARBAGE	8,051.43	.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	208,087.89	418.59	310,326.00	309,907.41	.1
51-85-662 PROPERTY MAINT	37,359.32	.00	46,393.00	46,393.00	.0
51-85-669 OTHER PURCHASED SERVICES	10,021.18	5,093.06	7,000.00	1,906.94	72.8
51-85-683 MINOR EQUIPMENT (471.12)		.00	3,100.00	3,100.00	.0
51-85-721 INSURANCE	68,192.28	23,250.52	70,082.00	46,831.48	33.2
51-85-722 INSURANCE-DED EXP & OTHER	8,153.03	.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	11,597.05	.00	13,563.00	13,563.00	.0
51-85-998 ADMINISTRATIVE OVERHEAD-GF	149,877.00	.00	193,499.00	193,499.00	.0
TOTAL HAULED SEWER	1,960,171.76	287,879.62	2,013,649.00	1,725,769.38	14.3

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

WATER & SEWER SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>PIPED SEWER</u>					
51-86-501 SALARIES	190,207.51	32,773.22	167,074.00	134,300.78	19.6
51-86-502 OVERTIME	48,009.68	8,105.82	30,750.00	22,644.18	26.4
51-86-508 LEAVE CASHOUT	6,524.72	.00	7,575.00	7,575.00	.0
51-86-511 MEDICARE	3,578.71	599.95	2,868.00	2,268.05	20.9
51-86-512 EMPLOYEE GROUP BENEFITS	56,555.79	12,778.09	55,448.00	42,669.91	23.1
51-86-515 UNEMPLOYMENT	.00	.00	1,634.00	1,634.00	.0
51-86-516 WORKERS' COMPENSATION	3,588.71	.00	5,600.00	5,600.00	.0
51-86-517 PERS ON BEHALF	12,192.47	.00	.00	.00	.0
51-86-518 PERS	52,286.17	8,993.30	43,521.00	34,527.70	20.7
51-86-519 UTILITY BENEFITS	5,401.91	408.16	10,488.00	10,079.84	3.9
51-86-545 TRAINING/TRAVEL	6,780.55	.00	3,000.00	3,000.00	.0
51-86-561 SUPPLIES	6,953.32	2,016.10	6,000.00	3,983.90	33.6
51-86-563 WEARING APPAREL	3,666.73	1,216.41	3,000.00	1,783.59	40.6
51-86-590 GLYCOL SUPPLIES	.00	.00	70,000.00	70,000.00	.0
51-86-592 PLUMBING SUPPLIES	5,256.99	.00	10,000.00	10,000.00	.0
51-86-600 TIRES & WHEELS	123.78	123.78	2,000.00	1,876.22	6.2
51-86-601 VEHICLE MT. (PARTS & TOOLS)	7,558.51	3,551.54	6,500.00	2,948.46	54.6
51-86-602 GASOLINE/DIESEL/OIL	10,994.24	1,820.30	15,000.00	13,179.70	12.1
51-86-621 ELECTRICITY-LIFTST & BLDG	126,004.89	31,403.75	100,000.00	68,596.25	31.4
51-86-622 TELEPHONE	.00	.00	500.00	500.00	.0
51-86-623 HEATING FUEL	29,674.30	780.96	35,000.00	34,219.04	2.2
51-86-626 WATER/SEWER/GARB	510.66	.00	600.00	600.00	.0
51-86-661 VEHICLE MAINT/REPAIR	3,897.18	216.50	3,003.00	2,786.50	7.2
51-86-665 CITY SAFETY	.00	.00	5,000.00	5,000.00	.0
51-86-669 OTHER PURCHASED SERVICES	18,737.54	6,852.34	20,000.00	13,147.66	34.3
51-86-683 MINOR EQUIPMENT	109,298.29	.00	125,000.00	125,000.00	.0
51-86-691 FORD F350 1 TON	.00	.00	40,000.00	40,000.00	.0
51-86-699 CAPITAL EXPENSES-SL ASSET RES.	155,525.72	.00	.00	.00	.0
51-86-721 INSURANCE	6,156.95	2,149.08	6,561.00	4,411.92	32.8
51-86-736 LEASED PROPERTY-LIFT STATIONS	26,811.89	14,044.94	15,000.00	955.06	93.6
51-86-777 PROJECT EXP-CULVERTS	171,351.00	171,351.00	175,000.00	3,649.00	97.9
51-86-996 ADMIN OVERHEAD-IT SVCS	15,376.77	.00	14,801.00	14,801.00	.0
51-86-998 ADMINISTRATIVE OVERHEAD-GF	49,232.00	.00	55,566.00	55,566.00	.0
TOTAL PIPED SEWER	1,132,256.98	299,185.24	1,036,489.00	737,303.76	28.9

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

WATER & SEWER SERVICES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>SEWER LAGOON</u>					
51-87-501 SALARIES	59,886.61	10,823.36	68,912.00	58,088.64	15.7
51-87-502 OVERTIME	11,556.81	1,876.89	10,250.00	8,373.11	18.3
51-87-508 LEAVE CASHOUT	1,668.97	.00	2,211.00	2,211.00	.0
51-87-511 MEDICARE	1,082.28	187.22	1,148.00	960.78	16.3
51-87-512 EMPLOYEE GROUP BENEFITS	16,339.32	4,276.98	21,697.00	17,420.02	19.7
51-87-515 UNEMPLOYMENT	.00	.00	639.00	639.00	.0
51-87-516 WORKERS' COMPENSATION	973.65	.00	2,241.00	2,241.00	.0
51-87-517 PERS ON BEHALF	3,647.77	.00	.00	.00	.0
51-87-518 PERS	15,746.65	2,794.19	17,416.00	14,621.81	16.0
51-87-519 UTILITY BENEFIT	1,268.54	105.62	4,104.00	3,998.38	2.6
51-87-545 TRAINING/TRAVEL	4,357.62	.00	3,000.00	3,000.00	.0
51-87-561 SUPPLIES	1,029.72	.00	1,500.00	1,500.00	.0
51-87-563 WEARING APPAREL	2,725.86	.00	2,000.00	2,000.00	.0
51-87-592 PLUMBING SUPPLIES	518.39	.00	1,000.00	1,000.00	.0
51-87-602 GASOLINE	7,934.21	602.27	20,000.00	19,397.73	3.0
51-87-650 LAB TESTS (SAMPLES)	16,537.49	2,511.19	12,000.00	9,488.81	20.9
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	1,909.37	.00	2,500.00	2,500.00	.0
51-87-714 INTEREST-SEWER LAGOON BND	494.25	.00	.00	.00	.0
51-87-721 INSURANCE	445.47	147.12	443.00	295.88	33.2
51-87-724 DUES & SUBSCRIPTIONS	7,920.00	.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	18,705.00	.00	21,993.00	21,993.00	.0
TOTAL SEWER LAGOON	174,747.98	23,324.84	204,474.00	181,149.16	11.4
TOTAL FUND EXPENDITURES	9,175,651.29	1,970,430.84	9,671,877.00	7,701,446.16	20.4
NET REVENUE OVER EXPENDITURES	217,424.96	483,872.39	(1,762,437.00)	(2,246,309.39)	27.5

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 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>STATE FUNDING</u>					
52-41-411 PENSION ON BEHALF	10,636.14	.00	.00	.00	.0
TOTAL STATE FUNDING	10,636.14	.00	.00	.00	.0
<u>SOURCE 42</u>					
52-42-430 JURY DUTY REIMBURSEMENT	(25.00)	.00	.00	.00	.0
TOTAL SOURCE 42	(25.00)	.00	.00	.00	.0
<u>CHARGES FOR SERVICES</u>					
52-43-402 CITY DOCK-STORAGE	63,787.74	2,777.76	70,000.00	67,222.24	4.0
52-43-404 CITY DOCK-PERMITS	.00	.00	3,000.00	3,000.00	.0
52-43-405 CITY DOCK-WHARFAGE	140,809.69	.00	165,000.00	165,000.00	.0
52-43-407 CITY DOCK-DOCKAGE	34,611.81	.00	25,000.00	25,000.00	.0
52-43-413 SLOUGH BERTH-MOORAGE	59.40	.00	.00	.00	.0
52-43-418 SBH PETRO PORT-FUEL THRU-PUT	267,347.64	118,132.86	220,000.00	101,867.14	53.7
52-43-424 PETRO YARD - STORAGE	4,096.00	460.80	2,000.00	1,539.20	23.0
52-43-426 PETRO PORT-FUEL THRU-PUT	534,695.28	236,265.72	440,000.00	203,734.28	53.7
52-43-427 PETRO PORT-DOCKAGE	25,705.32	4,929.73	20,000.00	15,070.27	24.7
52-43-433 SEAWALL MOORAGE	.00	.00	25,000.00	25,000.00	.0
52-43-434 SEAWALL DOCKAGE	15,696.97	.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	36,837.28	.00	10,000.00	10,000.00	.0
52-43-455 BEACH-WHARFAGE	69,096.67	.00	70,000.00	70,000.00	.0
52-43-457 BEACH-DOCKAGE	12,866.36	.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	18,837.00	.00	24,000.00	24,000.00	.0
TOTAL CHARGES FOR SERVICES	1,224,447.16	362,566.87	1,105,500.00	742,933.13	32.8
<u>LEASE REVENUE</u>					
52-44-467 LEASE REVENUE	26,390.00	2,030.00	24,000.00	21,970.00	8.5
TOTAL LEASE REVENUE	26,390.00	2,030.00	24,000.00	21,970.00	8.5

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

MUNICIPAL DOCK

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
	MISCELLANEOUS					
52-45-462	SMALL BOAT HARBOR STORAGE	4,650.00	.00	.00	.00	.0
52-45-464	SMALL BOAT HARBOR PERMITS	19,707.88	.00	24,000.00	24,000.00	.0
52-45-467	EXTRA WATER CALLS	25,090.50	.00	25,000.00	25,000.00	.0
	TOTAL MISCELLANEOUS	49,448.38	.00	49,000.00	49,000.00	.0
	MISCELLANEOUS					
52-49-487	INVESTMENT INCOME	.00	.00	2,000.00	2,000.00	.0
52-49-495	MISCELLANEOUS REVENUE	7,626.00	.00	5,000.00	5,000.00	.0
	TOTAL MISCELLANEOUS	7,626.00	.00	7,000.00	7,000.00	.0
	TOTAL FUND REVENUE	1,318,522.68	364,596.87	1,190,500.00	825,903.13	30.6

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

MUNICIPAL DOCK

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>DOCK EXPENDITURES</u>					
52-50-501 SALARIES	192,012.52	34,820.20	184,522.00	149,701.80	18.9
52-50-502 OVERTIME	4,332.48	971.93	.00	(971.93)	.0
52-50-508 LEAVE CASHOUT	3,655.60	.00	4,103.00	4,103.00	.0
52-50-510 SOCIAL SECURITY EXPENSE	1,087.19	234.71	1,420.00	1,185.29	16.5
52-50-511 MEDICARE FICA	3,046.01	564.32	2,676.00	2,111.68	21.1
52-50-512 EMPLOYEE GROUP BENEFITS	60,468.40	12,469.68	60,752.00	48,282.32	20.5
52-50-515 UNEMPLOYMENT	60.51	.00	1,790.00	1,790.00	.0
52-50-516 WORKERS' COMPENSATION	3,015.36	.00	6,137.00	6,137.00	.0
52-50-517 PERS ON BEHALF	9,062.78	.00	.00	.00	.0
52-50-518 PERS	39,221.42	7,041.41	35,557.00	28,515.59	19.8
52-50-519 UTILITY BENEFIT	12,867.34	1,707.13	11,491.00	9,783.87	14.9
52-50-545 TRAINING/TRAVEL	743.21	211.00	5,000.00	4,789.00	4.2
52-50-561 SUPPLIES	4,016.81	109.86	5,500.00	5,390.14	2.0
52-50-563 WEARING APPAREL	1,371.15	.00	2,000.00	2,000.00	.0
52-50-600 TIRES	10,200.94	.00	.00	.00	.0
52-50-601 VEHICLE MT. (PARTS & TOOLS)	21,366.42	636.78	20,000.00	19,363.22	3.2
52-50-602 GASOLINE/DIESEL/OIL	22,717.00	6,331.61	15,000.00	8,668.39	42.2
52-50-621 ELECTRICITY	16,261.90	2,972.51	10,000.00	7,027.49	29.7
52-50-622 TELEPHONE	2,538.64	627.34	1,000.00	372.66	62.7
52-50-623 HEATING FUEL	2,997.12	816.08	2,000.00	1,183.92	40.8
52-50-624 WATER, SEWER, GARBAGE	5,244.24	.00	5,000.00	5,000.00	.0
52-50-626 WATER FOR BARGES	5,822.72	.00	12,000.00	12,000.00	.0
52-50-627 STAFF CELLULAR PHONES	900.72	158.61	1,680.00	1,521.39	9.4
52-50-642 LEGAL FEES	688.90	.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	2,012.95	15.00	3,003.00	2,988.00	.5
52-50-666 MUNICIPAL DOCK MAINT.	49.99	.00	5,000.00	5,000.00	.0
52-50-667 MAINT-SEAWALL	4,052.33	3,774.90	7,000.00	3,225.10	53.9
52-50-668 MAINT SMALL BOAT HARBOR	189.85	.00	.00	.00	.0
52-50-669 OTHER PURCHASED SERVICES	14,724.06	5,852.28	25,000.00	19,147.72	23.4
52-50-683 MINOR EQUIPMENT	8,045.36	1,635.66	25,000.00	23,364.34	6.5
52-50-687 LAND/EASEMENT ACQUISITION	6,705.00	.00	50,000.00	50,000.00	.0
52-50-697 HIGHLIFT FORKLIFT	83,812.41	.00	35,000.00	35,000.00	.0
52-50-721 INSURANCE	19,950.30	4,559.68	16,980.00	12,420.32	26.9
52-50-724 DUES	199.84	25.98	1,000.00	974.02	2.6
52-50-727 ADVERTISING	12.99	.00	1,000.00	1,000.00	.0
52-50-736 BANK CHARGES	763.73	.00	.00	.00	.0
52-50-775 MUNICIPAL DOCK GRAVEL	205,002.84	149,982.84	150,000.00	17.16	100.0
52-50-776 HYDROGRAPHIC SURVEY	.00	.00	34,000.00	34,000.00	.0
52-50-777 CONTAMINATED SOIL PROCESSING	439.08	.00	1,000.00	1,000.00	.0
52-50-778 PORT FACILITY IMPROVEMENT	(690.71)	(690.71)	.00	690.71	.0
52-50-996 ADMIN OVERHEAD-IT SVCS	18,920.38	.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	48,982.00	.00	52,742.00	52,742.00	.0
TOTAL DOCK EXPENDITURES	836,871.78	234,828.80	849,635.00	614,806.20	27.6

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

MUNICIPAL DOCK

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>SMALL BOAT HARBOR</u>					
52-55-501 SALARIES	110,544.60	31,981.95	99,939.00	67,957.05	32.0
52-55-502 OVERTIME	6,353.57	2,589.03	3,000.00	410.97	86.3
52-55-508 LEAVE CASHOUT	655.55	.00	1,081.00	1,081.00	.0
52-55-510 SOCIAL SECURITY	5,225.75	1,701.59	4,483.00	2,781.41	38.0
52-55-511 MEDICARE FICA	1,750.99	512.34	1,493.00	980.66	34.3
52-55-512 EMPLOYEE GROUP BENEFITS	29,721.73	3,811.48	9,161.00	5,349.52	41.6
52-55-515 UNEMPLOYMENT	.00	.00	2,650.00	2,650.00	.0
52-55-516 WORKERS' COMPENSATION	3,295.78	.00	4,100.00	4,100.00	.0
52-55-517 PERS ON BEHALF	1,573.36	.00	.00	.00	.0
52-55-518 PERS	7,154.51	1,567.85	5,959.00	4,391.15	26.3
52-55-519 UTILITY BENEFIT	3,904.63	432.72	2,189.00	1,756.28	19.8
52-55-561 SUPPLIES	1,967.96	1,036.94	1,800.00	763.06	57.6
52-55-563 WEARING APPAREL	417.78	296.77	2,000.00	1,703.23	14.8
52-55-602 GASOLINE	1,725.28	489.20	8,000.00	7,510.80	6.1
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	1,842.09	732.70	7,000.00	6,267.30	10.5
52-55-683 MINOR EQUIPMENT	3,297.36	1,302.78	2,000.00	697.22	65.1
52-55-775 SMALL BOAT HARBOR GRAVEL	32,111.30	16,098.50	16,000.00	(98.50)	100.6
52-55-799 MISCELLANEOUS EXPENSES	111.01	.00	250.00	250.00	.0
52-55-998 ADMINISTRATIVE OVERHEAD-GF	24,073.00	.00	22,923.00	22,923.00	.0
TOTAL SMALL BOAT HARBOR	235,726.25	62,553.85	203,128.00	140,574.15	30.8
TOTAL FUND EXPENDITURES	1,072,598.03	297,382.65	1,052,763.00	755,380.35	28.3
NET REVENUE OVER EXPENDITURES	245,924.65	67,214.22	137,737.00	70,522.78	48.8

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

LEASED PROPERTIES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>LEASE INCOME</u>					
53-44-443 LEASE-SOA DEPT OF ADMIN-OCS	42,463.00	.00	.00	.00	.0
53-44-444 LEASE-COURT SYSTEM	1,125,935.15	.00	613,620.00	613,620.00	.0
53-44-447 LEASE:DEPT OF LAW	249,710.80	11,900.30	137,964.00	126,063.70	8.6
53-44-450 LEASE PATC	24,600.00	1,200.00	14,400.00	13,200.00	8.3
53-44-452 LEASE-TOWER ROAD LAND	7,050.00	1,050.00	5,400.00	4,350.00	19.4
53-44-453 YKHC - BUILDING	4,550.00	350.00	4,200.00	3,850.00	8.3
53-44-472 DMV LEASE	8,299.60	2,002.00	6,298.00	4,296.00	31.8
53-44-479 LEASE LAND AVCP HEARSTART	1,400.00	150.00	1,800.00	1,650.00	8.3
53-44-481 LEASE LAND SWANSONS	17,363.40	1,760.00	21,120.00	19,360.00	8.3
53-44-485 LEASE LAND EUNKANG CHURCH	1,950.00	150.00	1,800.00	1,650.00	8.3
53-44-488 LEASE LAND GCI	4,850.08	850.00	10,200.00	9,350.00	8.3
53-44-489 LEASE NAPA BATTERY STRGE	.00	.00	24,012.00	24,012.00	.0
53-44-495 LEASE-OTHER LEASE REVENUE	6,303.00	2,001.00	.00	(2,001.00)	.0
TOTAL LEASE INCOME	1,494,475.03	21,413.30	840,814.00	819,400.70	2.6
TOTAL FUND REVENUE	1,494,475.03	21,413.30	840,814.00	819,400.70	2.6

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

LEASED PROPERTIES

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>LEASED PROPERTIES-MISC</u>					
53-50-623 HEATING FUEL	7,542.36	849.39	.00	(849.39)	.0
53-50-721 INSURANCE	6,650.28	3,602.40	.00	(3,602.40)	.0
TOTAL LEASED PROPERTIES-MISC	14,192.64	4,451.79	.00	(4,451.79)	.0
<u>LEASED PROP-COURT COMPLEX</u>					
53-55-621 ELECTRICITY-COURT COMPLEX	98,201.73	17,552.53	82,901.00	65,348.47	21.2
53-55-622 TELEPHONE	816.02	201.80	600.00	398.20	33.6
53-55-623 HEATING FUEL-COURTCOMPLEX	38,248.44	1,882.03	55,000.00	53,117.97	3.4
53-55-626 WATER/SEWER/GARB-COURTCOM	17,604.94	.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	23,688.70	2,005.09	15,000.00	12,994.91	13.4
53-55-663 JANITORIAL-COURT COMPLEX	105,184.50	26,700.00	94,536.00	67,836.00	28.2
53-55-669 OTHER PURCHASED SERVICES	3,675.84	628.64	5,000.00	4,371.36	12.6
53-55-694 GENERATOR REPAIR	.00	.00	300,000.00	300,000.00	.0
53-55-714 COURTHOUSE LOAN INTEREST	89,750.00	.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	43,221.30	14,998.12	57,281.00	42,282.88	26.2
53-55-997 ICR-PROPERTY MAINTENANCE-15%	103,592.83	.00	139,179.00	139,179.00	.0
TOTAL LEASED PROP-COURT COMPLEX	523,984.30	63,968.21	889,056.00	825,087.79	7.2
<u>LEASED PROP - POLICE ANNEX</u>					
53-56-623 HEATING FUEL-POLICE ANNEX	632.89	.00	.00	.00	.0
TOTAL LEASED PROP - POLICE ANNEX	632.89	.00	.00	.00	.0
TOTAL FUND EXPENDITURES	538,809.83	68,420.00	889,056.00	820,636.00	7.7
NET REVENUE OVER EXPENDITURES	955,665.20	(47,006.70)	(48,242.00)	(1,235.30)	(97.4)

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

EMPLOYEE GROUP HEALTH BEN.

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
EMP GROUP BENEFITS REVENUES					
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
54-43-462 COBRA PAYMENTS	13,668.00	1,139.00	.00	(1,139.00)	.0
54-43-463 FROM GEN FUND-IT SVCS	.00	.00	24,108.00	24,108.00	.0
54-43-464 STOP LOSS REFUND PYMTS	166,885.78	.00	.00	.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
54-43-468 EXPRESS SCRIPTS REBATE	7,383.54	112.20	.00	(112.20)	.0
TOTAL EMP GROUP BENEFITS REVENUES	187,937.32	1,251.20	2,557,376.00	2,556,124.80	.1
TOTAL FUND REVENUE	187,937.32	1,251.20	2,557,376.00	2,556,124.80	.1

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

EMPLOYEE GROUP HEALTH BEN.

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>EMPLOYEE GROUP HEALTH BENEFITS</u>					
54-50-646 CLAIMS PAID	(22,631.42)	.00	.00	.00	.0
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	80,208.70	5,746.37	78,018.00	72,271.63	7.4
TOTAL EMPLOYEE GROUP HEALTH BENEFITS	57,577.28	5,746.37	2,515,251.00	2,509,504.63	.2
TOTAL FUND EXPENDITURES	57,577.28	5,746.37	2,515,251.00	2,509,504.63	.2
NET REVENUE OVER EXPENDITURES	130,360.04	(4,495.17)	42,125.00	46,620.17	(10.7)

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 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>					
56-41-411 REV-FEDERAL TRANSIT 5311	202,191.26	25,836.66	.00	(25,836.66)	.0
56-41-413 TRANSIT SECTION 5311	66,000.93	.00	334,764.00	334,764.00	.0
TOTAL FEDERAL SOURCES	268,192.19	25,836.66	334,764.00	308,927.34	7.7
<u>SOURCE 42</u>					
56-42-411 PENSION ON BEHALF	7,653.73	.00	.00	.00	.0
TOTAL SOURCE 42	7,653.73	.00	.00	.00	.0
<u>CHARGES FOR SERVICES</u>					
56-43-422 BUS FARES	21,147.00	4,431.00	20,500.00	16,069.00	21.6
56-43-423 BUS FARES-PREPAID	41,443.00	15,615.00	(12,500.00)	(28,115.00)	124.9
TOTAL CHARGES FOR SERVICES	62,590.00	20,046.00	8,000.00	(12,046.00)	250.6
<u>MISC REVENUE</u>					
56-49-484 DONATIONS	50.00	.00	.00	.00	.0
TOTAL MISC REVENUE	50.00	.00	.00	.00	.0
TOTAL FUND REVENUE	338,485.92	45,882.66	423,344.00	377,461.34	10.8

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

BETHEL PUBLIC TRANSIT SYSTEM

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>TRANSIT SYSTEM EXPENDITURES</u>					
56-50-501 SALARIES	177,422.97	38,511.91	161,677.00	123,165.09	23.8
56-50-508 LEAVE CASHOUT	1,067.96	.00	7,977.00	7,977.00	.0
56-50-510 SOCIAL SECURITY EXPENSE	1,206.73	280.91	.00	(280.91)	.0
56-50-511 MEDICARE FICA	2,745.72	573.56	2,344.00	1,770.44	24.5
56-50-512 EMPLOYEE GROUP BENEFITS	66,120.23	15,822.00	72,324.00	56,502.00	21.9
56-50-515 UNEMPLOYMENT	.00	.00	2,131.00	2,131.00	.0
56-50-516 WORKERS' COMPENSATION	6,924.34	.00	7,857.00	7,857.00	.0
56-50-517 PERS ON BEHALF	7,653.73	.00	.00	.00	.0
56-50-518 PERS	34,652.62	7,475.85	35,569.00	28,093.15	21.0
56-50-519 UTILITY BENEFIT	5,442.70	679.72	13,680.00	13,000.28	5.0
56-50-545 TRAINING/TRAVEL	41.88	41.88	.00	(41.88)	.0
56-50-561 SUPPLIES	2,334.19	377.81	2,000.00	1,622.19	18.9
56-50-600 TIRES & WHEELS	.00	.00	2,800.00	2,800.00	.0
56-50-601 VEHICLE MT. (PARTS & TOOLS)	7,924.90	1,966.47	.00	(1,966.47)	.0
56-50-602 GASOLINE	25,309.52	5,209.13	30,000.00	24,790.87	17.4
56-50-621 ELECTRICITY	8,226.81	1,411.28	11,400.00	9,988.72	12.4
56-50-622 TELEPHONE	308.15	8.22	700.00	691.78	1.2
56-50-623 HEATING FUEL	8,191.51	521.29	10,800.00	10,278.71	4.8
56-50-626 WTR/SWR/GRB	1,175.74	.00	1,200.00	1,200.00	.0
56-50-627 STAFF CELLULAR PHONES	132.76	79.29	840.00	760.71	9.4
56-50-646 CONTRACTOR FEES	.00	.00	2,000.00	2,000.00	.0
56-50-661 VEHICLE MAINT/REPAIR	15,234.46	1,806.90	20,021.00	18,214.10	9.0
56-50-669 OTHER PURCHASED SERVICES	102.00	1.00	.00	(1.00)	.0
56-50-683 MINOR EQUIPMENT	.00	.00	2,500.00	2,500.00	.0
56-50-721 INSURANCE	12,995.58	4,095.32	12,344.00	8,248.68	33.2
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	14,575.83	.00	15,494.00	15,494.00	.0
56-50-998 ADMINISTRATIVE OVERHEAD-GF	45,040.00	.00	51,907.00	51,907.00	.0
TOTAL TRANSIT SYSTEM EXPENDITURES	444,830.33	78,862.54	468,365.00	389,502.46	16.8
TOTAL FUND EXPENDITURES	444,830.33	78,862.54	468,365.00	389,502.46	16.8
NET REVENUE OVER EXPENDITURES	(106,344.41)	(32,979.88)	(45,021.00)	(12,041.12)	(73.3)

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

VEHICLES & EQUIP MAINTENANCE

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>STATE AND FEDERAL FUNDING</u>					
57-42-410 PERS UNBEHALF PMT	18,128.45	.00	.00	.00	.0
TOTAL STATE AND FEDERAL FUNDING	18,128.45	.00	.00	.00	.0
<u>CHARGES FOR SERVICES</u>					
57-43-401 FROM GF-ADMIN	953.48	.00	.00	.00	.0
57-43-403 FROM GF-FINANCE	953.45	.00	.00	.00	.0
57-43-404 FROM GF-PLANNING	953.47	.00	.00	.00	.0
57-43-405 FROM GF-FIRE	6,356.47	.00	.00	.00	.0
57-43-406 FROM GF-POLICE	12,712.98	.00	.00	.00	.0
57-43-407 FROM GF-PW ADMIN	1,906.96	.00	.00	.00	.0
57-43-408 FROM GF-STREETS/ROADS	95,347.29	.00	.00	.00	.0
57-43-409 FROM GF-PROPERTY MAINT.	2,252.41	.00	.00	.00	.0
57-43-411 FROM GF-PARKS & REC	1,561.49	.00	.00	.00	.0
57-43-413 FROM GEN FUND-IT SVCS	953.47	.00	.00	.00	.0
57-43-451 FROM EF-HAULED WATER	197,051.08	.00	.00	.00	.0
57-43-452 FROM EF-HAULED SEWER	197,051.09	.00	.00	.00	.0
57-43-453 FROM EF-PIPED WATER	1,906.96	.00	.00	.00	.0
57-43-454 FROM GF-PIPED SEWER	1,906.96	.00	.00	.00	.0
57-43-455 FROM EF-BETHEL HGT WATER TRMT	1,906.96	.00	.00	.00	.0
57-43-456 FROM EF-CITY SUB WATER TRMT	1,906.96	.00	.00	.00	.0
57-43-460 FROM EF-HAULED REFUSE	47,673.63	.00	.00	.00	.0
57-43-461 FROM EF-LANDFILL OPERATIONS	47,673.63	.00	.00	.00	.0
57-43-470 FROM EF-PORT	1,906.96	.00	.00	.00	.0
57-43-481 FROM GENERAL FUND-IT SVCS	12,712.95	.00	.00	.00	.0
TOTAL CHARGES FOR SERVICES	635,648.65	.00	.00	.00	.0
TOTAL FUND REVENUE	653,777.10	.00	.00	.00	.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

VEHICLES & EQUIP MAINTENANCE

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>VEHICLE & EQUIP MAINT</u>					
57-50-501 SALARIES	354,160.86	65,877.36	350,947.00	285,069.64	18.8
57-50-502 OVERTIME	21,799.05	5,596.63	18,000.00	12,403.37	31.1
57-50-508 LEAVE CASHOUT	1,013.10	2,631.73	16,807.00	14,175.27	15.7
57-50-510 SOCIAL SECURITY EXPENSE	1,192.14	518.17	.00	(518.17)	.0
57-50-511 MEDICARE FICA	5,923.31	1,146.30	5,350.00	4,203.70	21.4
57-50-512 EMPLOYEE GROUP BENEFITS	128,118.18	28,636.37	147,059.00	118,422.63	19.5
57-50-515 UNEMPLOYMENT	.00	.00	4,332.00	4,332.00	.0
57-50-516 WORKERS' COMPENSATION	7,914.68	.00	11,941.00	11,941.00	.0
57-50-517 PERS ON BEHALF	18,128.45	.00	.00	.00	.0
57-50-518 PERS	77,617.85	13,247.54	81,168.00	67,920.46	16.3
57-50-519 UTILITY BENEFIT	24,473.59	1,978.39	27,816.00	25,837.61	7.1
57-50-545 TRAINING/TRAVEL	6,095.94	.00	15,000.00	15,000.00	.0
57-50-561 SUPPLIES	15,936.95	2,859.28	20,000.00	17,140.72	14.3
57-50-563 WEARING APPAREL	2,185.73	127.19	3,000.00	2,872.81	4.2
57-50-600 TIRES & WHEELS	.00	.00	1,000.00	1,000.00	.0
57-50-601 VEHICLE MT. (PARTS & TOOLS)	(7,135.04)	180.88	6,000.00	5,819.12	3.0
57-50-602 GASOLINE / DIESEL / OIL	36,612.47	1,943.36	10,000.00	8,056.64	19.4
57-50-621 ELECTRICITY	13,252.69	.00	12,500.00	12,500.00	.0
57-50-622 TELEPHONE	236.56	.00	.00	.00	.0
57-50-623 HEATING FUEL	.00	.00	7,500.00	7,500.00	.0
57-50-626 WATER/SEWER/GARBAGE	6,135.01	.00	.00	.00	.0
57-50-627 STAFF CELLULAR PHONES	132.79	79.32	840.00	760.68	9.4
57-50-669 OTHER PURCHASED SERVICES	8,684.58	490.32	10,000.00	9,509.68	4.9
57-50-683 MINOR EQUIPMENT	24,028.19	1,320.17	30,775.00	29,454.83	4.3
57-50-721 INSURANCE	33,825.49	11,787.24	35,556.00	23,768.76	33.2
57-50-724 DUES/SUBSCRIPTIONS	.00	.00	10,000.00	10,000.00	.0
57-50-996 ADMIN OVERHEAD-IT SVCS	14,784.99	.00	15,634.00	15,634.00	.0
57-50-998 ADMINISTRATIVE OVERHEAD-GF	99,390.00	.00	113,440.00	113,440.00	.0
TOTAL VEHICLE & EQUIP MAINT	894,507.56	138,420.25	954,665.00	816,244.75	14.5
TOTAL FUND EXPENDITURES	894,507.56	138,420.25	954,665.00	816,244.75	14.5
NET REVENUE OVER EXPENDITURES	(240,730.46)	(138,420.25)	(954,665.00)	(816,244.75)	(14.5)

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

RASMUSON GRANT

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>RASMUSON</u>					
60-50-669 OTHER PURCHASED SERVICES	2,115.33	.00	.00	.00	.0
TOTAL RASMUSON	2,115.33	.00	.00	.00	.0
TOTAL FUND EXPENDITURES	2,115.33	.00	.00	.00	.0
NET REVENUE OVER EXPENDITURES	(2,115.33)	.00	.00	.00	.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

LAND WATER CONSERVATION GRANT

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
62-50-561 SUPPLIES	36,616.27	.00	.00	.00	.0
62-50-646 CONTRACTOR FEES	2,880.00	.00	.00	.00	.0
62-50-669 OTHER PURCHASED SERVICES	22,264.78	.00	.00	.00	.0
62-50-683 MINOR EQUIPMENT	9,915.57	.00	.00	.00	.0
62-50-685 EQUIPMENT	5,404.84	.00	.00	.00	.0
TOTAL DEPARTMENT 50	77,081.46	.00	.00	.00	.0
TOTAL FUND EXPENDITURES	77,081.46	.00	.00	.00	.0
NET REVENUE OVER EXPENDITURES	(77,081.46)	.00	.00	.00	.0

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

LAGOON UPGRADES DESIGN SERV

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
63-42-401 VSW SEWER GRANT REV #16EP29	37,947.62	.00	.00	.00	.0
63-42-403 VSW SEWER GRANT REV #17EP77	290,889.58	.00	.00	.00	.0
63-42-407 VSW GRANT REV #15EQ92	(16,401.15)	.00	.00	.00	.0
63-42-413 REVENUE-GRANT	50,045.00	.00	.00	.00	.0
TOTAL SOURCE 42	362,481.05	.00	.00	.00	.0
TOTAL FUND REVENUE	362,481.05	.00	.00	.00	.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

LAGOON UPGRADES DESIGN SERV

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
63-50-646 CONTRACTOR FEES	183,867.82	.00	.00	.00	.0
TOTAL DEPARTMENT 50	183,867.82	.00	.00	.00	.0
DEPARTMENT 52					
63-52-646 CONTRACTOR'S FEES	290,889.58	.00	.00	.00	.0
TOTAL DEPARTMENT 52	290,889.58	.00	.00	.00	.0
DEPARTMENT 53					
63-53-643 PLANNING/ENGINEERING FEES	239,993.55	148,073.30	.00	(148,073.30)	.0
63-53-646 CONTRACTOR FEES	18,648.00	.00	.00	.00	.0
TOTAL DEPARTMENT 53	258,641.55	148,073.30	.00	(148,073.30)	.0
DEPARTMENT 55					
63-55-646 CONTRACTOR'S FEES	25,350.00	25,350.00	.00	(25,350.00)	.0
TOTAL DEPARTMENT 55	25,350.00	25,350.00	.00	(25,350.00)	.0
DEPARTMENT 56					
63-56-643 PLANNING/ENGINEERING	61,000.00	13,500.00	.00	(13,500.00)	.0
TOTAL DEPARTMENT 56	61,000.00	13,500.00	.00	(13,500.00)	.0
TOTAL FUND EXPENDITURES	819,748.95	186,923.30	.00	(186,923.30)	.0
NET REVENUE OVER EXPENDITURES	(457,267.90)	(186,923.30)	.00	186,923.30	.0

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

USDA-RA SEWER LAGOON JETTY

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>SOURCE 42</u>					
64-42-413 REVENUE-GRANT	301,583.36	.00	.00	.00	.0
TOTAL SOURCE 42	301,583.36	.00	.00	.00	.0
TOTAL FUND REVENUE	301,583.36	.00	.00	.00	.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

USDA-RA SEWER LAGOON JETTY

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
64-50-646 CONTRACTOR FEES	579,566.82	.00	.00	.00	.0
64-50-690 VEHICLES	746,808.00	.00	.00	.00	.0
TOTAL DEPARTMENT 50	1,326,374.82	.00	.00	.00	.0
DEPARTMENT 51					
64-51-545 TRAINING/TRAVEL	220.00	.00	.00	.00	.0
64-51-642 LEGAL FEES	754.90	.00	.00	.00	.0
64-51-643 ENGINEERING FEES	3,950.00	.00	.00	.00	.0
64-51-646 CONTRACTOR FEES	228,832.37	.00	.00	.00	.0
64-51-690 KENWORTH VACUUM SEWER TRUCK	149,202.00	.00	.00	.00	.0
TOTAL DEPARTMENT 51	382,959.27	.00	.00	.00	.0
TOTAL FUND EXPENDITURES	1,709,334.09	.00	.00	.00	.0
NET REVENUE OVER EXPENDITURES	(1,407,750.73)	.00	.00	.00	.0

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

2016 HOMELAND SECURITY

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET</u>	<u>UNEARNED</u>	<u>PCNT</u>
71-42-414 2017 STATE HOMELAND SECURITY	46,750.00	.00	.00	.00	.0
TOTAL SOURCE 42	46,750.00	.00	.00	.00	.0
TOTAL FUND REVENUE	46,750.00	.00	.00	.00	.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

2016 HOMELAND SECURITY

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
DEPARTMENT 52					
71-52-643 PLANNING/ENGINEERING	55,000.00	8,250.00	.00	(8,250.00)	.0
71-52-683 MINOR EQUIPMENT	49,011.00	49,011.00	.00	(49,011.00)	.0
TOTAL DEPARTMENT 52	104,011.00	57,261.00	.00	(57,261.00)	.0
TOTAL FUND EXPENDITURES	104,011.00	57,261.00	.00	(57,261.00)	.0
NET REVENUE OVER EXPENDITURES	(57,261.00)	(57,261.00)	.00	57,261.00	.0

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

FUND 81					
	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
81-42-413 PINKY'S PARK IMPROVEMENTS REV	68,729.67	.00	.00	.00	.0
TOTAL SOURCE 42	68,729.67	.00	.00	.00	.0
TOTAL FUND REVENUE	68,729.67	.00	.00	.00	.0
NET REVENUE OVER EXPENDITURES	68,729.67	.00	.00	.00	.0

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

		FUND 83				
		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
83-42-411	GRANT REVENUE	3,384.79	3,000.00	.00	(3,000.00)	.0
	TOTAL SOURCE 42	3,384.79	3,000.00	.00	(3,000.00)	.0
	TOTAL FUND REVENUE	3,384.79	3,000.00	.00	(3,000.00)	.0

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2019

		FUND 83				
		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>DEPARTMENT 51</u>						
83-51-561	SUPPLIES	2,753.95	2,614.20	.00	(2,614.20)	.0
83-51-683	MINOR EQUIPMENT	245.04	.00	.00	.00	.0
TOTAL DEPARTMENT 51		2,998.99	2,614.20	.00	(2,614.20)	.0
TOTAL FUND EXPENDITURES		2,998.99	2,614.20	.00	(2,614.20)	.0
NET REVENUE OVER EXPENDITURES		385.80	385.80	.00	(385.80)	.0

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 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	10,090.51	.00	15,000.00	15,000.00	.0
TOTAL MISCELLANEOUS	10,090.51	.00	15,000.00	15,000.00	.0
TOTAL FUND REVENUE	10,090.51	.00	4,500.00	4,500.00	.0
NET REVENUE OVER EXPENDITURES	10,090.51	.00	4,500.00	4,500.00	.0



CITY OF BETHEL
Managers Office

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bhowell@cityofbethel.net

Celebrating 50 Years of Service

DATE: November 04, 2019

TO: Perry Barr, Mayor

FROM: Bill Howell, Acting City Manager

SUBJECT: City Manager's Report - October 20 through November 4, 2019

Current Events

- The last few weeks have been business as usual, managing day to day operations, attending meetings, dealing with personnel, planning and legal matters. Departments and Administration are busy preparing for winter operations. We are continuously improving City operations when and where opportunities present themselves.
- I worked closely with our HR and Finance Departments to fill three vacancies in the front office. Finance should be fully staffed in the next 10 days.
- Police Chief applications are being reviewed. A peer panel to select the new Chief is being formed under direction of HR and the Acting Chief of Police.
- I am encouraged by the internal promotion of two Public Work's employees for the Utilities and Hauled Services Foreperson positions. I congratulate Gary Watson and Clyde Erickson for assuming leadership in these positions. Their experience, knowledge and work ethic are a tremendous boon to City operations. I foresee continued improvement and increased efficiency in these departments through their oversight.
- The pool roof is still leaking. I am working with Public Works and Bethel Services Incorporated to apply for and complete warranty repair of the roof.
- I attended the Yuut Elitnaurviat Board meeting on October 30, 2019. Discussions included recruitment of local youth into trades, DHAT program and the soon to come Class-B CDL training program.

- On October 30, 2019 I met with the City Clerk and the City's attorney; Guess and Rudd for an update on the Kilbuck school site. A work plan for the cleanup is in the works.
- I am working with Patty Jones and Ashley Crace to continue Bethel's newest tradition, the second annual Christmas tree lighting. The three of us are coordinating the project with volunteers and a number of local entities. We are scaling the event this year to improve upon last year's success.

Ongoing Business

- The City auction went well. Auction revenues exceeded \$37,000.00.
- DOWL is continuing structural assessment of the Public Works floor. A plan for repair is in the works. Copy of the structural report was sent to Council and is attached to this report.
- We are waiting for a draft of the Long Range Transportation Plan (LRTP) from DOWL.
- A Department Head meeting was held on October 31, 2019. The next Department Head meeting is scheduled for November 7, 2019 at 10 A.M.

Response to Council questions

Public Works Bldg.

- Administration is researching water sewer grants and USDA grant/loans to fund construction of a new public works building. A legislative appropriation is also being considered.

KUC Road Dip

- Streets and roads filled the dip with gravel and bladed to grade.

Code enforcement animal control revenue

- Administration needs more time to research. Numbers for this period are decades old and not readily available.

Amazon tax revenue estimates

- Administration has requested this information from Finance. We will send out via E-mail when available.

Memorandum

Date: November 1, 2019
To: Bill Howell, Acting City Manager
From: Bo Foley, IT Director
Subject: IT Director's Report



October 2019 Current Events

- **Caselle Update:**
During this month, I rolled out the latest major Caselle update taking us from version 2019.05.131 to version 2019.08.84.
- **Eforce Software Slowdown:**
There has been a recurring problem with the Police Dept.'s CAD/RMS software lately where it is lagging quite badly and is wholly unresponsive. In investigating the issue, it appears that something the program is doing is tying up all of the system's physical resources. Currently, Arctic IT is assisting in helping me isolate the issue. Once we do that, we can determine the steps needed to fix it.
- **Council Member Rotation:**
With the new council members rotating in, I have been working with the City Clerk to make sure all the new email accounts are created, the council tablets are swept of old data, and that the old email accounts of exiting members are deactivated.
- **City of Bethel Hardware Rotation:**
It has been months in the making, but a contract for a lease agreement with Hewlett Packard was finalized after the City's temporary legal dept. managed to reach agreeable terms in the language of the document. With this, it will be taken to Council for final approval at which point I can finally pull the trigger on ordering new computers to replace our aging machines if approved.
- **Cyber Security Training Course:**
The City's Grant Manager secured funding that will enable me to head into Anchorage for a week-long course detailing different aspects of Cybersecurity. The course will have me away from Bethel for a week mid-November.
- **Xpress Billpay Communication Problem:**
The Utility Billing clerk informed me of errors she was getting when processing online payments. I looked into the error and thought it had been a missed configuration in the new firewall we had installed in September. I have been trying to work with Caselle, Xpress Billpay, and Arctic IT to alleviate the issue, but our attempts have been fruitless. Arctic IT and myself have been applying all the changes XBP and Caselle have asked of us, but we are still getting the errors when our end tries to communicate with XBP. We have little choice but to keep chipping away at this until we find the root of the issue and address it.

Memorandum

Date: November 1, 2019
To: Bill Howell, Acting City Manager
From: Bo Foley, IT Director
Subject: IT Director's Report



- **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, cellphone replacement, missing network drives, login problems, etc.

Future Plans

- **Hardware Rotation:**

One of my immediate concerns is to obtain our new computer hardware and have it rolled out across the different departments before January 2020. This is due to Windows 7 reaching the end of its service life. This means that Microsoft will stop supporting it and, more importantly, stop releasing security patches for it. It is important that we have no computers on the network that run Windows 7 or earlier versions of Windows to avoid any security vulnerabilities exploited by those who prey on operating systems that are no longer supported. Unfortunately, due to the time it took for HP to offer us agreeable terms (four months), this goal might be realized later than I would like on account of the logistics.

- **Office 365 Migration:**

Currently, the City utilizes G-Suite, which is an office environment created by Google, in conjunction with Microsoft Office. G-Suite has tools to emulate the different Apps within Microsoft Office, but the Microsoft product is by and large the more accepted and sought software. The City users tend to only use a handful of the Apps available with G-Suite while electing to use the typical Office Apps such as Word, Excel, and Power Point. To help save the City money in licensing costs, I will be endeavoring, with the rollout of our new computers, to shift from G-Suite to Office 365. Doing so will combine the costs of the two software packages we are using into one. This should net savings of around \$15,000 a fiscal year.

- **Vacation:**

I have a small vacation lined up for the end of October along with a large vacation for the last month of the year in which I will be out of the country for about five weeks. I plan to have Arctic IT make a large onsite visit somewhere in that timeframe to begin the rollout of our new computers while also possibly helping to migrate users to the new Office 365 environment.

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: October 2019 Managers Report

- **Small Boat Harbor**
 - Cleaning around the Harbor using Loader
 - Pulling out Floats, Anchors, and Buoy's.
 - Bilging out boats.
 - Pulling out sunken boats and putting boats into storage for the winter. Buttoning up SBH.
- **City Dock/Beach 1/Petro Port**
 - Customers are in and out of the Dock.
 - Vessels being repaired on Beach 1.
 - 2 mainline barges (AK logistic) 600 thousand lbs. (AML) 1.6 Million lbs.
 - 20 tugs and barges offloading and loading freight.
 - Tugs and barges being pulled up for winter storage.
 - 8 fuel barges at the Petro Port offloading and loading fuel.
- **Port Office**
 - Property Maintenance checking on building daily.
 - Ordered office furniture
 - Called the Coast Guard about a leak from a Landing Craft and a Barge in Steam Boat Slough.
- **Admin**
 - Monthly Storage billing for customers.
 - Getting together with departments for a surplus sale.
 - Training City Dock Attendants in heavy equipment. Our full time employee got their CDL permit.
 - Helping out with the Sealed Bid Auction (Surplus sale) 80 bids (37 items were bid on) Totaling \$37,680.62
- **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)
 - Removal of trees with the flail mower on Lower Access Road (ordered more blades for the flail mower)
 - Added gravel to trail on Lower Access Road
 - Graveled roads around Beach 2. 8 Loads of D1.
 - 10 tugs and barges parking along the Seawall to avoid the storms.



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: October 31, 2019

TO: Bill Howell, Acting City Manager

FROM: Daron Solesbee, Acting Fire Chief

SUBJECT: Management Report, October 2019

**Daron R.
Solesbee**

Digitally signed by Daron R. Solesbee
DN: cn=Daron R. Solesbee, o=City of Bethel,
ou=Bethel Fire Department,
email=dsolesbee@cityofbethel.net, c=US
Date: 2019.11.04 16:04:33 -09'00'

Current Events

- Medic-5 is on the Alaska Marine Lines barge to Seattle. The barge is expected to arrive in Seattle mid-November, as the barge had to moor in Dutch Harbor due to bad weather and high seas.
- The Stryker Power Pro XT cot and Power LOAD have been ordered and will be shipped directly to Braun Northwest, Inc. to be installed in Medic-5.
- 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. These regulations went into effect on September 23, 2019.
- City of Bethel Property Maintenance personnel are in the process of rebuilding the fire station's front deck. The project is almost complete, but Property Maintenance is waiting on more material for the cable railing.
- Salzbrun Drilling and Welding Services installed two pilings in the fire station front yard. One piling will be used for the relocation of the flagpole and the other for the installation of a new basketball goal. The flagpole was taken down and will be placed on the piling soon.
- The Department is in the process of creating the Bethel Arson Investigation Task Force in conjunction with the Bethel Police Department, Alaska State Troopers, and the State Fire Marshal's Office. The task force is awaiting approval to access and utilize the ATF's Bomb Arson Tracking System (BATS) Program as a case management system. This system will assist the task force with organizing investigations and provide more resources for investigators.

Community Planning/Preparedness

- 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 a qualified contractor. Unfortunately, EMI-Alaska was unable to meet our requested scope of work. This project is on hold until Spring 2020.
- The Department participated in the YKHC Emergency Preparedness Drill on October 9, 2019. This drill's scenario was a mass casualty incident that resulted from a wind-driven structure fire that spread to two adjacent structures. There were a total of 18 victims, including three simulated fatalities. The Department met its objectives, which were to initiate Incident Command, contain the simulated fire, rescue victims, triage casualties, properly communicate with partnering agencies, and provide prompt transport of victims to the YKDRH Emergency Department.
- Bethel Fire Department has been selected as a test site for the new Medicaid Supplemental Emergency Medical Transport (SEMT) program. 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 services. City personnel are required to complete cost report spreadsheets based on FY18 and FY19 budget figures. The department is entering into a contract with AP Triton to provide this service to the City of Bethel for a fee of \$5,000.00 + 3% of annual earnings.

Training

- On 10/01/19 at 7:00 p.m., the EMT Meeting was cancelled due to personnel operating at a large structure fire.
- On 10/10/19 at 7:00 p.m. a Fire Meeting was held at the fire station. Responders reviewed a recent fire incident and conducted refresher training on the Incident Command System
- On 10/12/19, staff and volunteers EMT's completed an AHA Advanced Cardiac Life Support course. This certification is now required for State of Alaska EMT-3's, according to the new State of Alaska EMS Regulations.
- On 10/15/19 at 7:00 p.m. an EMT Meeting was held at the fire station. Responders reviewed SCBA use and maintenance for use during Carbon Monoxide incidents.

- On 10/24/19 at 7:00 p.m. a Fire Meeting was held at the fire station. Responders reviewed salvage and overhaul skills and knowledge.
- The 2019 EMT-1 Course will start on Monday, November 4 at 6:00 p.m. Students have already completed their EMT Physical Ability Tests and Basic Life Support classes.

Responses

- Between 10/01/19 and 10/31/19, the Bethel Fire Department responded to 149 EMS and 17 Fire incidents.
- On 10/01/19 at 3:05 p.m., Firefighters responded to H-Marker Lake Road for the report of a structure fire. Upon arrival, Firefighters observed a two-story log cabin with smoke and fire showing. Firefighters deployed several hose lines and set up a Fol-da-Tank for water supply. The fire was brought under control and overhauled. Due to safety issues and the deep-seated nature of the fire, responders were unable to be completely extinguish the fire. Staff remained on scene for a fire watch and extinguished a rekindle fire the same night. The structure burned for approximately four days. The cause of the fire was undetermined and the investigation is ongoing.
- On 10/02/19 at 4:18 p.m. Firefighters responded to Front Street for the report of a structure fire. Upon arrival, Firefighters observed a manufactured trailer home with smoke and flames showing. Firefighters deployed hose lines and extinguished the fire. One individual was arrested on scene and charged with Arson II.
- On 10/03/19 at 8:57 p.m. medics responded to AC Main for the report of a person who fractured their collarbone. The patient was assessed and transported to the hospital.
- On 10/03/19 at 11:37 p.m. medics responded to intersection of Seventh Avenue and Ridgecrest Drive for the report of a person who sustained human bites. The patient was assessed and transported to the hospital.
- On 10/06/19 at 5:19 p.m., medics responded to Cultural Center for the report of someone being stabbed in the hand with a knife. Medics found the wounds to be superficial and were able to clean and bandage the wounds. The patient refused transport to the hospital.
- On 10/08/19 at 2:45 a.m., medics responded to Prematernal Home for the report of a woman going into labor. The patient gave birth and medics assessed both, the mother and baby. They were transported to the YKDRH OB Department.

- On 10/14/19 at 4:06 a.m., Medics responded to Tundra Ridge for the report of a person with a prolapsed anus. The patient was assessed and transported to the hospital.
- On 10/15/19 at 6:28 a.m., medics responded to Ptarmigan Road for the report of a person with a self-inflicted gunshot wound to the head. The patient was assessed and transported to the hospital.

Budget/Financial

- The department is operating within budget.

Grants

- The Department was awarded \$5,141.00 from the Department of Homeland Security for a new Thermal Imaging Camera (TIC). Three quotes have been obtained and a purchase will be made once DHS approves it. This TIC will be installed on the new ladder truck, Truck-1.
- 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 has a newly created Temporary Administrative Assistant position. The position description is now being advertised and should be filled soon.

- The Department hired Thomas Dyment as a full-time Firefighter/EMT. He is a current State of Alaska EMT-2 and was a former Summer Firefighter Intern. He is progressing through his Driver/Operator and Firefighter training.
- All employee evaluations have been completed to date.

Vehicles & Equipment

- The new ladder truck was repaired by a technician from Hughes Fire Equipment. Issues corrected were the nozzle nesting feature of the elevated master stream, aerial boom centering feature, and an upgrade to the Command Zone 3 aerial operating software.
- We have received the parts for the Class-A Foam system for Engine-4. Staff determined that a 1" valve was required, upon finding the ¾" valve shipped was too small for the current foam system plumbing. The foam system will be installed upon receipt of the properly sized valve.
- Department mobile and portable radios and pagers were repaired and tuned up by a technician from ProComm Alaska.
- Pump and aerial testing was performed by a technician from Underwriter's Laboratories. Engine-3 and Engine-4 failed their vacuum tests. Staff will adjust and/or replace packing material in E-3 and E-4's pump packing glands and repeat the vacuum test. Truck-1 passed its pump test, but failed the aerial test. See attached reports. Staff have contacted Hughes Fire Equipment for a technician to troubleshoot and replace parts on Truck-1's aerial device.

FIRE DEPARTMENT VEHICLE STATUS			
Vehicle	Type	Year	Status
Medic 4	Ambulance	1999	<i>(Backup ambulance) In service, Airbags repaired.</i>
Medic 5	Ambulance	2003	Being barged to Seattle, WA to be refurbished and remounted onto a new 2019 Dodge Ram 4500, gas chassis at Braun Northwest, Inc.
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 (future). (Poor overall condition needs replacement) Generator was remounted.</i>
Truck 1	Ladder Truck	2017	Outfitting, in service. See 2019 UL Pump and Aerial reports. DEF sensor malfunction (parts ordered by V&E)
Com 1	Pickup	2014	In service
Com 2	Pickup	2004	In service.

TO: Bill Howell
FROM: Christine Blake, Finance Director
SUBJECT: November 2019 Managers Report

Staff

Since the last Manager's report we lost three people in Finance (37% of our department). Fortunately, we have filled all three (although one is temporary), with two of them starting mid- November. The salaries we have in the budget are not adequate to attract and keep candidates that have the skills and abilities listed in the job descriptions, and I am carefully squeezing every dollar out of our personnel budget.

Utility Billing

The new Billing Clerk will start in a couple of weeks and our Asst. Finance Director will be doing the billing for October. We have had many calls regarding billing errors and are correcting them as the calls come in, so I expect we will have a better outcome for October's billing (better, but not perfect).

We will be including an insert in the October bills with information and instructions regarding online bill pay and paperless billing.

The new folder/stuffer arrived and we are waiting for Pitney to come out and provide training.

FY19 Audit

We are working hard to get accounts reconciled and final entries recorded and we will start pulling documents for the auditors this week. They will be on site November 12- 22. Due to the time we are spending on audit preparation, many of the FY20 numbers are not up to date.

IRS Debt

Last month we paid the outstanding penalties and interest related to FY17 and FY18 payroll taxes. The total was \$29,539. The penalties and interest were for late and missed payment of payroll taxes and the City tried unsuccessfully to work with the IRS to avoid the charges. This situation has had a negative impact on our RUBA score, and now that we are fully compliant with the IRS, RUBA will be rescoring us soon.

While working on this matter I learned from the IRS that we are looking at another \$21,100 in Civil Penalties for "failure to file W2's with willful disregard". The City has filed an appeal on the matter and we are waiting for the response. This has not yet impacted our RUBA score, and if our appeal is denied, we will need to pay this immediately.

MEMORANDUM



DATE: November 4, 2019

TO: William F. Howell, III, Acting City Manager

FROM: John Sargent, Grant Manager

SUBJECT: Grant Manager's Report – November 12, 2019 Bethel City Council Meeting

Grant Award

The City was awarded \$500,000 in a School Violence Prevention Program (SVPP) grant that the City applied for on behalf of the Lower Kuskokwim School District. The funds from the Department of Justice, Community Oriented Policing Services, will cover the cost associated with the purchase of a cell phone "panic button" alert application, exit door bar alarms, key fobs for all doors, and a "buzz-in" entry system with cameras, intercom, and door lock controls. The City and LKSD will develop a Memorandum of Agreement between the two entities that defines the roles of each in the grant administration process.

The Department of Justice received 598 SVPP grant applications in the nation-wide solicitation and approved 103 awards valued at \$32.5 million. Only two entities received awards in Alaska: City of Bethel and Fairbanks North Star Borough School District.

Grant Management

Lift Station Improvement Project

The City is anxious to secure the grant agreement addendum from Village Safe Water valued at \$1,000,000 to cover increased costs associated with the Lift Station project. The City's Best Practices score (RUBA score) of zero in the "Payroll Liability Compliance" category stopped all VSW progress on the City's behalf. The City has since paid its taxes to the IRS and received documentation thereunto appertaining. State reviewers are rescored Bethel's Best Practices conduct as a courtesy.

The Avenues Project

The City signed a second scope of work document to have DOWL perform predevelopment services on the Avenues project. DOWL plans to send surveyors to Bethel this week.

Audit Preparation

I copied and emailed to Carmen Jackson, CPA, all the City's grant reports, progress and financial reports, and supporting documents for all active grants during FY 2019. I continue to answer questions and provide information in the interest of audit prep.

Purchasing Agent Duties

RFP for Vending Machines

I reviewed a Request for Proposals to allow a vending machine company to install vending machines in select City buildings. The RFP asks prospective vending machine companies how much they propose to give the City for the privilege of vending machine placement. Final review and issuance is expected soon.

Dumpsters

The City received City Council approval to negotiate and execute a contract with Wastequip for the purchase of 18 dumpsters for \$39,954. Shorty's Shop relinquished their tentative bid award, so the City selected the second best bid submitted for award. The City and Wastequip signed the contract. The dumpsters will be manufactured and shipped to Bethel on the first barge of 2020.

AP Triton

I continue my work on the AP Triton contract so that the City can purchase financial services that result in the City receiving Medicaid reimbursements for ambulance transports.

Administrative Duties

I presented the Budget Modification form and how to use it to those who attended the Department Head meeting held on October 31, 2019. I emailed the newly developed template to department heads after the meeting. I received direction from the Acting City Manager to develop a Budget Mod policy/protocol.



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
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
AK Dept. of Transportation	Statewide Transportation Improvement Project Nomination 2020-2023	Akakeek, Ptarmigan, Delapp Streets Heavy Use Road Improvement Project	Public Works	9/15/19	\$3,034,424 \$494,886
Village Safe Water Pgm, Dept of Env. Conservation	Sewer Lagoon Improvements Grant	New lagoon pump & new skiff with trailer	Public Works	8/13/19	\$155,238 0
AK Dept. of Transportation, Transit Division	Community Transportation Grant	Public transit system operations	Public Works	12/25/19	\$316,832 \$86,381
Approved in Fiscal Year 2020					Most recent first
Sponsor	Name	Products/Services	City Depts.	Date	\$ Grant \$ Match
U.S. Department of Justice, COPS Office	School Violence Prevention Program	Alert button mobil phone ap, exit door bar alarms, card reader door entry system, controlled front entrance.	Admin.	11/12/19	\$500,000 \$166,667 LKSD
AK Dept. of Env. Conservation, Village Safe Water Program	Water and Wastewater Program	Design, build, and install two electric panels for City Hall and City Shop and complete current rehab. of Main Lift Station.	Public Works	8/30/19	\$279,827
Alaska Dept. of Health and Social Services	Community Service Patrol Program	Community Service Patrol Program	Public Works	7/1/19	\$323,081 \$32,308 in-kind
AK Dept. of Env. Cons, Village Safe Water Pgm.	Infrastructure Protection Funding	Replace heat trace and/or electric panels on sewer line from Airport to FAA.	Public Works	7/19/19	\$137,700 \$22,500 in-kind
Alaska Division of Homeland Security and Emerg. Mgmt.	State Homeland Security Program Grant	Thermal imager & fencing around tank at water treatment plant	Fire	8/19	\$49,141 0
Total					\$1,289,749



CITY OF BETHEL

Post Office Box 1388
Bethel, Alaska 99559
Phone: 907-543-2047

TO: City Manager
FROM: Human Resources
SUBJECT: October 2019 Manager Report

DATE: 31 October 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
City Attorney	1	0	0	1	0
Police Chief	1	0	0	1	2
Driver Hauled	6	2	0	6	2
Driver-Landfill	1	0	0	1	0
Water Operator	1	0	0	1	0
Mech-II	2	0	0	2	0
TOTALS	13	2	0	13	4

Applications and Hiring:

****Two candidates for Chief of Police have been selected for interview, to be conducted during the 18-22 November time frame****

HR received a total of 7 **Applications** in October

From those 5 Applicants:

- 1 Water Foreman was selected internally
- 2 CDL candidates were selected for OJT training through a partnership with the State of Alaska.
- 1 internal selection was made for a vacant account specialist that became vacant and simultaneously filled at time of this report.

We currently have 7 job positions with a total of 13 openings, with 4 applications under review.

BEACON Programs:

1 – Pre-employment BEACON test was conducted during the month of October

Reports of Injury:

There was one report of injury

Administrative Actions:

Multiple routine PAR actions were executed.

Multiple yearly performance evaluations were submitted and processed.

Employee related announcements:

Training, Conferences and Seminars:

HR Manager attended the yearly APEI conference in Anchorage 22-24 October and received continuing education training in management and hiring programs.

James P. Harris
Human Resources Manager

“Deep Sea and Transportation Center of the Kuskokwim”

To: Bill Howell, Acting City Manager

From: Ted Meyer, Planner

Subject: October Manager's Report

Date: November 1, 2019

SUBDIVISIONS

Blue Sky Subdivision

The performance bond has been issued and signed by Blue Sky. We anticipate delivery shortly.

ONC Ciulllkulek Subdivision

Met with ONC staff and their consultants while teleconferencing with our consultant, DOWL staff on October 15 to discuss the remaining punch list of tasks identified in the subdivision agreement. DOWL gave the green light for ONC to put the project out to bid in order to acquire the required insurance data. The Notice to Proceed for road construction will be issued only after our consultant gives the thumbs up and the subdivision agreement is signed by the city manager.

SITE PLAN PERMITS

Six site plan permit applications were approved during the month of October.

MAPPING

The Planning Department received the updated 2018 aerial imagery on October 1 for the Bethel Address GIS program application received earlier in the summer. The imagery enhances our work as it visually includes all construction that has taken place since 2002 (the date of last mapping project).

CODE ENFORCEMENT

Staff continues to work with the attorney on a code enforcement issue. The issue will be heard by the Planning Commission on November 14.

LAND USE SURVEY

Staff performed a windshield land use survey of Kasayuli in preparation for a zoning hearing with the Planning Commission later this year. This will bring the subdivision into compliance with the City's zoning code.

CONDITIONAL USE PERMIT APPLICATION FOR MARIJUANA LICENSE

Staff developed a CUP application strictly for marijuana.

US ARMY CORPS OF ENGINEERS VISIT TO BETHEL

Have been coordinating with the Corp about a tentative visit to Bethel and a November 14 meeting with the Planning Commission about the City's Wetland General Permit Program. They will confirm the date this week.



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: 10.31.2019
TO: Bill Howell, Acting City Manager
FROM: Bill Arnold, Public Works Director
SUBJECT: Manager's Report – Public Works Department

Programs/Divisions

Hauled Utilities: Foreman is out on Pre-Approved PTO

Utility Maintenance: 6 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
- Clean up and organization of shops and vehicles.
- 6 residential lift station repairs
- Power restored to heat-trace on Owl St and 6th ave. Heat trace turned on
- Line flushing and leveling activities on low-flow and plugged sewer lines. Non-compliance reports were filled out per DEC requirements.
- Sewer Lagoon discharge is complete and samples are being sent away for analysis.
- Institutional Corridor: 1inch ball valve cracked and leaked. Repaired.
- Bethel Heights shut-down was complete. 24 corp-stops, 3 new residential tie-ins, and replaced 7 hydrant valves and 8 drain valves.
- Glycol arrived and we began putting it in storage.
- Winterized lagoon pump.
- Vango contractors arrived 10/21 and replaced old heat-trace along highway and installed heater in chemical connex. Complete 10/28
- Daily safety meetings.
- City hall lift station failure. Pulled grinder pumps and cleaned them.
- 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
 - Fire sprinkling system NOT in operation. Dry line system was charged with water and leaks developed. Frontier Fire contracting inspected damage and is providing quotation/estimation to repair system. Also a compressor will need to be ordered to replace the failed dry system failure currently in place.
 - South Bay roll up door entrance closed. NO USE. Serious problems exist within the

- flooring. As mentioned in manager report early 2019. 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 completed an inspection of the building and has provided a preliminary memo summarizing the findings that will be outlined in greater detail on the engineering report. In the meantime a section of the South Bay has been closed to use until a remedy plan can be developed.
- General preventative maintenance on the used oil furnaces has begun in preparation for the colder season approaching.
 - Several programming issues were discovered with new boiler install. Contractor remedied the issues and is monitoring.
- City Hall
 - Parking lot paving project complete. Front entrance (Stairs and Handicap ramp) replaced and operational. Open to public use. However, the new parking lot is already showing signs of settling and some adjustments of the ramp and stairs will be needed often until the settling subsides. Support pads will need to be adjusted to contact ground as parking lot settles.
 - Temporary parking lines are being painted to determine functional layout for permanent painting of parking, loading and unloading, fire line and handicap markings/lines. Paint and paint machine has been rented from Anchorage. Machine arrived, paint ordered and arrived. Need dry day with warmer temperature to complete the project.
 - Window closures on most windows throughout the building are non-operational and will need to be replaced. Quotation requested for the correct arm length for closure. Lumberyard not able to supply the correct length. Will need to reach out to Spenard Builders for correct parts.
 - Boiler general preventative maintenance service complete.
 - Air furnace needs cleaned and tune up.
 - Glycol in City Hall system will need a full replacement this winter. Awaiting order of glycol and other time sensitive summer projects to be complete before this task.
 - Air trap auto vents (vacuum breaks) installed in high points between City Clerk office and HR office to prevent air lock in that area..
 - Troubleshoot back door opening issue to find the striker plate and locking mechanism were off center by a small amount. Repaired. Door in normal operation.
 - Court House
 - **Dry Sprinkler System:**
 - Dry system is in NORMAL operation minus ONE isolated sprinkler head located on the outside of the building to the left of the front main entrance. Frontier Fire Contractor inspected the damage and is providing estimate to make system in full working order again.
 - 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 Fall/Winter 2019 by a contracted service. Pressures checked daily.

- Frontier Fire contractor arrived to complete onsite inspection and recommend repair. Contractor will be providing an estimation and quotation for repair.

- **Water leak damage remediation survey:**

- This will need to be planned out after time sensitive summer projects are complete.

- Port Office Building
 - The aircon in the server room is non-operational. Original installer contacted about warranty work to the system. Eric Middlebrook (Local HVAC contractor) has been contacted by original installer to complete the work. TBD
- Port Dock Warehouse Building
 - Roll up Door on East side was accidentally destroyed by a customer who drove into the door. Driver provided insurance information. Materials to repair were ordered and contractor technician scheduled to complete the work. Payment for the damage will need to be coordinated with the financial department or Port Department.
- Old “Bus Barn” Warehouse Building
 - The foundation is failing
 - Man door is no longer accessible as the floor and door jam are being severely affected by the foundation movement.
- Log Cabin
 - No new updates. Building is in NON USE status. Water disconnected.
 - Graffiti and vandalism are a continuing constant problem.
 - Kids consistently climb the building to get on the roof.
 - Foundation has settled enough that the entrance closest to the ONC multipurpose building is jammed itself and will not operate.
- YKFC - Pool
 - Both Boilers in good working condition. Minor adjustments being made now to have similar cycles per day on each.
 - Reports of roofing materials flapping freely in the wind. Area inspected. Ordered materials needed to repair.
 - Air mover on west side the pool deck has failed. New fan ordered and replaced.
 - 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 and photos to show the problem. Bill Arnold has been notified, PnR committee has been informed. IT IS NOT CONDENSATION DRIPPING FROM THE CEILING. The locations of the leaks are consistent dependent on wind direction, speed and rain level. Multiple reports of this issue during this month.

- 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.
 - We've had the electrical contractor troubleshoot. No discrepancies found. Perhaps the original ONSITE GEN contractor will need to be involved.
 - VnE department has been made aware and is also troubleshooting.
 - Boiler #2 (Right side) had a firomatic valve failure and went into lock out from lack of fuel flow. This is a fire prevention device and can be replaced. They are known to fail/close occasionally.
- Fire Department
 - BFD front entry replacement project in progress.
 - Significant amount of water and dry rot was discovered. Acting City Manager, Chief Howell requested local contractor repair the rotted areas. All work on the new deck is on hold until the contractor completes the work. Once complete, City Maintenance will resume on the rebuild.
 - Rear deck has been repaired and leveled. Temporary set of stairs has been placed until Front entrance is complete. Then City Maint, will focus its efforts on making new rear steps.
 - Paring lot has large puddled areas from ground settling. Placed gravel and spread out evenly to prevent large puddles of water to build up.
- Bethel Heights Water plant
 - Both Main boilers are online and operating for winter. Minor service needed. Small boiler placed in off status for winter.
- City Sub Water Plant
 - Minor adjustments and repairs being made to the A and B loop glycol line returns and supply. Pump boiler pressures up with additional glycol and brought boilers to online/operational status for winter.
- Teen Center
 - New Push bar exits installed on Teen center back doors.
 - Leaking water valve found and replaced during building checks.
 - Run gutter was vandalized on building. Completely removed. New elbow for down spout installed. Down spout remaining to be installed.
- Senior Center
 - Boilers inspected and prepared for fire up. Building has three boilers ready for operation. Currently one boiler is being utilized to keep the building from developing a moisture/humidity issue. AS the temperature drop we will bring more boilers online to prevent freeze up.

- Reports of children gaining access to the building has become more prevalent. Evidence of kids playing around, under and on top of the building is present.
- New windows have been found broken or cracked.
- Provided building walkthrough for potential customer interested in converting the building into a laundromat.

Parks and Recreation:

- Parks and Rec in General
 - Park and Rec activities as a majority ceased Oct 1st.
 - No employees for Parks and Rec.
 - When maint staff are available, rounds of the parks are being conducted.
 - 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 has been halted for winter also out of chips.
 - Equipment repair and maintenance
 - Pinky's Park
 - Potential Softball field refurbish/re-sod/re-seed in discussion
 - Potential dugout repairs, repaint (Moved to Next year project)
 - Bleacher maintenance (Moved to Next Year project)
 - 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
 - Completed - As needed agreement made for Maintenance contract options for field with Codman Services
 - Fall/Winter Build - Build and place information bulletin stand at location
 - TBD – Funding for permanent fencing. Quotations received for two options. Shipping costs equal or greater to the materials cost.
 - Airport Cemetery (on Hold status)
 - 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 replace driveway culvert in 1009 BNC Subdivision, which was crushed by water and sewer trucks. This culvert was not draining water in the spring properly due to being crushed and now that it is fixed, it should not be a problem anymore.

Streets and Roads is also done with mixing road salt sand at the north side of city shop for our road sander. We mixed 48 bags of salt and 15 bags of calcium chloride into this pile.

Streets and Roads hauled in sand from city sand pit to build up Jacob's Way, Swan Court, and Yukon Court. After that was done we capped them off with D-1 gravel.

Streets and Roads used the 324E excavator to dig up the 616 feet of asphalt on Ptarmigan Street and Tundra Ridge Subdivision, between 9114 and 9123. Then, we hauled road sand to bring it up to level, and capped it off with D-1 gravel.

Streets and Roads hauled in road sand to build up Mission Lake Road and installed a seawall culvert pipe across Mission Lake. This road has been sinking, because of this, it has been muddy, and has washed out during the spring thaw.

Vehicles and Equipment:

For V&E: business as usual, Fleet in, hopefully Fleet out. New water truck, totem steamer and 950M came in on the last barge and have been put into service except the steamer which is pickled and put away for the winter.

Transit System:

October 1-31, 2019 the Bethel Transit System transported 2681 passengers, 290 of those riders had a disability and 237 were elders that paid the regular trip fare. 820 passengers used the ONC monthly bus passes, senior and caregivers. Revenue for the month was \$2467 ONC Monthly Passes, \$1206 TWC Trip and Day passes, and \$2227 regular trip passes, day passes, and monthly passes. The average daily ridership is 100 – 125.

There are two drivers, Sally Evans, who is a full time driver, and Brenda J. George, is a part time driver.

The new bus arrived on the last barge. City Shop, Jake Thompson, City Shop Foreman, went down and did the acceptance inspection, 12 pages, and brought it up to the Transit Bus Barn. I put the Transit LOGO decals and the new studded tires on. We are still waiting for the required paper work so we can get the license plates and Tags. As soon as we do, we will start using it.

Currently our main bus is 5 years old and has 163,000+ Bethel miles. We had requested another new bus in the FY 20 grant, City Council approve it, and now we are waiting for the State /DOT to approve it. As soon as they do, we would like to get it ordered so it is on the first summer barge (2020) and not the last one.

The State / DOT has not upload the FY 20 Billing Summaries, on BlackCat, and we not able to submit them, July, August and September, until they do. Hopefully next week. We have submitted the National Transportation Data report, the Title VI Nondiscrimination Program Plan and signed FY2020 Transportation Grant acceptances.

We have taken off the summer tires, three buses, and put the winter studded tires on. Bus 438 and 439 have last years studded tires and the new bus will have new studded tires.

Landfill / Recycle Center:

Last month we got all the debris from YKHC demolishing the North Wing. This month, we got all the debris from YKHC remodeling. Both were huge amounts of debris. In order to deal with all of this debris, we simply pushed it back and then had Randy from Streets and Roads bring the excavator up and mash it all down so that next spring we can cover it with sand.

Streets and Roads has hauled a great deal of cover material and sand for our soon to be salt sand pile, so that we can cover daily in the winter.

We got our new 950 loader on the last barge. What a delight to get that. We want to thank everyone that had a part of getting that piece of equipment. We have needed newer equipment for a long time. Thank you everyone.

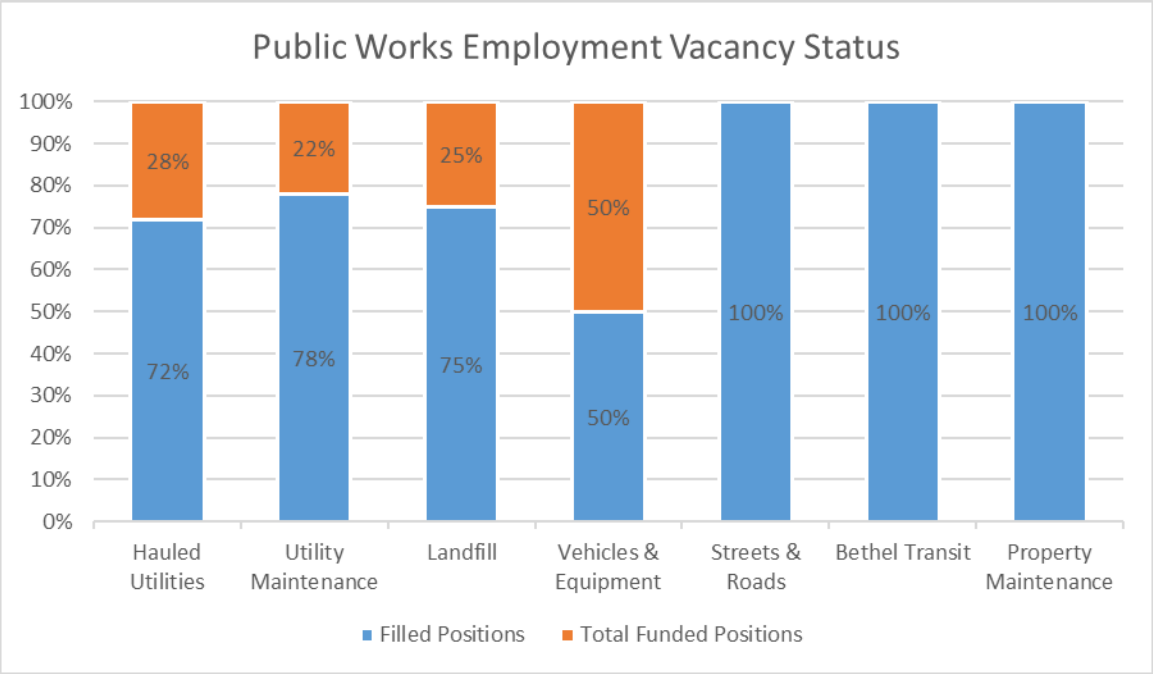
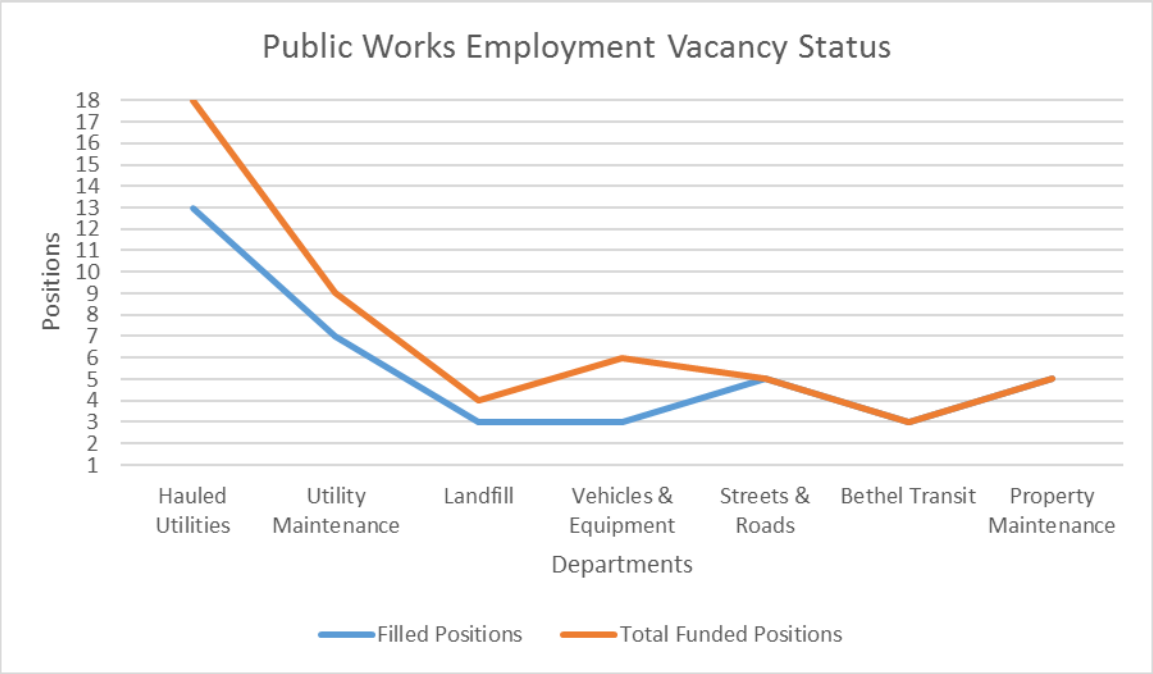
Water Plant Operations:

- Bethel Heights Water plant
 - Electrical contractor reviewing future SCADA system, 52 foot tower installed for SCADA commutation to City Sub main computer .Winter heated loops turned on and inspected.
 - Boilers inspected and came on online for winter season.
- City Sub Water Plant, electrical contractor installed 52 foot tower for future new SCADA system.
- A/B loop glycol lines charged and new air relief valves installed.

Institutional Corridor Update: No new service connections. 1In ball valve broke and leaked. Repaired.

Staffing Issues/Concerns/Training:

Chart updated: 10/31/2019



CITY OF BETHEL POLICE DEPARTMENT



October, 2019 Monthly Report

Personnel:

Our recruit attending the Department of Public Safety Academy in Sitka, Alaska is continuing to do well and is on track to graduate November 15. Once he graduates he will begin his field training with a certified Field Training Officer. Our new CSP's are on their own and are doing great. We have one dispatcher who is almost completed with her field training and will be going on her own in November. Our two new Investigators are all settled in and have been doing a great job. We have a lateral officer who will be joining our team mid-November. We have one patrol applicant who has been given a conditional offer of employment and has accepted. The applicant will now start our testing process. If the applicant successfully passes our testing process Bethel Police Department will be fully staffed with patrol officers.

We currently have our WAANT Investigator position open internally and have some candidates in house that have expressed interest.

We will be starting oral boards in November for the Chief of Police candidates.

All administrative, CSO, CSP, and dispatch positions are fully staffed.

Operations:

There were approximately 1,558 calls for service the month of October, an increase of approximately 236 cases from September and down approximately 69 cases from the same period in 2018. The number of calls requiring investigative reports was at 114, down 9 from September and down 13 from 2018. There were 422 intoxicated pedestrian calls compared to 442 for the same period last year. The number of domestic violence

arrests was 32 this month compared to 43 for the same period in 2018 and 35 in September. There were 3 DUI arrests compared to 11 for the same period last year and 9 arrest in August. There was 1 death investigations in October, compared to 1 for the same period last year.

This month we've seen an increase of stolen vehicles. We would like to remind the community of Bethel not to leave keys anywhere inside of the vehicles and also to lock your vehicle. Most of the vehicles stolen in Bethel have had the keys left inside of the vehicle.

Bethel Police Department teamed up with LKSD to provide some extra presence inside of the high school for a couple of weeks following a report of a possible threat to the school. We enjoyed spending the extra time at the school getting to know the staff and students. Bethel Police Department staff also participated in the dunk booth at the Halloween carnival this year. Everyone who participated had a great time.

Bethel Police Department and Bethel Fire Department are working together to create a joint Arson Task Force.

Animal Control:

There were 38 animal control calls for service for the month with no reported dog bites. Our CSOs work closely with Bethel Friends of Canine to take care of the pound. Bethel Friends of Canine are doing a great job getting the animals into foster homes or adopted out. We appreciate the assistance we are getting from Bethel Friends of Canine.

City of Bethel, Alaska

City Clerk's Office

Council Regular Meetings

November 12, 2019 Regular City Council Meeting

December 3, 2019 Special City Council Meeting

December 10, 2019 Regular City Council Meeting

Alaska Municipal League Travel

There will be four council members attending AML this year. The office is working through the travel arrangements for the Council and staff.

City Manager/City Attorney Recruitment Process

The new deadline for submission on both openings is November 29. We are working with the contractor to schedule a special meeting to review the candidates.

Planning Commission Support

The Planning commission is organizing for a November 14th hearing. The Office is assisting the Planning Department in the preparation of their Record and the script and summary of action for the Commission Chair.

Committees and Commissions

We have seven committee/commission term expirations this year. We have reached out to those members to encourage them to reapply. We will have our annual reappointment Action Memo presented to Council in December.

Misc.

- Training for City Council – The Council will hold a special meeting on the 3rd of December. I will be reaching out to all of you to see if this would be a good day to hold a training and if so, what topic you are looking forward to.
- I have had to put on hold the online sales tax topic but will be linking back in following the AML discussion.
- Provided a reminder to the Finance Department and Administration the implementation of the use tax for alcohol will initiate on January 6. We need to coordinate with the Anchorage Package Stores to ensure collection of the use tax occurs timely.
- Researched the commonality and process of the city clerk position having authority to issue subpoenas.
- Provided a reminder to Administration and HR that the City has a January 1 deadline to provide notice to the union of their intent to terminate or modify the union contract.