



THE CITY OF WHITTIER

Gateway to Western Prince William Sound

P.O. Box 608 • Whittier, Alaska 99693 • (907) 472-2327 • Fax (907) 472-2404

**WHITTIER CITY COUNCIL
WILL HOLD
A REGULAR MEETING
TUESDAY, DECEMBER 20, 2016
AT 7:00 PM**

**COUNCIL CHAMBERS
P-12 BUILDING**

AGENDA

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| 3. ROLL CALL | |
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| B. Administration Present | |
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**WHITTIER CITY COUNCIL
REGULAR MEETING
WEDNESDAY, NOVEMBER 9, 2016
7:00 PM
COUNCIL CHAMBERS
P-12 BUILDING**

MINUTES

1. CALL TO ORDER

Mayor Daniel Blair called the meeting to order at 7:20 p.m.

2. OPENING CEREMONY

Dan Blair led the Pledge of Allegiance.

3. ROLL CALL

A. Council Members Present: Debra Hicks, Monty Irvin, Victor Shen, Dave Dickason, Peter Denmark, David Pinquoch, and Daniel Blair

B. Administration Present:

Mark Lynch, City Manager

Jennifer Rogers, City Clerk

Scott Korbe, Public Works Director

David Schofield, Director of Public Safety

Andy Dennis, Harbormaster

Lynette Dennis, Finance Officer

Katie Davies, City Attorney

Moe Zamarron, Public Safety Bldg. Manager

Others Present:

Marc Donadieu

Dave Goldstein

Tommy O'Malley

4. APPROVAL OF MINUTES

October 18, 2016 Regular Meeting Minutes

MOTION: Peter Denmark made a motion to approve the Regular Meeting Minutes of October 18, 2016 as is.

SECOND: David Pinquoch

DISCUSSION: None

VOTE: Peter Denmark: Yes, Dave Pinquoch: Yes, Debra Hicks: Yes, Dave Dickason: Yes, Victor Shen: Yes, Monty Irvin: Yes, Daniel Blair: Yes

MOTION PASSED UNANIMOUSLY

5. APPROVAL OF REGULAR MEETING AGENDA

MOTION: Dave Pinquoch made a motion to approve the November 9, 2016 agenda as is.

SECOND: Peter Denmark

DISCUSSION: None

VOTE: Dave Pinquoch: Yes, Peter Denmark: Yes, Debra Hicks: Yes, Monty Irvin: Yes, Dave Dickason: Yes, Victor Shen: Yes, Dan Blair: Yes

MOTION PASSED UNANIMOUSLY

6. MAYOR'S REPORT

A. Mayor's Report

Mayor Dan Blair reported that the tunnel was closed for a few days due to a loose large rock. He, Mark Lynch and Holly Wells met with the railroad; the outcome of the meeting was that they agreed to disagree regarding the DeLong Dock.

B. Vice-Mayor's Report

None

7. MANAGER'S REPORT

A. City Manager's Report- Mark Lynch

See written in original council packet. Mark Lynch has focused a lot of his time working on the budget this past month. The State has provided the PERS information needed for the auditor. The auditor has completed the audit, but wasn't available to present the audit for this meeting.

Mark Lynch stated that the budget ordinance was inadvertently left off of this agenda, so the first reading will take place in December.

1. Financial Report- Lynette Dennis

None

2. City Attorney's Report – Katie Davies

None

3. School District's Report

None

4. Director's Reports

B. Harbor Report- Andy Dennis

See written report in original council packet. Peter Denmark stated that at the last meeting, they discussed the triangular support of the slips in the harbor. He asked if \$190,000 was approved for adjustments. Andy replied that at \$3,400, per finger, it would be too costly for the retrofit.

C. Public Safety Report- Dave Schofield

See written report in original council packet. Mark Lynch announced that the interim contract with Girdwood is going smoothly.

D. Public Works Report – Scott Korbe

See written report in original council packet.

E. Public Safety Building Report- Moe Zamarron

See written report in original council packet. The construction crew is currently working on the siding. They are behind schedule and the completion date is now June.

8. COMMISSION REPORTS

A. Planning Commission

See October 5, 2016 meeting minutes in original council packet.

B. Port and Harbor Commission

See September 1, 2016 meeting minutes in original council packet.

C. Parks & Recreation Committee

None

D. PWSAC

None

9. CITIZEN'S COMMENTS ON AGENDA ITEMS NOT SCHEDULED FOR PUBLIC HEARING

Tommy O'Malley reported that things are going well with the policing in Girdwood. The interim contract has been extended until January 22nd. Coffee with the Cops program has been held at the Grind the past two Saturdays. Officers have interacted with the community members in a positive way. He thanked the council members for providing police services for their community.

10. CONSENT CALENDAR

None

Council members scheduled a Special Meeting for December 6, 2016 at 6:00 pm.

11. PUBLIC HEARING (NON-ORDINANCE)

A. Ordinance #08-2016- An authorizing the City Manager to execute an agreement with the Municipality of Anchorage in which the Whittier Police Department agrees to provide police services to the Girdwood Valley service area January 1, 2017 through December 31, 2019 for \$618,000 per year as adjusted by the percentage increase or decrease in the consumer price index.

MOTION: David Pinquoch made a motion to postpone the second reading of Ordinance #08-2016 until the December 20th regular council meeting.

SECOND: Debra Hicks

DISCUSSION: None

VOTE: Dave Pinquoch: Yes, Debra Hicks: Yes, Peter Denmark: Yes, Monty Irvin: Yes, Victor Shen: Yes, Dave Dickason: Yes, Dan Blair: Yes

MOTION PASSED: 7-0

12. PRESENTATIONS

None

13. ORDINANCES

A. Introduction (1st reading)

None

B. PUBLIC HEARING (2ND reading)

None

14. RESOLUTIONS

A. Resolution #30-2016- A resolution adopting the City's 2017 Local Priorities

MOTION: Victor Shen made a motion to adopt Resolution #30-2016 with an amendment to move the Completion of the new Public Safety Building to #1 on the list, move the Whittier Comprehensive Plan Update to #2 on the list and adding Economic Development to #6 on the list.

SECOND: Peter Denmark

DISCUSSION: David Pinquoch stated that he is interested in improving the City's economic development. Victor Shen suggested that we contact the Chamber of Commerce to assist with attracting businesses to Whittier. There was some discussion about whether or not a fish processing company will come to Whittier for the next season. Mark Lynch added that the main obstacle companies are running into when considering whether or not to do business in Whittier is that there isn't any land; big entities want to own their land, they don't want to lease.

VOTE: Victor Shen: Yes, Peter Denmark: Yes, Debra Hicks: Yes, Dave Dickason: Yes, Monty Irvin: Yes, David Pinquoch: Yes, Dan Blair: Yes

MOTION PASSED: 7-0

B. Resolution #31-2016- A Resolution adopting the City's 2017 State Legislative Priorities.

MOTION: David Pinquoch made a motion to adopt Resolution #31-2016.

SECOND: Peter Denmark

DISCUSSION: None

VOTE: David Pinquoch: Yes, Peter Denmark: Yes, Monty Irvin: Yes, Dave Dickason: Yes, Debra Hicks: Yes, Victor Shen: Yes, Dan Blair: Yes

MOTION PASSED: 7-0

C. Resolution #32-2016- A Resolution adopting the City's 2017 Federal Legislative Priorities.

MOTION: Peter Denmark made a motion to adopt Resolution #32-2016.

SECOND: Debra Hicks

DISCUSSION: Monty Irvin suggested that the Head of Passage Canal Project be moved to #1 on the list. A lengthy discussion followed. It was decided at the end of the discussion that there would be no amendments to the resolution presented.

VOTE: Peter Denmark: Yes, Debra Hicks: Yes, Monty Irvin: Yes, Peter Denmark: Yes, Dave Dickason: Yes, Victor Shen: Yes, Dan Blair: Yes

MOTION PASSED: 7-0

D. Resolution #33-2016- A Resolution authorizing the City Manager to apply for and execute any and all documents pertaining to a loan from the Alaska Drinking Water Fund.

MOTION: Peter Denmark made a motion to adopt Resolution #33-2016.

SECOND: David Pinquoch

DISCUSSION: Mark Lynch added that this resolution authorizes him to apply for the loan. If the loan is awarded, the city manager is authorized to accept it.

VOTE: Peter Denmark: Yes, David Pinquoch: Yes, Monty Irvin: Yes, Dave Dickason: Yes, Debra Hicks: Yes, Victor Shen: Yes, Dan Blair: Yes

MOTION PASSED: 7-0

15. EXECUTIVE SESSION

None

16. UNFINISHED BUSINESS

A. Harbor Float Design

Not discussed during this meeting.

B. Shotgun Cove Road Project

Not discussed during this meeting.

C. ARRC/COW Land Swap

Not discussed during this meeting.

D. Improve Salmon Sport Fishing in Northwest PWS

Not discussed during this meeting.

E. Whittier Manor Lease

Not discussed during this meeting.

F. Public Safety Complex- Phase 2

Discussed during the Public Safety Building Report by Moe Zamarron.

G. Paddle Craft Launch

Mayor Daniel Blair asked Scott Korbe for an update on this topic. Scott Korbe informed the Council that there are two things going on; one is the paddle craft launch and the other is restoration of the eroded bank. Both work takes place below the high tide line and requires a Corp permit. Scott advised stated that in order to obtain engineering for the stabilization of the bank; it will necessitate an access road, and if it's left in place, the Corps will want to see engineering as well. He added that there's not much we can do.

The Corps will not issue a permit without the engineering; we don't know if we can get a permit until we pay for the engineering. Mayor Blair asked Scott to obtain an approximate cost for the engineering. Scott replied that he'll contact a couple of engineers that we've worked with in the past to give him an estimated number.

H. Head of Passage Canal Project

Discussed during Resolution #32-2016.

17. NEW BUSINESS

A. P&H Resolution to change frequency of meetings.

Harbormaster, Andy Dennis, explained that the P&H Commission had met approximately four or five times this year. The intent of this resolution was to meet in the fall a couple of times in the fall to discuss end of the season and review the budget and fee schedule. They would meet again a couple of times in the spring to discuss what needed to be done before the summer season.

The P&H Commission is requesting that the city council amend the code which changes their monthly meeting to meeting four times each year; the first Thursday in March, April, September and October and to hold Special meetings at their discretion.

MOTION: Monty Irvin made a motion to direct the city manager to amend the code which changes the frequency of the P&H meetings.

SECOND: Peter Denmark

DISCUSSION: NONE

VOTE: Monty Irvin: Yes, Peter Denmark: Yes, Dave Pinquoch: Yes, Debra Hicks: Yes, Dave Dickason: Yes, Victor Shen: Yes, Dan Blair: Yes

MOTION PASSED: 7-0

18. COUNCIL DISCUSSION

Victor Shen inquired about the future use of the P-12 building. There was some discussion about the possible uses and whether or not the city should lease or sell the building.

Victor Shen also voiced that he is not in favor of providing housing for city employees; whether they be seasonal, temporary or the city manager. He wants to create an exit strategy for housing and suggested adjusting the city manager's salary to accommodate housing. There was a lengthy discussion about this topic.

Victor Shen suggested that the council obtain public input regarding the clinic; whether to keep it operational or to close it down. A lengthy discussion followed this comment. Peter Denmark stated that the clinic is a service that we're better with than without; it's a safety net for a number of people in town. Peter suggested that we perform an informal canvass, such as a petition, asking members of the community if they want to have a clinic.

Peter Denmark, David Pinquoch and Mayor Daniel Blair voiced that they are in favor of keeping the clinic.

19. CITIZEN'S DISCUSSION

None

20. COUNCIL AND ADMINISTRATION'S RESPONSE TO CITIZEN'S COMMENTS

None

21. ADJOURNMENT

MOTION: Peter Denmark moved to adjourn the meeting at 9:02 p.m.

VOTE: Motion passed unanimously.

ATTEST:

Jennifer Rogers
City Clerk

Daniel Blair
Mayor



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**WHITTIER CITY COUNCIL
SPECIAL MEETING
TUESDAY, DECEMBER 6, 2016
6:00 PM
COUNCIL CHAMBERS
P-12 BUILDING**

MINUTES

1. CALL TO ORDER

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

2. OPENING CEREMONY

Dan Blair led the Pledge of Allegiance.

3. ROLL CALL

A. Council Members Present: Monty Irvin, Victor Shen, Dave Dickason, Peter Denmark, and Daniel Blair

B. Administration Present:

Mark Lynch, City Manager

Jennifer Rogers, City Clerk

Scott Korbe, Public Works Director

David Schofield, Director of Public Safety

Andy Dennis, Harbormaster

Lynette Dennis, Finance Officer

Moe Zamarron, Public Safety Bldg. Manager

Others Present:

Joe Bergane

Andrea Korbe

Don Stevens

4. APPROVAL OF SPECIAL MEETING AGENDA

MOTION: Dave Dickason made a motion to approve the agenda as is.

SECOND: Monty Irvin

DISCUSSION: None

VOTE: Peter Denmark: Yes, Monty Irvin: Yes, Dave Dickason: Yes, Victor Shen: Yes, Dan Blair: Yes

MOTION PASSED UNANIMOUSLY

5. SPECIAL MEETING BUSINESS ITEMS

A. FY 2015 Audit Presentation by Altman, Rogers & Co.

Joe Bergene, gave a verbal presentation of the 2015 audit financial report and answered a few questions from council members.

B. Ordinance #09-2016- An ordinance adopting an operating and capital budget for the FY2017 and appropriating the amount of \$12,285,089.00

MOTION: Victor Shen made a motion to introduce Ordinance #09-2016 and set the public hearing date for December 20, 2016.

SECOND: Dave Dickason

DISCUSSION: Peter Denmark stated that he has concerns regarding the internal controls of the accounting procedures; he would like to see more checks and balances in place.

Peter Denmark also asked, "How far out are we committed with cruise ship funds and to what projects?" Mark replied, "Currently, it's all committed and it's committed to either the Public Safety building and or to the harbor." There was some discussion regarding the expenditure of the CVP funds. Mark added that if everything is paid out through CVP and continue to pay through CVP, we would be committed through 2018 and part of 2019.

Mark Lynch added that Bellingham Marine Industries would like to know if they can proceed with part of the harbor project because they need to start building the floats because it will take a few months to complete them and ship them. Mark asked them to provide him with a quote, which was broken the project down into a number of components.

The first set of components is \$2.5 million dollars which would be B and C floats and the head walk. If we tell Bellingham to start the project, the paperwork for the bond would need to be submitted in January.

VOTE: Peter Denmark: Yes, Monty Irvin: Yes, Dave Dickason: Yes, Victor Shen: Yes, Dan Blair: Yes

MOTION PASSED: 5-0

C. Resolution #34-2016- A resolution authorizing the City Manager to enter into a contract with Bellingham Marine Industries, Inc. to provide harbor improvements at the Whittier City Harbor in an amount not to exceed \$2,500,000.00

MOTION: Peter Denmark made a motion to adopt Resolution #34-2016.

SECOND: Victor Shen

DISCUSSION: City Manager, Mark Lynch explained we have a \$500,000 grant from the State that we need to get some kind of a commitment in place to be able to collect. That leaves us footing the bill for \$2 million dollars. The original approval from council was \$1.5 which would only total \$2 million, so this is committing us to \$500,000 more than that. The reason was to make the change to the finger designs and to do D float. C float and the head walk is \$1.8 million; we need \$2 million to get the grant. D float was added which totaled \$2.4 and there's an additional \$85,000 fee for making the floats work for the square beamed boats. The total will be \$2,494,000.00. Mark stated that if we get bond money, we can proceed with the rest of the harbor project as a change order. He also stated that the bond needs to be in place by March or April, then answered questions from the council members.

There was a lengthy discussion regarding the funding options for the harbor improvements.

Mayor Dan Blair asked what will take place with Bellingham if this resolution pass. Mark replied that they'll want him to sign a contract within the next day or two and start building floats as soon as they receive the \$250,000 deposit. The floats should be delivered and installed in March or April.

VOTE: Peter Denmark: Yes, Monty Irvin: Yes, Dave Dickason: Yes, Victor Shen: Yes, Dan Blair: Yes

MOTION PASSED: 5-0

6. EXECUTIVE SESSION

A. Public Safety Building Phase II

MOTION: Monty Irvin made a motion to enter into executive session to discuss the Public Safety Building Phase II, which contains matters that, if immediately disclosed would tend to Adversely affect the finances of the City.

SECOND: Dave Dickason

DISCUSSION: None

VOTE: Monty Irvin: Yes, Dave Dickason: Yes, Peter Denmark: Yes, Victor Shen: Yes, Dan Blair: Yes

MOTION PASSED: 5-0

City Council went into executive session at 7:55 p.m.

MOTION: Peter Denmark made a motion to end the executive session and return to the special meeting at 8:39 pm.

SECOND: Dave Dickason

DISCUSSION: None

VOTE: Peter Denmark: Yes, Monty Irvin: Yes, Dave Dickason: Yes, Victor Shen: Yes, Dan Blair: Yes

MOTION PASSED: 5-0

7. COUNCIL DISCUSSION

None

8. CITIZEN'S DISCUSSION

None

9. ADJOURNMENT

MOTION: Peter Denmark moved to adjourn the meeting at 8:40 p.m.

SECOND: Dave Dickason

VOTE: Motion passed unanimously.

ATTEST:

Jennifer Rogers
City Clerk

Daniel Blair
Mayor



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To: Mayor and Council
From: Mark Lynch, City Manager
Subject: Manager's report
Date: December 15, 2016 (for 12/20/16 Council meeting)

ARRC/DeLong Dock: The City continues to work on a draft management agreement for the DeLong Dock.

AML/AMMA Conferences: I attended the AML & AMMA conferences the week of November 14-18 in Anchorage.

Budget: Final is in the meeting packet for second reading and adoption.

Harbor: I have completed the application and sent it to the Alaska Bond Bank. I contacted Bond Counsel and had them prepare resolutions required to move forward with the first \$2 million of bond sale, and those resolutions are in the meeting packet.

IRT (Innovative Readiness Training): IRT will be in Whittier to work on structural assessments of City facilities during the summer of 2017.

Tideland Zoning: Project continues.

Tankfarm Property: I continue to send requests to the Army and Corps of Engineers to keep this land transfer moving forward.

Leases: I worked on a lease document for Hai Han Ye on the lease parcel currently occupied by Theodore Butler. There were some problems with previous lease transfers, so a complete lease document is included along with the resolution is in the meeting packet.

Girdwood Policing: We have completed negotiations and the draft agreement is in the meeting packet. This is approved by passage of Ordinance #08-2016.

Public Safety Building: Progress can be monitored by going to the Whittier Alaska homepage and scrolling down to the link for the Public Safety Building.

Historic Railroad Monument: Work has ceased for the Winter, but I have secured a grant extension until June 30, 2018.

Zoning of Park Land: P&Z approved the zoning of the unzoned land where the new park will be located to Open Lands at their December 7th meeting.

**CITY OF WHITTIER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 11 MONTHS ENDING NOVEMBER 30, 2016**

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>TAXES</u>					
01-310-4005	FISH TAX	0.00	28,503.60	150,000.00	121,496.40	19.0
01-310-4006	MOTOR VEHICLE REGISTRATION	1,362.52	2,308.28	4,000.00	1,691.72	57.7
01-310-4007	LIQUOR TAX	0.00	5,600.00	5,600.00	0.00	100.0
01-310-4009	ELEC & TELE CO-OP TAX	0.00	3,638.15	3,000.00	-638.15	121.3
01-310-4200	SALES TAX	33,824.31	575,361.93	575,000.00	-361.93	100.1
01-310-4201	PROPERTY TAX - REAL	0.00	383,271.81	380,000.00	-3,271.81	100.9
01-310-4202	PROPERTY TAX - PERSONAL	0.00	279,039.86	250,000.00	-29,039.86	111.6
01-310-4205	BUSINESS TRANSPORTATION TAX	75,609.00	392,381.01	300,000.00	-92,381.01	130.8
TOTAL TAXES		110,795.83	1,670,104.64	1,667,600.00	-2,504.64	100.2
	<u>LICENSES & PERMITS</u>					
01-320-4250	BUSINESS LICENSES	0.00	700.00	3,500.00	2,800.00	20.0
01-320-4251	USER FEES & PERMITS	0.00	70.00	2,500.00	2,430.00	2.8
01-320-4312	AMBULANCE FEES	0.00	0.00	60,000.00	60,000.00	-
TOTAL LICENSES & PERMITS		0.00	770.00	66,000.00	65,230.00	1.2
	<u>INTERGOVERNMENTAL REVENUE</u>					
01-330-4002	STATE REVENUE SHARING	0.00	0.00	50,000.00	50,000.00	-
01-330-4003	STATE PAY-IN-LIEU OF TAXES	0.00	46,181.28	35,000.00	-11,181.28	132.0
01-330-4011	EMS SMALL GRANT	0.00	2,862.71	2,500.00	-362.71	114.5
01-330-4025	NAT'L FOREST SERVICE RECEIPTS	0.00	33,934.67	30,000.00	-3,934.67	113.1
TOTAL INTERGOVERNMENTAL REVENUE		0.00	82,978.66	117,500.00	34,521.34	70.6
	<u>LEASES</u>					
01-345-4505	LEASE INCOME OTHER NOT THRU AR	0.00	1,834.35	0.00	-1,834.35	-
01-345-4512	LEASE INCOME - ARRC AGREEMENT	1,120.00	10,080.00	0.00	-10,080.00	-
01-345-4515	LEASE INCOME - CITY LAND	9,451.75	95,445.64	160,000.00	64,554.36	59.7
01-345-4525	LAND USE RENT	100.00	900.00	0.00	-900.00	-
TOTAL LEASES		10,671.75	108,259.99	160,000.00	51,740.01	67.7
	<u>FINES & CITATIONS</u>					
01-350-4261	PSD FINES & CITATIONS	124.50	18,270.50	5,000.00	-13,270.50	323.4
TOTAL FINES & CITATIONS		124.50	18,270.50	5,000.00	-13,270.50	365.4

**CITY OF WHITTIER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 11 MONTHS ENDING NOVEMBER 30,2016**

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>MISCELLANEOUS</u>					
01-360-4099	MISCELLANEOUS REVENUE	49.50	876.24	0.00	-876.24	0.0
01-360-4204	INTEREST & PENALTIES	0.00	2,462.64	3,000.00	537.36	82.1
01-360-4271	DONATIONS - EMS/FIRE/POL	0.00	200.00	500.00	300.00	40.0
01-360-4900	INTEREST ON BANK ACCOUNTS	0.00	640.62	16,238.00	15,597.38	4.0
01-360-4902	INTEREST ON ESCROW ACCOUNTS	0.00	462.00	1,200.00	738.00	38.5
01-360-4910	CONTRACT POLICING	60,000.00	89,677.70	0.00	-89,677.70	0.0
01-360-4914	TRANSFIELD - TUNNEL CONTRAC	56,268.34	72,533.58	60,000.00	-12,533.58	120.9
TOTAL MISCELLANEOUS		<u>116,317.84</u>	<u>166,852.78</u>	<u>80,938.00</u>	<u>-85,914.78</u>	<u>153.5</u>
	<u>TRANSFERS & OTHER</u>					
01-390-4990	TRANSFER FROM CVP FUND	0.00	158,000.00	158,000.00	0.00	100
TOTAL TRANSFERS & OTHER		<u>0.00</u>	<u>158,000.00</u>	<u>158,000.00</u>	<u>0.00</u>	<u>100</u>
TOTAL FUND REVENUE		237,909.92	2,205,236.57	2,255,038.00	49,801.43	95.9

**CITY OF WHITTIER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 11 MONTHS ENDING NOVEMBER 30,2016**

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
ADMIN					
01-400-6000	SALARIES & WAGES	25,547.59	239,315.08	276,242.00	36,926.92 86.6
01-400-6030	FICA TAXES	494.39	3,869.42	4,006.00	136.58 96.6
01-400-6040	WORKER'S COMP.	180.03	2,089.86	1,774.00	-315.86 107.7
01-400-6050	ESC TAXES	128.95	4,883.53	4,608.00	-275.53 106.0
01-400-6060	HEALTH & LIFE INSURANCE	2,707.61	34,764.32	52,920.00	18,155.68 65.7
01-400-6070	PERS RETIREMENT	3,911.44	43,409.41	60,773.00	17,363.59 71.4
01-400-6205	ADVERTISING	0.00	2,032.45	2,100.00	67.55 96.8
01-400-6210	B.T.I. CONDO FEES	913.25	8,913.43	10,643.00	1,729.57 83.8
01-400-6212	CONDO MAINTENANCE	0.00	3,587.25	3,000.00	-587.25 119.6
01-400-6220	BANK SERVICES CHARGES	305.79	4,383.69	4,000.00	-383.69 102.0
01-400-6240	COMMUNITY SUPPORT-DONATIONS	0.00	0.00	500.00	500.00 -
01-400-6280	DUES & SUBSCRIPTIONS	0.00	1,753.88	1,800.00	46.12 97.4
01-400-6410	INSURANCE - LIABILITY	1,146.11	12,607.19	20,112.00	7,504.81 57.0
01-400-6440	INSURANCE - PROPERTY	1,438.28	5,753.76	5,783.00	29.24 74.6
01-400-6540	LICENSES & PERMITS	0.00	0.00	150.00	150.00 -
01-400-6541	PENALTIES & FEES	0.00	49.00	350.00	301.00 14.0
01-400-6565	OUTSIDE CONTRACTORS	33.75	8,483.34	15,000.00	6,516.66 56.6
01-400-6570	PHYSICAL EXAMS & BACKGROUND CK	0.00	126.00	250.00	124.00 50.4
01-400-6580	POSTAGE	0.00	1,797.41	5,000.00	3,202.59 36.0
01-400-6600	PROF. FEES - AUDIT	5,917.81	32,278.91	39,000.00	6,721.09 82.8
01-400-6610	PROF. FEES - ACCOUNTING	0.00	8,550.00	120,000.00	111,450.00 7.9
01-400-6620	PROF. FEES - APPRAISAL	0.00	5,000.00	20,000.00	15,000.00 25.0
01-400-6625	PROF. FEES - FINANCIAL SOFTWARE	3,725.00	38,600.00	45,000.00	6,400.00 85.8
01-400-6635	PROF. FEES - COMPUTER SUPPORT	0.00	779.00	15,000.00	14,221.00 5.2
01-400-6636	PROF. FEES - WEB SITE SUPPORT	0.00	1,345.00	3,000.00	1,655.00 44.8
01-400-6645	PROF. FEES - GRANT ADM.	0.00	0.00	30,000.00	30,000.00 -
01-400-6650	PROF. FEES - LEGAL	13,065.25	93,465.41	150,000.00	56,534.59 62.3
01-400-6675	COMPREHENSIVE PLAN	0.00	250.00	20,000.00	19,750.00 1.3
01-400-6770	TRAVEL, TRAINING & DEV.	867.70	8,361.96	20,000.00	11,638.04 41.8
01-400-7351	EQUIPMENT MAINT. AGREEMENTS	0.00	3,548.14	8,600.00	5,051.86 41.3
01-400-7450	REPAIRS-OFFICE EQUIPMENT	0.00	47.66	500.00	452.34 9.5
01-400-8550	SUPPLIES - OFFICE	338.44	4,253.21	7,500.00	3,246.79 56.7
01-400-8750	SUPPLIES - PRINTING	250.00	789.98	1,000.00	210.02 79.0
01-400-9000	UTILITIES - INTERNET	675.79	6,731.80	10,000.00	3,268.20 67.3
01-400-9070	UTILITIES - TELEPHONE	281.01	4,246.28	7,000.00	2,753.72 60.7
01-400-9100	MISCELLANEOUS EXPENSES	0.00	763.31	1,000.00	236.69 76.3
01-400-9300	PROJECT DEVELOPMENT	2,921.91	35,519.71	35,000.00	-519.71 101.5
01-400-9900	INTERDEPARTMENT SUPPORT	-11,794.84	-158,909.84	-176,538.00	-17,628.16 (90.0)
	TOTAL ADMIN	53,055.26	463,439.55	825,073.00	361,633.45 49.7

**CITY OF WHITTIER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 11 MONTHS ENDING NOVEMBER 30,2016**

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>COUNCIL</u>					
01-401-6240	CITY COUNCIL-COMMUNITY SUPPORT	0.00	200.00	3,000.00	2,800.00	6.7
01-401-6280	DUES & SUBSCRIPTIONS	0.00	50.00	150.00	100.00	33.3
01-401-6325	FIREWORKS	0.00	12,500.00	12,500.00	0.00	100.0
01-401-6710	PUBLIC RELATIONS	0.00	0.00	250.00	250.00	-
01-401-6770	TRAVEL, TRAINING & DEV.	2,184.10	5,977.55	10,000.00	4,022.45	59.8
01-401-6800	COUNCIL CHAMBER IMPROV	0.00	200.00	40,000.00	39,800.00	0.5
01-401-8550	SUPPLIES - OFFICE	0.00	114.13	100.00	-14.13	114.1
01-401-9070	UTILITIES - TELEPHONE	0.00	22.00	400.00	378.00	5.5
01-401-9500	LOBBYIST FEES	9,000.00	101,250.00	108,000.00	6,750.00	93.8
	<u>TOTAL COUNCIL</u>	<u>11,184.10</u>	<u>120,313.68</u>	<u>174,400.00</u>	<u>54,086.32</u>	<u>69.0</u>
	<u>COMMISSION</u>					
01-402-6000	SALARIES & WAGES	969.04	7,935.59	11,070.00	3,134.41	71.7
01-402-6030	FICA TAXES	14.06	116.48	161.00	44.52	72.4
01-402-6040	WORKER'S COMP	35.01	387.05	345.00	-42.05	102.0
01-402-6050	ESC TAXES	16.20	199.10	310.00	110.90	64.2
01-402-6060	HEALTH & LIFE INSURANCE	198.96	2,031.38	2,520.00	488.62	80.6
01-402-6070	PERS RETIREMENT	213.20	1,563.38	2,435.00	871.62	64.2
01-402-6760	TRAINING & PROF DEVELOPMENT	0.00	0.00	250.00	250.00	-
01-402-9100	MISCELLANEOUS EXPENSES	165.00	375.92	250.00	-125.92	150.4
	<u>TOTAL COMMISSION</u>	<u>1,611.47</u>	<u>12,608.90</u>	<u>17,341.00</u>	<u>4,732.10</u>	<u>72.5</u>
	<u>ELECTIONS</u>					
01-420-6100	VOLUNTEER SUPPORT	0.00	522.25	1,200.00	677.75	43.5
01-420-6205	ADVERTISING	0.00	225.00	600.00	375.00	37.5
	<u>TOTAL ELECTIONS</u>	<u>0.00</u>	<u>747.25</u>	<u>1,800.00</u>	<u>1,052.75</u>	<u>41.5</u>

**CITY OF WHITTIER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 11 MONTHS ENDING NOVEMBER 30,2016**

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
PUBLIC SAFETY					
01-510-6000	SALARIES & WAGES	28,422.73	347,082.23	354,198.00	7,115.77 98.0
01-510-6030	FICA TAXES	969.78	9,247.05	8,540.00	-707.05 108.3
01-510-6040	WORKER'S COMP.	2,153.45	24,991.45	21,220.00	-3,771.45 107.6
01-510-6050	ESC TAXES	350.49	6,365.01	6,761.00	395.99 94.1
01-510-6060	HEALTH & LIFE INSURANCE	2,022.06	31,591.81	63,000.00	31,408.19 53.4
01-510-6070	PERS RETIREMENT	2,173.92	57,347.06	70,492.00	13,144.94 81.4
01-510-6091	UNIFORM ALLOWANCE	160.00	1,590.00	2,300.00	710.00 69.1
01-510-6100	VOLUNTEER SUPPORT	310.00	374.88	1,500.00	1,125.12 25.0
01-510-6205	ADVERTISING	0.00	0.00	50.00	50.00 -
01-510-6210	B.T.I. CONDO FEES	165.65	1,972.80	2,500.00	527.20 78.9
01-510-6280	DUES & SUBSCRIPTIONS	0.00	0.00	100.00	100.00 -
01-510-6410	INSURANCE - LIABILITY	281.40	3,313.20	4,938.00	1,624.80 61.4
01-510-6420	INSURANCE - AUTO	599.72	6,596.94	10,524.00	3,927.06 57.0
01-510-6440	INSURANCE - PROPERTY	353.13	1,203.89	289.00	-914.89 294.4
01-510-6490	POLICE-INSURANCE CLAIMS-DEDUCT	0.00	0.00	10,000.00	10,000.00 -
01-510-6540	LICENSES & PERMITS	0.00	20.00	100.00	80.00 20.0
01-510-6565	OUTSIDE CONTRACTORS	0.00	1,833.47	1,500.00	-333.47 122.2
01-510-6570	PHYSICAL EXAMS	0.00	596.52	1,000.00	403.48 59.7
01-510-6580	POSTAGE	0.00	61.95	200.00	138.05 31.0
01-510-6700	PUBLICATIONS & SUBSCRIPTIONS	0.00	627.00	1,000.00	373.00 62.7
01-510-6735	EQUIPMENT PURCHASE	500.00	12,014.09	14,000.00	1,985.91 85.8
01-510-6761	TRAINING - EMS SUPVSG MD	1,000.00	11,000.00	12,000.00	1,000.00 83.3
01-510-6770	TRAVEL, TRAINING & DEV.	0.00	8,405.90	9,000.00	594.10 93.4
01-510-7100	BUILDING MAINT.	0.00	219.19	1,500.00	1,280.81 14.6
01-510-7150	REPAIRS - COMMUNICATION EQUIPM	0.00	6,084.04	1,800.00	-4,284.04 338.0
01-510-7200	REPAIRS-COMPUTER SYSTEM	0.00	1,362.66	500.00	-862.66 272.5
01-510-7350	REPAIRS - EQUIPMENT	0.00	3,529.00	3,050.00	-479.00 115.7
01-510-7400	REPAIRS - VEHICLES	4,600.96	19,711.87	18,300.00	-1,411.87 107.7
01-510-7750	GAS & OIL - VEHICLES	1,007.65	14,194.49	22,500.00	8,305.51 63.1
01-510-8020	SUPPLIES - AMMUNITION	365.00	365.00	1,200.00	835.00 30.4
01-510-8100	SUPPLIES - COMPUTERS	0.00	782.89	750.00	-32.89 104.4
01-510-8150	SUPPLIES - CONSUMABLE	0.00	3,850.20	5,000.00	1,149.80 77.0
01-510-8550	SUPPLIES - OFFICE	0.00	706.94	3,500.00	2,793.06 20.2
01-510-8650	SUPPLIES & DRUGS BILLABLE	0.00	5,050.07	4,800.00	-250.07 105.2
01-510-8950	SUPPLIES - UNIFORMS	0.00	6,182.52	10,700.00	4,517.48 57.8
01-510-9000	UTILITIES - INTERNET	6,429.00	14,808.64	15,000.00	191.36 100.4
01-510-9010	UTILITIES - ELECTRICITY	234.93	2,819.19	3,200.00	380.81 80.8
01-510-9040	UTILITIES - HEATING FUELS	618.42	3,899.11	6,400.00	2,500.89 60.9
01-510-9070	UTILITIES - TELEPHONE	567.84	8,338.11	14,000.00	5,661.89 59.6
01-510-9200	GRANT EXPENDITURES	0.00	0.00	2,000.00	2,000.00 -
	TOTAL PUBLIC SAFETY	53,286.13	618,139.17	709,412.00	91,272.83 86.8

**CITY OF WHITTIER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 11 MONTHS ENDING NOVEMBER 30,2016**

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>CLINIC</u>					
01-535-6210	B.T.I. CONDO FEE	909.07	10,129.77	11,684.00	1,554.23	86.7
01-535-6211	RENTAL UNIT	0.00	535.96	1,000.00	464.04	53.6
01-535-9100	MISCELLANEOUS EXP	0.00	9,000.00	9,000.00	0.00	100.0
	<u>TOTAL CLINIC</u>	<u>909.07</u>	<u>19,665.73</u>	<u>21,684.00</u>	<u>2,018.27</u>	<u>90.7</u>

**CITY OF WHITTIER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 11 MONTHS ENDING NOVEMBER 30, 2016**

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
PUBLIC WORKS					
01-600-6000	SALARIES & WAGES	7,859.18	100,969.46	153,694.00	52,724.54 65.7
01-600-6030	FICA TAXES	113.96	1,970.36	5,205.00	3,234.64 37.9
01-600-6040	WORKER'S COMP.	664.51	7,711.72	6,548.00	-1,163.72 107.6
01-600-6050	ESC TAXES	47.62	2,158.61	2,911.00	752.39 72.5
01-600-6060	HEALTH & LIFE INSURANCE	1,524.10	12,025.45	18,900.00	6,874.55 63.6
01-600-6070	PERS RETIREMENT	1,729.04	22,043.44	23,283.00	1,239.56 94.7
01-600-6420	INSURANCE - AUTO	220.54	2,425.92	3,870.00	1,444.08 57.0
01-600-6440	INSURANCE - PROPERTY	752.61	8,278.69	12,154.00	3,875.31 61.9
01-600-6490	INSURANCE CLAIMS-DEDUCTIBLES	0.00	0.00	5,000.00	5,000.00 -
01-600-6540	LICENSES & FEES	0.00	244.38	250.00	5.62 97.8
01-600-6565	OUTSIDE CONTRACTORS	0.00	463.00	10,000.00	9,537.00 4.6
01-600-6570	PHYSICAL EXAMS	0.00	206.00	500.00	294.00 41.2
01-600-6740	SMALL TOOLS	0.00	725.52	1,500.00	774.48 48.4
01-600-6770	TRAVEL, TRAINING & DEV.	0.00	375.68	2,000.00	1,624.32 18.8
01-600-7100	REPAIRS - BUILDINGS	0.00	1,999.42	5,000.00	3,000.58 40.0
01-600-7210	REPAIRS - ROADS	0.00	840.80	15,000.00	14,159.20 5.6
01-600-7350	REPAIRS - EQUIPMENT	557.09	2,878.70	30,000.00	27,121.30 9.8
01-600-7410	REPAIRS - EMERGENCY	0.00	14,036.64	0.00	-14,036.64 -
01-600-7750	GAS & OIL - VEHICLES	1,046.02	6,230.44	45,000.00	38,769.56 13.9
01-600-8550	SUPPLIES - OFFICE	0.00	0.00	500.00	500.00 -
01-600-8950	SUPPLIES - UNIFORMS	0.00	10.00	1,000.00	990.00 1.0
01-600-8970	SUPPLIES - SAFETY	357.10	357.10	2,000.00	1,642.90 17.9
01-600-8995	SUPPLIES & MATERIALS	1,564.99	2,061.79	15,000.00	12,938.21 13.8
01-600-9000	UTILITIES - INTERNET	243.00	2,673.00	5,938.00	3,265.00 45.0
01-600-9010	UTILITIES - ELECTRICITY	2,124.28	25,491.33	31,500.00	6,008.67 74.2
01-600-9040	UTILITIES - HEATING FUEL	2,782.90	17,277.59	35,000.00	17,222.41 49.4
01-600-9070	UTILITIES - TELEPHONE	169.41	2,052.87	2,500.00	447.13 82.1
01-600-9095	UTILITIES - WATER/SEWER	0.00	113.16	8,000.00	7,886.84 1.4
01-600-9900	INTERDEPARTMENT SUPPORT	-2,916.66	-32,083.26	-35,000.00	-2,916.74 (91.7)
	TOTAL PUBLIC WORKS	18,839.69	203,547.81	407,253.00	203,705.19 49.1
PROPERTY & FACILITIES					
01-700-6210	B.T.I. CONDO FEES	482.44	6,528.16	5,407.00	-1,121.16 120.7
01-700-6215	CONDO MAINTENANCE	0.00	1,686.13	1,000.00	-686.13 168.6
01-700-7100	REPAIRS - BUILDINGS	0.00	65.00	5,000.00	4,935.00 1.3
01-700-9000	UTILITIES - INTERNET SERVICE	122.00	1,677.46	1,500.00	-177.46 120.0
	TOTAL PROPERTY & FACILITIES	604.44	9,956.75	12,907.00	2,950.25 78.1

**CITY OF WHITTIER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 11 MONTHS ENDING NOVEMBER 30,2016**

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
01-910-9530	<u>GF ADMN CAPITAL OUTLAY</u>					
	CAPITOL OUTLAY - COMP	0.00	1,024.83	5,000.00	3,975.17	20.5
	TOTAL GF ADMN CAPITAL OUTLAY	0.00	1,024.83	5,000.00	3,975.17	20.5
01-970-9510	<u>GF PARK & REC CAP OUTLAY</u>					
	CAPITAL OUTLAY	0.00	1,446.21	20,000.00	18,553.79	7.2
	TOTAL GF PARK & REC CAP OUTLAY	0.00	1,446.21	20,000.00	18,553.79	7.2
	TOTAL FUND EXPENDITURES	195,281.45	1,371,429.62	2,194,870.00	823,440.38	62.5
	NET REVENUE OVER EXPENDITURES	42,628.47	833,806.95	60,168.00	-773,638.95	

**CITY OF WHITTIER
REVENUES WITH COMPARISON TO BUDGET
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CRUISE SHIP TAX

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
20-310-4008	<u>TAXES - REVENUE</u>					
	CRUISE SHIP TAX	0.00	721,325.00	800,000.00	78,675.00	90.2
	TOTAL TAXES - REVENUE	0.00	721,325.00	800,000.00	78,675.00	90.2
20-360-4900	<u>INVESTMENT EARNINGS</u>					
	EARNINGS ON INVESTMENT	0.00	11,487.25	15,044.00	3,556.75	76.4
	TOTAL INVESTMENT EARNINGS	0.00	11,487.25	15,044.00	3,556.75	76.4
	TOTAL FUND REVENUE	0.00	732,812.25	815,044.00	82,231.75	89.9

CRUISE SHIP TAX

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
20-400-6240	<u>DONATIONS - SUPPORT</u>					
	MUSEUM SUPPORT - DONATIONS	10,000.00	10,000.00	10,000.00	0.00	100.0
	TOTAL DONATIONS - SUPPORT	10,000.00	10,000.00	10,000.00	0.00	100.0
20-990-9990 20-990-9993	<u>TRANSFERS OUT</u>					
	TRANSFER TO GENERAL FUND	0.00	158,000.00	158,000.00	0.00	100.0
	TRANSFER TO PUBLIC SFTY BLDG	2,500,000.00	2,500,000.00	2,500,000.00	0.00	100.0
	TOTAL TRANSFERS OUT	2,500,000.00	2,658,000.00	2,658,000.00	0.00	100.0
	TOTAL FUND EXPENDITURES	2,510,000.00	2,668,000.00	2,668,000.00	0.00	100.0
	NET REVENUE OVER EXPENDITURES	-2,500,000.00	-1,925,187.75	-1,852,956.00	82,231.75	(89.9)

**CITY OF WHITTIER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 11 MONTHS ENDING NOVEMBER 30,2016**

RAILROAD STATION IMPROVEMENT

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
22-330-4000	<u>GRANT REVENUE</u>					
	GRANT REVENUES 10-DC-032	0.00	4,741.59	280,817.00	276,075.41	1.7
	TOTAL GRANT REVENUE	0.00	4,741.59	280,817.00	276,075.41	1.7
	TOTAL FUND REVENUE	0.00	4,741.59	280,817.00	276,035.41	1.7

RAILROAD STATION IMPROVEMENT

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
22-900-9200	<u>GRANT EXPENDITURES</u>					
	GRANT EXPENDITURES 10-DC-032	0.00	19,246.72	280,817.00	261,570.28	6.9
	TOTAL GRANT EXPENDITURES	0.00	19,246.72	280,817.00	261,570.28	6.9
	TOTAL FUND EXPENDITURES	0.00	19,246.72	280,817.00	261,570.28	6.9
	NET REVENUE OVER EXPENDITURES	0.00	-14,505.13	0.00	14,465.13	-

**CITY OF WHITTIER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 11 MONTHS ENDING NOVEMBER 30,2016**

COMMUNITY DEVELOPMENT

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
24-330-4000	<u>GRANT REVENUES</u>					
	GRANT REVENUES 09-RR-022	0.00	20,178.41	25,482.00	5,303.59	79.2
	TOTAL GRANT REVENUES	0.00	20,178.41	25,482.00	5,303.59	79.2
	TOTAL FUND REVENUE	0.00	20,178.41	25,482.00	5,303.59	79.2

COMMUNITY DEVELOPMENT

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
24-900-9200	<u>GRANT EXPENDITURES</u>					
	GRANT EXPENDITURES 09-RR-022	0.00	1,316.20	25,482.00	24,165.80	5.2
	TOTAL GRANT EXPENDITURES	0.00	1,316.20	25,482.00	24,165.80	5.2
	TOTAL FUND EXPENDITURES	0.00	1,316.20	25,482.00	24,165.80	5.2
	NET REVENUE OVER EXPENDITURES	0.00	18,862.21	0.00	-18,862.21	-

**CITY OF WHITTIER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 11 MONTHS ENDING NOVEMBER 30,2016**

PUBLIC WORKS/SAFETY COMPLEX

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
29-330-4010	<u>GRANT REVENUE</u>					
	GRANT REVENUE - STATE DCCED	0.00	1,939,729.00	1,939,729.00	0.00	100.0
	TOTAL GRANT REVENUE	0.00	1,939,729.00	1,939,729.00	0.00	100.0
29-390-4982	<u>TRANSFERS FROM OTHER FUNDS</u>					
	TRANSFER IN	2,500,000.00	2,500,000.00	2,500,000.00	0.00	100.0
	TOTAL TRANSFERS FROM OTHER FUNDS	2,500,000.00	2,500,000.00	2,500,000.00	0.00	100.0
	TOTAL FUND REVENUE	2,500,000.00	4,439,729.00	4,439,729.00	0.00	100.0

PUBLIC WORKS/SAFETY COMPLEX

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
29-600-9200	<u>CAPITAL EXPENDITURES</u>					
	CAPITAL EXPENDITURES-PUBLIC WO	0.00	3,806,648.39	4,439,729.00	633,080.61	85.7
	TOTAL CAPITAL EXPENDITURES	0.00	3,806,648.39	4,439,729.00	633,080.61	85.7
	TOTAL FUND EXPENDITURES	0.00	3,806,648.39	4,439,729.00	633,080.61	85.7
	NET REVENUE OVER EXPENDITURES	2,500,000.00	633,080.61	0.00	-633,080.61	-

**CITY OF WHITTIER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 11 MONTHS ENDING NOVEMBER 30,2016**

SHOTGUN COVE

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>STATE GRANT REVENUE</u>					
30-320-4068	GRANT REV- IV 13-DC-508	626,419.00	1,191,999.00	1,191,999.00	0.00	100.0
30-320-4070	GRANT REV PHS V 15-DC-160	0.00	59,400.00	2,000,000.00	1,940,600.00	3.0
	<u>TOTAL STATE GRANT REVENUE</u>	<u>626,419.00</u>	<u>1,251,399.00</u>	<u>3,191,999.00</u>	<u>1,940,600.00</u>	<u>42.6</u>
	<u>FEDERAL GRANT REVENUE WFL</u>					
30-350-4063	GRANT REV - PH III	0.00	0.00	1,951,875.00	1,951,875.00	-
	<u>TOTAL FEDERAL GRANT REVENUE WFL</u>	<u>0.00</u>	<u>0.00</u>	<u>1,951,875.00</u>	<u>1,951,875.00</u>	<u>-</u>
	<u>TOTAL FUND REVENUE</u>	<u>626,419.00</u>	<u>1,251,399.00</u>	<u>5,143,874.00</u>	<u>3,892,475.00</u>	<u>26.4</u>

SHOTGUN COVE

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>STATE GRANT EXPENDITURES</u>					
30-820-9204	GRANT EXP PHS IV 13-DC-508	0.00	687,205.21	1,191,999.00	504,793.79	57.7
30-820-9542	GRANT EXP PHS V 15-DC-160	0.00	0.00	2,000,000.00	2,000,000.00	-
	<u>TOTAL STATE GRANT EXPENDITURES</u>	<u>0.00</u>	<u>687,205.21</u>	<u>3,191,999.00</u>	<u>2,504,793.79</u>	<u>21.5</u>
	<u>FEDERAL GRANT EXPENDITURES WFL</u>					
30-850-9543	CAPITAL OUTLAY - SHOTGUN COVE	0.00	28,599.00	1,951,875.00	1,923,276.00	1.5
	<u>TOTAL FEDERAL GRANT EXPENDITURES WFL</u>	<u>0.00</u>	<u>28,599.00</u>	<u>1,951,875.00</u>	<u>1,923,276.00</u>	<u>1.5</u>
	<u>TOTAL FUND EXPENDITURES</u>	<u>0.00</u>	<u>715,804.21</u>	<u>5,143,874.00</u>	<u>4,428,069.79</u>	<u>13.9</u>
	<u>NET REVENUE OVER EXPENDITURES</u>	<u>626,419.00</u>	<u>535,594.79</u>	<u>0.00</u>	<u>-535,594.79</u>	<u>-</u>

**CITY OF WHITTIER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 11 MONTHS ENDING NOVEMBER 30,2016**

WATER AND WASTEWATER

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>CHARGES FOR SERVICES</u>					
50-340-4300	WATER SERVICE CHARGES	5,796.20	168,326.97	295,000.00	126,673.03	57.0
50-340-4350	WASTE WATER SERVICE CHARGES	3,738.65	69,012.76	155,000.00	85,987.24	44.5
50-340-4500	ENTERPRISE-PERMIT FEES	0.00	0.00	100.00	100.00	-
	<u>TOTAL CHARGES FOR SERVICES</u>	<u>9,534.85</u>	<u>237,339.73</u>	<u>450,100.00</u>	<u>212,760.27</u>	<u>50.8</u>
	<u>MISCELLANEOUS</u>					
50-360-4901	INTEREST ON BANK ACCOUNTS	0.00	3,500.61	5,000.00	1,499.39	70.0
50-360-4910	MISCELLANEOUS INCOME	0.00	6,353.43	0.00	-6,353.43	-
	<u>TOTAL MISCELLANEOUS</u>	<u>0.00</u>	<u>9,854.04</u>	<u>5,000.00</u>	<u>-4,854.04</u>	<u>197.1</u>
	<u>TOTAL FUND REVENUE</u>	<u>9,534.85</u>	<u>247,193.77</u>	<u>455,100.00</u>	<u>207,906.23</u>	<u>57.1</u>

WATER AND WASTEWATER

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>OPERATION EXPENSES</u>					
50-800-6000	SALARIES & WAGES	11,617.39	146,511.90	171,828.00	25,316.10	85.3
50-800-6030	FICA TAXES	168.41	2,123.84	2,491.00	367.16	85.3
50-800-6040	WORKER'S COMP.	130.37	7,566.10	7,197.00	-369.10	103.3
50-800-6050	ESC TAXES	37.22	2,596.41	2,775.00	178.59	93.6
50-800-6060	HEALTH & LIFE INSURANCE	2,564.25	26,666.96	33,390.00	6,723.04	79.9
50-800-6070	PERS RETIREMENT	2,555.80	31,728.17	37,802.00	6,073.83	83.9
50-800-6410	INSURANCE - LIABILITY	83.71	920.83	1,469.00	548.17	57.0
50-800-6420	INSURANCE - AUTO	115.40	1,269.38	2,025.00	755.62	57.0
50-800-6490	INSURANCE - CLAIMS DEDUCTIBLE	0.00	0.00	5,000.00	5,000.00	-
50-800-6540	LICENSES & PERMITS	0.00	220.00	1,400.00	1,180.00	15.7
50-800-6565	OUTSIDE CONTRACTORS	0.00	0.00	10,000.00	10,000.00	-
50-800-6570	PHYSICAL EXAMS	0.00	0.00	500.00	500.00	-
50-800-6580	POSTAGE	0.00	193.43	250.00	56.57	77.4
50-800-6740	SMALL TOOLS	0.00	119.98	2,500.00	2,380.02	4.8
50-800-6750	TESTING WATER/SEWER	850.00	6,195.00	5,000.00	-1,195.00	123.9
50-800-6770	TRAVEL, TRAINING & DEV.	100.00	404.58	5,000.00	4,595.42	8.1
50-800-7100	REPAIRS - BUILDING	0.00	17.48	5,000.00	4,982.52	0.4
50-800-7350	REPAIRS - EQUIPMENT	0.00	2,538.97	8,000.00	5,461.03	31.7
50-800-7650	REPAIRS - SYSTEM	0.00	934.16	5,000.00	4,065.84	18.7
50-800-7750	GAS & OIL - VEHICLES	71.51	1,509.69	3,500.00	1,990.31	43.7
50-800-8550	SUPPLIES - OFFICE	0.00	166.50	500.00	333.50	33.3
50-800-8950	UNIFORMS	0.00	0.00	400.00	400.00	-
50-800-8970	SUPPLIES - SAFETY	0.00	0.00	2,500.00	2,500.00	-
50-800-8995	SUPPLIES & MATERIALS	0.00	0.00	4,000.00	4,000.00	-
50-800-9010	UTILITIES - ELECTRICITY	1,939.88	23,278.56	32,250.00	8,971.44	72.1
50-800-9040	UTILITIES - HEATING FUEL	1,172.12	7,455.80	13,500.00	6,044.20	55.2
50-800-9070	UTILITIES - TELEPHONE	0.00	12.16	500.00	487.84	2.4
50-800-9900	INTERDEPARTMENT SUPPORT	3,792.50	41,717.50	45,510.00	3,792.50	91.7
	<u>TOTAL OPERATION EXPENSES</u>	<u>25,198.56</u>	<u>304,147.40</u>	<u>409,287.00</u>	<u>105,139.60</u>	<u>73.8</u>
	<u>CAPITAL OUTLAY - FROM RESERVE</u>					
50-900-9580	CAPITAL OUTLAY - WELLHOUSE REP	0.00	258,129.80	495,000.00	236,870.20	52.2
	<u>TOTAL CAPITAL OUTLAY - FROM RESERVE</u>	<u>0.00</u>	<u>258,129.80</u>	<u>495,000.00</u>	<u>236,870.20</u>	<u>52.2</u>
	<u>TOTAL FUND EXPENDITURES</u>	<u>25,198.56</u>	<u>537,078.64</u>	<u>904,287.00</u>	<u>367,208.36</u>	<u>61.9</u>
	<u>NET REVENUE OVER EXPENDITURES</u>	<u>(15,663.71)</u>	<u>(289,884.87)</u>	<u>(449,187.00)</u>	<u>(159,302.13)</u>	<u>(71.8)</u>

**CITY OF WHITTIER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 11 MONTHS ENDING NOVEMBER 30,2016**

SMALL BOAT HARBOR

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
CHARGES FOR SERVICES						
51-340-4251	USER FEES & PERMITS	0.00	0.00	75.00	75.00	-
51-340-4401	MOORAGE - PREFERENTIAL (Billings)		568,671.52			
	ACTUAL Preferential Revenue	5,295.42	568,103.50	420,000.00	-148,103.50	135.3
	MOORAGE - PREFERENTIAL (Balance-Aging)		568.02			
51-340-4402	MOORAGE - TRANSIENT (Billings)		360,613.92			
	<i>MOORAGE - TRANSIENT (Payments)</i>	<i>0.00</i>	<i>241,140.25</i>			
	MOORAGE - TRANSIENT (Balance-Aging)		119,473.67			
	<i>MOORAGE - TRANSIENT (Non-Billed Revenue)</i>		<i>67,120.80</i>			
	ACTUAL Transient Revenue	0.00	308,261.05	440,000.00	131,738.95	69.3
51-340-4403	BOAT LIFT FEES	0.00	10,909.71	13,000.00	2,090.29	83.9
51-340-4404	UTILITY FEES	41.50	32,703.65	60,000.00	27,296.35	54.5
51-340-4406	WHARFAGE FEES	230.00	10,311.66	10,000.00	-311.66	103.1
51-340-4407	VESSEL TOW FEES	0.00	2,337.75	500.00	-1,837.75	467.6
51-340-4408	USED OIL COLLECTION F	15.00	1,495.55	1,200.00	-295.55	124.6
51-340-4409	WAITING LIST FEES	0.00	15,850.00	18,000.00	2,150.00	88.1
51-340-4410	PUMP OUT FEES	0.00	1,570.50	500.00	-1,070.50	314.1
51-340-4411	LAUNCH FEES	4,795.98	117,626.00	100,000.00	-17,626.00	117.6
51-340-4412	SHOWERS	0.00	2,684.00	2,500.00	-184.00	107.4
51-340-4413	GRID	0.00	1,000.00	1,000.00	0.00	100.0
51-340-4414	VESSEL MAINTENANCE	0.00	346.50	6,000.00	5,653.50	5.8
51-340-4415	DRY STORAGE FEES	0.00	1,924.52	4,000.00	2,075.48	48.1
51-340-4416	PARKING - ANNUAL	840.00	52,791.25	73,000.00	20,208.75	72.3
51-340-4418	USER FEES	0.00	24.00	4,000.00	3,976.00	0.6
51-340-4426	PARKING DAILY	3,050.00	80,260.00	60,000.00	-20,260.00	133.8
51-340-4445	MISC. SERVICES	0.00	76.50	1,000.00	923.50	7.7
	TOTAL CHARGES FOR SERVICES	14,267.90	1,208,276.14	1,214,700.00	785.68	99.9
LEASES INCOME						
51-345-4512	LEASE - ARRC NET OF RR SHARE	9,219.35	49,107.01	66,000.00	16,892.99	74.4
	TOTAL LEASES INCOME	9,219.35	49,107.01	66,000.00	16,892.99	74.4
OTHER REVENUE						
51-360-4417	FUEL FLOAT INCOME	0.00	30,987.49	20,000.00	-10,987.49	154.9
51-360-4430	CAMPING	0.00	11,279.00	0.00	-11,279.00	-
51-360-4900	INTEREST & LATE FEES ON A/R	0.00	0.00	4,000.00	4,000.00	-
51-360-4901	INTEREST ON BANK ACCO	0.00	3,500.89	5,000.00	1,499.11	70.0
51-360-4910	MISCELLANEOUS INCOME	0.00	6,901.21	0.00	-6,901.21	-
51-360-4914	RESALE ITEMS	0.00	0.00	500.00	500.00	-
	TOTAL OTHER REVENUE	0.00	52,668.59	29,500.00	-23,168.59	178.5
	TOTAL FUND REVENUE	23,487.25	1,310,051.74	1,310,200.00	-5,489.92	100.6

**CITY OF WHITTIER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 11 MONTHS ENDING NOVEMBER 30,2016**

SMALL BOAT HARBOR

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>HARBOR OPERATIONS EXP</u>					
51-800-6000	SALARIES & WAGES	26,191.34	371,591.51	461,555.00	89,963.49 80.5
51-800-6030	FICA TAXES	628.21	10,669.69	11,624.00	954.31 91.8
51-800-6040	WORKER'S COMP.	1,618.54	19,027.00	15,949.00	-3,078.00 109.2
51-800-6050	ESC TAXES	241.38	8,035.96	10,391.00	2,355.04 77.3
51-800-6060	HEALTH & LIFE INSURANCE	5,413.34	63,888.79	94,500.00	30,611.21 67.6
51-800-6070	PERS RETIREMENT	4,880.57	63,712.52	84,080.00	20,367.48 75.8
51-800-6205	ADVERTISING	0.00	144.44	1,500.00	1,355.56 9.6
51-800-6215	COLLECTION EXPENSE	0.00	0.00	5,000.00	5,000.00 -
51-800-6220	BANK SERVICE CHARGES	1,979.38	23,752.53	14,000.00	-9,752.53 155.5
51-800-6260	BAD DEBT EXPENSE	0.00	0.00	10,000.00	10,000.00 -
51-800-6280	DUES & SUBSCRIPTIONS	0.00	225.00	500.00	275.00 45.0
51-800-6410	INSURANCE - LIABILITY	469.86	5,638.30	62,256.00	56,617.70 8.3
51-800-6420	INSURANCE - AUTO	99.24	1,190.91	2,638.00	1,447.09 41.4
51-800-6440	INSURANCE - PROPERTY	1,059.65	12,715.84	16,158.00	3,442.16 72.1
51-800-6490	INSURANCE CLAIMS-DEDU	0.00	0.00	5,000.00	5,000.00 -
51-800-6540	ENTERPRISE-LICENSES & PERMITS	0.00	60.00	250.00	190.00 24.0
51-800-6565	OUTSIDE CONTRACTORS	33.75	2,539.44	25,000.00	22,460.56 10.0
51-800-6570	PHYSICAL EXAMS	0.00	394.00	500.00	106.00 78.8
51-800-6580	POSTAGE	0.00	939.92	2,500.00	1,560.08 37.6
51-800-6635	PROF. FEES - COMPUTER SUPPORT	0.00	3,593.93	5,000.00	1,406.07 71.9
51-800-6636	PROF FEES - WEB SITE	0.00	1,204.95	2,500.00	1,295.05 48.2
51-800-6650	PROF. FEES - LEGAL	25.00	3,538.80	10,000.00	6,461.20 35.1
51-800-6700	PUBLICATIONS&SUBS.	0.00	150.00	350.00	200.00 42.9
51-800-6730	EQUIPMENT RENTAL	0.00	1,159.10	2,000.00	840.90 58.0
51-800-6740	SMALL TOOLS	0.00	112.73	3,000.00	2,887.27 3.8
51-800-6770	TRAVEL, TRAINING & DEV.	0.00	4,240.32	4,000.00	-240.32 106.0
51-800-6780	WASTE DISPOSAL - EVOS	0.00	2,381.09	2,000.00	-381.09 119.1
51-800-7100	REPAIRS - BUILDINGS	0.00	1,463.12	3,000.00	1,536.88 48.8
51-800-7350	REPAIRS - EQUIPMENT	0.00	4,201.50	16,000.00	11,798.50 26.3
51-800-7400	REPAIRS - VEHICLES	0.00	332.34	2,000.00	1,667.66 16.6
51-800-7500	PARKING LOT MAINTENANCE	0.00	1,565.09	1,500.00	-65.09 104.3
51-800-7610	REPAIRS - UTILITIES	0.00	734.62	6,000.00	5,265.38 12.2
51-800-7750	GAS & OIL - VEHICLES	134.99	2,479.15	9,300.00	6,820.85 26.7
51-800-7820	REPAIRS - DOCKS	0.00	3,632.12	20,000.00	16,367.88 18.2
51-800-8150	SUPPLIES - CONSUMABLE	0.00	5,481.16	8,000.00	2,518.84 68.5
51-800-8151	SUPPLIES - CONSUMABLE - SERV	0.00	79.90	1,750.00	1,670.10 4.6
51-800-8200	SUPPLIES - PARKING	385.29	1,733.98	4,000.00	2,266.02 43.4
51-800-8400	SUPPLIES - FIRE SUPPRESSION	0.00	0.00	7,000.00	7,000.00 -
51-800-8550	SUPPLIES - OFFICE	0.00	590.06	6,000.00	5,409.94 9.8
51-800-8750	SUPPLIES - PRINTING	0.00	0.00	1,500.00	1,500.00 -
51-800-8800	SUPPLIES - RESALE ITEMS	0.00	0.00	500.00	500.00 -
51-800-8950	SUPPLIES - UNIFORMS	0.00	1,475.90	2,000.00	524.10 73.8
51-800-8970	SUPPLIES - SAFETY	0.00	805.96	2,000.00	1,194.04 40.3
51-800-9000	UTILITIES - INTERNET	243.00	2,904.47	7,000.00	4,095.53 41.5
51-800-9010	UTILITIES - ELECTRICITY	4,669.55	52,290.89	60,000.00	7,709.11 79.4
51-800-9040	UTILITIES - HEATING FUEL	333.44	3,622.79	4,500.00	877.21 80.5
51-800-9050	UTILITIES - SOLID WASTE	7,435.53	97,071.44	80,000.00	-17,071.44 121.3
51-800-9070	UTILITIES - TELEPHONE	232.60	2,340.35	6,000.00	3,659.65 39.0
51-800-9095	UTILITIES - WATER/WASTEWATER	625.42	2,192.44	25,000.00	22,807.56 4.6
51-800-9510	SNOW REMOVAL	2,916.66	32,083.26	35,000.00	2,916.74 92.0
51-800-9900	INTERDEPARTMENT SUPPORT	10,919.00	120,109.00	131,028.00	10,919.00 92.0
	TOTAL HARBOR OPERATIONS EXP	70,535.74	938,096.31	1,291,329.00	353,232.69 71.6
<u>CAPITAL OUTLAY - FROM RESERVE</u>					
51-900-9510	CAPITOL OUTLAY - BLDG & FACIL	0.00	110,000.00	120,000.00	10,000.00 91.7
51-900-9520	CAPITAL OUTLAY - EQUIPMENT	0.00	103,690.72	150,000.00	46,309.28 69.1
51-900-9530	CAPITOL OUTLAY - COMP	0.00	0.00	5,000.00	5,000.00 -
51-900-9550	CAP EXP - FLOAT DOCK REPAIR	0.00	100,000.00	0.00	-100,000.00 -
	TOTAL CAPITAL OUTLAY - FROM RESERVE	0.00	313,690.72	275,000.00	-38,690.72 114.1
	TOTAL FUND EXPENDITURES	70,535.74	1,251,787.03	1,566,329.00	314,541.97 79.0
	NET REVENUE OVER EXPENDITURES	-47,048.49	58,264.71	-256,129.00	-320,031.89 31.3

**CITY OF WHITTIER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 11 MONTHS ENDING NOVEMBER 30,2016**

HARBOR RENOVATION C.I.P.

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
73-800-9305	<u>NON-GRANT EXPENDITURES</u>					
	OCEAN DOCK REPAIR	0.00	52,278.00	0.00	-52,278.00	-
	TOTAL NON-GRANT EXPENDITURES	0.00	52,278.00	0.00	-52,278.00	-
	TOTAL FUND EXPENDITURES	0.00	52,278.00	0.00	-52,278.00	-
	NET REVENUE OVER EXPENDITURES	0.00	-52,278.00	0.00	52,278.00	-

Whittier Community School

To: Whittier City Council
From: Melody Clifford
CC: Mark Lynch
Date: 12/13/2016
Re: Whittier Community School Report to Council

November

- Teacher in-service on the 3rd and 4th focused on science
- Chicken Alfredo delivery dinner on the 14th
- School pictures taken on the 15th
- Thanksgiving lunch on the 23rd, many community members and families in attendance

December

- Field trip to Anchorage on the 1st to watch 360 Allstars
- Saturday school on the 10th with a maker fair, holiday bazaar and tomato soup and grilled cheese lunch for the community
- Winter break December 21st - January 3rd 2017

January

- School resumes January 4th, 2017
- Begin new electives (drama, shop, kitchen science)
- End second quarter January 13th, report cards to parents

Ongoing events

- Kids gym M/W/F 3:30-4:30
- Kids sports resume on January 5th

Upcoming Community Events

- Monday, December 19th at 5:30pm-Holiday Program and potluck
 - Movie night January 12th
 - Community kickball game January 18th
 - Prince William Sound Science Center visit January 20th
 - Author Tricia Brown visit January 27th
-

December 16, 2016

From: Harbormaster
To: City Manager

Subj: Monthly Harbor Report

Administration:

- Wait list reminders and 2017 moorage contracts have been mailed.
- I have revised the Harbor Policy, Rules and Regulations Manual throughout the year. Most changes involved removing redundant language and unenforceable policies. I received input from members of the Port and Harbor Commission to support these changes. I will not consider any further input this year.
- Annual personnel performance evaluations were reviewed with all permanent full time employees.
- I have been pursuing a loans from the Alaska Department of Environmental Conservation to support the harbor rebuild project. If this project ranks high enough, we could apply for the loans in June 2017.

Harbor:

- Another 15 electrical meters failed. The vendor is providing improved components under warranty. Both Bellingham Marine and Marina Electrical Equipment have provided outstanding support in resolving this problem.
- The B-20/B-22 finger and 2 boats broke off the main float during high winds last week. The staff made temporary repairs that should last another season.

Meetings attended:

- Met with Mayor, City Manager, City Attorney and Lobbyist to discuss the DeLong dock.

Copy to:
File



THE CITY OF WHITTIER

Gateway to the Western Prince William Sound

P. O. Box 608 • Whittier, Alaska 99693 • (907) 472-2327 • Fax (907) 472-2404

MEMORANDUM

To: Mark Lynch, City Manager

From: David M. Schofield, Director of Public Safety

Re: Monthly Public Safety Report

Date: 5 December 2016

POLICE-Girdwood

SIHI	2	Disorderly Conduct	3
Agency Assist	5	Citizen Assist	2
Criminal Trespass	2	Motorist Assist	3
REDDI/DUI	2	Domestic Disturbance	5
DV Protective Order	1	Assault	7
Medical Assist	2	Probation Violation	3
Failure to provide registration	1	Speeding	13
Equipment Violation	9	Warrant Arrest	1
Commercial Burglar Alarm	1	Noise Complaint	2
Criminal Mischief	2	Motor Vehicle Accident	6
Civil Standby	2	Welfare Check	2
Missing Person	1	Vehicle Theft	1
Misconduct with Controlled Substance			1
Failure to provide proof of insurance			3
Failure to obey traffic control device			4

Police-Whittier

Agency Assist	4	Domestic Disturbance	3
Motorist Assist	7	Motor Vehicle Accident	2
Warrant Arrest	1		

Memorandum

To: Mark Lynch - City Manager

From: Scott Korbe

Subject: Monthly Public Works Report

Date: December 14, 2016

During the past month the Publics Works Department has been focused on the following:

Equipment

- ▶ Grader – Repair 2 hydraulic cylinders
- ▶ W/ww Dodge – Oil Service
- ▶ PW F250 – Oil Service, Flat Repair
- ▶ WPD 2011 – Oil Change Inspection
- ▶ WPD 2000 – Replace rear wiper arm & Install Battery switch
- ▶ WPD 2008 – Inspect for siren working intermittent
- ▶ WPD 2011 - Replace Thermostat
- ▶ WPD 2000- Replace Wiper trans mission
- ▶ WPD 2000- Replace tie rod end
- ▶ WPD 2005- Inspect for vacuum leak
- ▶ WPD Crown Vic – Oil Change and inspection
- ▶ PW push blade – Replace cutting edges
- ▶ Finish installing snow tires

Sanitary Sewer

- ▶ Inventory current material and supplies on hand and develop a material procurement list

Water

- Inventory current material and supplies on hand and develop a material procurement list
- Monthly testing and reports

Roads

- ▶ Plow roads
- ▶ Sand Roads
- ▶ Haul snow
- ▶ Patch Potholes –1 ton

Misc:

Construction Projects

- ▶ SCR Phase 4 Culvert Bridges
 - Contractor Project paper work and asbuilts are complete.
 - Engineer – Working on the final sign off and contract finalization. Project will be 100% completed by 12-31-2016
- ▶ Well House Electrical and emergency generator –
 - MTU – Load tested W/ww and Harbor generator
 - Moe and I fabricated a rack to hold 5 electrical leads for the new generator.
 - Project is on schedule and on budget.
 - 12-19-16 to 12-22-16 Electrical service transfer and commissioning.
 - 12-23-16 Project Final Completion

Notes from the PW Director This month I have focused my attention on the following areas:

- ▶ Applied for ADEC Water / Waste Water – Loan PSB
 - City Manager to update council
- ▶ Flap Grant SCR design and permitting

- City Manager to update council
- ▶ Tidal Basin:
 - Emergency Pumps
 - Called off rent 11-17-16
 - PW has worked out a deal with the Rain for rent to have the pump and hose stored at the City Shop at no cost. The equipment is readily available for our use if the need arises.
 - City Manager is looking into solutions for a long term fix to the problem.
- ▶ Develop a list and procure materials and supplies to replenish city supplies. (annual restocking)
- ▶ PSB – Involved as requested
- ▶ Participated in the following meetings
 - Council Meeting
 - Staff Meetings
 - Planning and Zoning

Whittier Public Safety Facility Construction Project

Monthly Report: 20 December 2016

Prepared by Moe Zamarron, Project Manager

DESIGN:

Continuing electrical switch gear and distribution submittal reviews

A few issues with the mechanical submittal are being resolved

ON-SITE

Continuing to install siding panels, expect completion by 23 December

Outdoor stair structure has arrived on site

Floor drains for the apparatus bays have arrived on site

Boilers, hoods and pex tubing are in storage at the subcontractor's facilities

The electrical supplier (Graybar) has received the electrical components and are in storage



THE CITY OF WHITTIER

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**PUBLIC MEETING
PLANNING COMMISSION
REGULAR MEETING
AND COMMUNITY ECONOMIC DEVELOPMENT
WEDNESDAY, NOVEMBER 2, 2016
Homeowners' Lounge, BTI Bldg.
5:00-7:00 p.m.**

MINUTES

1. CALL TO ORDER

Charlene Arneson called the meeting to order at 5:02 pm.

2. ROLL CALL

Commission members present: Charlene Arneson, Terry Bender, Ed Hedges, Jean Swingle and Dyanna Pratt

EXCUSE ABSENT MEMBERS

MOTION: Dyanna Pratt made a motion to excuse Terry Bender from tonight's meeting.

SECOND: Ed Hedges

DISCUSSION: None

VOTE: Charlene Arneson, No; Dyanna Pratt, No; Ed Hedges, No; Jean Swingle, No.

(Terry Bender joined the meeting at 5:30)

ADMINISTRATION PRESENT

Mark Lynch, City Manager, Jennifer Rogers, City Clerk and Naelene Matsumiya,
Office Assistant

PUBLIC PRESENT

Sue Cogswell, Victor Shen, Joe Shen, Monty Irvin, Dave Goldstein, Gerda and George
Weimire, June Miller, Dave Dickason, Perry Solmonson

3. APPROVAL OF REGULAR MEETING AGENDA

MOTION: Ed Hedges made a motion to approve the November 2, 2016 Public Meeting
Agenda as is.

SECOND: Jean Swingle

VOTE: Unanimous

DISCUSSION: None

4. APPROVAL OF MINUTES

MOTION: Dyanna Pratt made a motion to approve the Regular Meeting Minutes of October 5, 2016 as is.

SECOND: Jean Swingle

VOTE: Unanimous

DISCUSSION: None

5. ADMINISTRATIVE REPORTS

City Manager, Mark Lynch, had nothing new to report.

6. NEW BUSINESS:

A. Re-organization of Commission

MOTION: Charlene Arneson made a motion to close the Planning and Zoning for the year 2016 and open it up for 2017

SECOND: Dyanna Pratt

DISCUSSION: None

VOTE: Passed Unanimously

Naelene Matsumiya asked for nominations for the Chair.

MOTION: Dyanna Pratt nominated Charlene Arneson.

SECOND : Jean Swingle

DISCUSSION: Charlene Arneson was declared Chair for the 2017 Planning & Zoning Commission.

VOTE: Passed Unanimously

Naelene Matsumiya turned the meeting back to Charlene Arneson. Charlene Arneson asked for nominations for the Vice-Chair.

MOTION: Jean Swingle nominated Dyanna Pratt for the Vice-Chair.

SECOND : Ed Hedges.

DISCUSSION: Dyanna Pratt was declared Vice-Chair for the 2017 Planning & Zoning Commission.

VOTE: Passed Unanimously

B. Community Economic Development Presentation led by Sue Cogswell

City Manager, Mark Lynch, and presentation leader, Sue Cogswell reviewed the Community Economic Development Plan and made changes and corrections as they presented it via projector.

7. NON-ACTION BUSINESS

A. Open Space Zoning

Commission members discussed the upcoming hearings for the December 7, 2016 meeting and established a quorum.

B. Tidelands

Charlene Arneson stated that we still own the tidelands.

C. Tank Farm

Nothing new to report

D. Land Trades with Alaska Railroad

Nothing new to report

E. Hazard Mitigation Plan

Charlene reported that she had a conversation with Scott Nelson and asked if we needed to have an addendum to add the new city building to the hazard mitigation plan. He replied that an addendum was not necessary, but added that it should be included in the next hazard mitigation update.

F. Smitty's Cove Park

City Manager, Mark Lynch, brought Ordinance #539-08 to attention. He said he had explained to the council that there was an Ordinance that was passed in 2008 which banned anchoring of vessels in Smitty's Cove; however, it was done as a "Non-code Ordinance" and is not officially in our code. He explained that Ordinance #539-08 is now in our City Code.

G. Whittier Historic Railroad Plaza

Mark Lynch reported the work is basically done for the winter.

H. CVP Fund Projects

Nothing new to report

I. Shotgun Cove Land

Nothing new to report

8. CORRESPONDENCE

None

9. PUBLIC COMMENT

None

10. COMMISSION COMMENTS

Jean Swingle asked if the postings for the blasting were from Joe Shen. Charlene confirmed that it was for Joe's property. Commission members conversed about the properties Joe Shen is re-zoning. Jean Swingle stated that she is concerned about the blasting being so close to the BTI without further discussion. Charlene clarified that The City has oversight of the construction via Scott Korbe. Mark Lynch stated that City code gives Scott jurisdiction over it.

11. NEXT MEETING AGENDA ITEMS:

Charlene said they'd cover agenda items as the upcoming meeting approaches.

12. NEXT MEETING ATTENDANCE PLANS: December 7, 2016

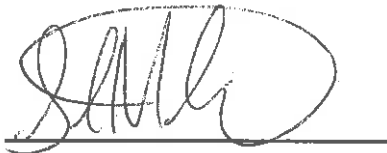
MOTION: Ed Hedges made a motion to adjourn the meeting.

SECOND: Dyanna Pratt

VOTE: Unanimous

13. ADJOURNMENT: Charlene Arneson adjourned the meeting at 7:04 pm.

ATTEST:



Naelene Matsumiya
Office Assistant



Charlene Arneson
Commission Chairperson

**CITY OF WHITTIER, ALASKA
ORDINANCE #10-2016**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WHITTIER, ALASKA
AMENDING WHITTIER MUNICIPAL CODE SECTIONS 2.54.020(B) TO AMEND
MEETING FREQUENCY OF THE PORT AND HARBOR COMMISSION.**

WHEREAS, the City of Whittier is the municipal government for Whittier, Alaska; and

WHEREAS, the Port & Harbor Commission is currently required to meet once each month; and

WHEREAS, the Port & Harbor Commission has determined that the needs of the City and Harbor would be better served by having the Commission meet four times annually; and

WHEREAS, the Whittier City Council has determined that the Port and Harbor Commission shall hold four meetings annually. These meetings will be held at a date, time and place as set by the Commission, with meetings occurring in March, April, September, and October; and

WHEREAS, the Commission shall hold Special meetings at the discretion of the chairperson or by a majority of the voting members.

THE WHITTIER CITY COUNCIL HEREBY ORDAINS;

Section 1: Classification. This ordinance is general and permanent in nature and shall become a part of the Whittier Municipal Code.

Section 2: Amendment of Chapter 2.54.020 (B). Whittier Municipal Code Chapter 2.54.020 (B) is hereby amended to read as follows [new language is underlined]:

The Commission shall establish rules of procedure providing that there be regular meetings of the Commission. The Port and Harbor Commission shall hold ~~one meeting each month, or as needed,~~ four meetings annually, during the months of March, April, September and October at a date, time and place as set by the Commission. Special meetings may be called at the discretion of the chairperson or by a majority of the voting members of the Commission. No member shall miss more than three consecutive regular meetings or three unexcused meetings. All meetings of the Commission shall be open to the public.

Section 3: Effective Date. This ordinance is effective immediately upon adoption.

PASSED AND ADOPTED by a duly constituted quorum of the Whittier City Council this 17th day of January, 2017.

Introduction date: December 20, 2016
Public Hearing: January 17, 2017

ATTEST:

Jennifer Rogers
City Clerk

Daniel Blair
Mayor

Ayes:
Nays:
Absent:
Abstain:

**CITY OF WHITTIER
ORDINANCE # 08-2016**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WHITTIER, ALASKA, AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH THE MUNICIPALITY OF ANCHORAGE IN WHICH THE WHITTIER POLICE DEPARTMENT AGREES TO PROVIDE POLICE SERVICES TO THE GIRDWOOD VALLEY SERVICE AREA JANUARY 1, 2017 THROUGH DECEMBER 31, 2019 FOR \$618,000 PER YEAR AS ADJUSTED BY THE PERCENTAGE INCREASE OR DECREASE IN THE CONSUMER PRICE INDEX

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Whittier, that:

Section 1. Pursuant to Whittier Municipal Code 3.32.130, the City Manager is hereby authorized and directed to enter into an agreement with the Municipality of Anchorage to provide police services to the GVSA in substantially the same form as the draft agreement (the "Agreement") attached as Exhibit A to this ordinance. The form and content of the Agreement now before this meeting is in all respects authorized, approved and confirmed by this ordinance, and the City Manager is hereby authorized, empowered and directed to execute and deliver the Agreement on behalf of the City, in substantially the same form and content attached as Exhibit A but with such changes, modifications, additions and deletions therein as the City Manager shall deem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of approval of any and all changes, modifications, additions or deletions therein from the form and content of said Agreement now before this meeting, and from and after the execution and delivery of said documents, the City Manager hereby is authorized, empowered and directed to do all acts and things and to execute all documents as may be necessary to carry out and comply with the provisions of the Agreement as executed.

Section 2. This ordinance is of a non-permanent nature.

Section 3. This ordinance is enacted in accordance with Whittier Municipal Code sections 2.08.290 and 2.08.300 and shall take effect immediately upon adoption.

PASSED AND APPROVED by a duly constituted quorum of the Whittier City Council on this _____ day of _____, 2016.

Introduction Date: October 18, 2016

Public Hearing Date: December 20, 2016

ATTEST:

Jennifer Rogers, City Clerk

Daniel Blair, Mayor

Ayes:

Nays:

Absent:

Abstain:

GIRDWOOD POLICE SERVICES CONTRACT

THIS AGREEMENT, is made and entered into this ____ day of December 2016, by and between the Municipality of Anchorage, a State of Alaska municipal corporation (“Anchorage”), on behalf of the Girdwood Valley Service Area (“GVSA”), and Whittier, Alaska, a municipal corporation (“Whittier” or “Contractor”). This Agreement shall be referred to as the Agreement or the Contract throughout this document.

WHEREAS, the GVSA wishes to procure police services furnished by the Whittier Police Department for a period of three (3) years, subject to the termination provisions herein contained;

NOW, THEREFORE, in consideration of the mutual obligations and promises herein, Anchorage and Whittier agree as follows:

This Contract consists of:

- A. Part I, consisting of 11 sections of Special Provisions;
- B. Part II, consisting of 11 sections of General Provisions;
- C. Appendix A – Scope of Services, consisting of 3 pages;
- D. Appendix B – Statement of 911 Services, consisting of 2 pages; and
- E. Appendix C – Summary, by Category, of Estimated First-Year Expenses, consisting of 1 page.

PART I SPECIAL PROVISIONS

Part I of this Agreement consists of those provisions that are listed below by section number and title.

- Section 1. Definitions
- Section 2. Scope of Services
- Section 3. Time for Performance
- Section 4. Compensation; Method of Payment
- Section 5. Termination of the Contractor's Services
- Section 6. Duties Upon Termination
- Section 7. Insurance
- Section 8. Assignments
- Section 9. *Omitted.*
- Section 10. Notices
- Section 11. Force Majeure

Section 1. Definitions.

A. "Administrator" means the Director of the Municipality of Anchorage Department of Public Works, or the Director's designee.

B. "Anchorage" means the Municipality of Anchorage, including the GVSA as defined in subsection D of this section.

C. "Contractor" means Whittier.

D. "GVSA" means the area currently depicted as the Girdwood Valley Service Area in Anchorage Municipal Code 27.30.700.

Section 2. Scope of Services.

A. The Contractor shall perform professional services in accordance with Appendices A and B, which is attached hereto and incorporated in this section by reference.

B. If, while providing service under this Contract and within the GVSA, Contractor is unable to access the Alaska Public Safety Information Network, an officer of the Whittier Police Department for whom the Alaska Department of Public Safety has assigned an APSIN access code may place a Call for Information to the Anchorage Police Department. For purposes of this Contract, a Call for Information is a voice or radio call made by an officer of the Whittier Police Department (for whom the Alaska Department of Public Safety has assigned an APSIN access code) to APD Dispatch, in which the officer of the Whittier Police Department will for the sole purpose of engaging in criminal justice activity, as that term is defined in AS 12.62.900, provide APD Dispatch information about an individual (e.g. driver's license number, social security number, or name and date of birth) and/or information about a vehicle (e.g. license plate number); and APD Dispatch will, as a courtesy and without warranty as to accuracy or suitability for any purpose, query the Alaska Public Safety Information Network and provide to the officer of the Whittier Police Department information related to the queried individual (including information related to wants, warrants and, upon express request from the officer, past criminal history) or to the queried vehicle (including information related to whether the vehicle is believed to be stolen), as the case may be. Whittier expressly disclaims and waives any right to bring a claim against Anchorage, APD or APD Dispatch related to the accuracy or completeness of information provided in a Call for Information.

C. Anchorage shall not be responsible for any costs associated with additional services unless Anchorage has consented in writing to the performance of additional services and agreed to pay costs associated with such services in its written consent. Contractor shall not perform additional services under this Contract unless such services arise from and relate to this Contract.

Section 3. Time for Performance.

A. This Contract becomes effective when signed on behalf of Anchorage and Whittier.

B. The Contractor shall commence performance of the work described in Section 2 of this Contract for a period of thirty-six (36) months, more specifically described in Appendix A to this Contract and subject to section 5, below.

Section 4. Compensation; Method of Payment.

A. Subject to the Contractor's satisfactory performance and subsection D, Anchorage shall pay the Contractor FIFTY ONE THOUSAND FIVE HUNDRED DOLLARS (\$51,500) monthly, not less than 25 days in advance of services rendered, provided the first payment shall be made not less than 20 days after execution of this Contract. For the avoidance of doubt, monthly payments made pursuant to this Contract, subject to the Contractor's satisfactory performance, shall annually total SIX HUNDRED EIGHTEEN THOUSAND DOLLARS (\$618,000), as possibly adjusted by subsection D.

B. Subject to the Contractor's satisfactory performance, Anchorage shall also reimburse Contractor for not more than 10 Calls for Information, as defined in section 2.B, per month, at not more than \$25 per call.

C. The Contractor is not entitled to any compensation under this Contract, other than as expressly provided for in this section. Anchorage is not entitled to any services other than as expressly provided for in section 2, above.

D. As a condition of payment, the Contractor shall have paid all municipal taxes currently due and owing by the Contractor.

E. *Annual Adjustment of Compensation.* Beginning on January 1, 2018, and annually on each January 1 thereafter for so long as this Contract remains in force, the compensation owed under subsection A shall increase or decrease by the percentage increase or decrease, if any, in the Consumer Price Index for All Urban Consumers, All Items, Anchorage, Alaska (1982-1984=100), as published by the U.S. Department of Labor, Bureau of Labor Statistics (hereafter "CPI-U"), between the figure reported for the second half of the immediately prior year and the figure reported for the second half of the year preceding the immediately prior year. In the event that CPI-U figures for Anchorage necessary to compute the annual adjustment required by this section have not been published by the time a monthly payment subject to adjustment under this section becomes due, Anchorage shall continue to make payments at the unadjusted level until such time as the CPI-U figures become available; after the CPI-U figures become available, Anchorage shall thereafter remit payments adjusted in accordance with this section, and any payments previously remitted for the year that were unadjusted due to the unavailability of the CPI-U figures shall be retroactively trued up by additional payment by Anchorage or refund by Whittier, as the case may be.

Section 5. Termination of the Contractor's Services.

The Contractor's services under Part I, Section 2 this Contract may be terminated:

- A. By mutual consent of the parties.
- B. For cause by either party where the other party fails in any material way to perform its obligations under this Contract. Termination under this subsection is subject to the condition that the terminating party notifies the other party of its intent to terminate, stating with reasonable specificity the grounds therefor and the other party fails to cure the default within thirty (30) days after receiving the notice.
- C. By Anchorage on not less than thirty (30) days' notice, in the event:
 - i. that Contractor requires the assistance of the Alaska State Troopers' Bureau of Investigation to adequately respond to major crimes including, but not limited to, homicide and sexual assaults; and
 - ii. Anchorage receives notice that the Alaska State Troopers' Bureau of Investigation will not provide such assistance to Contractor or will not provide such assistance without additional cost to Anchorage.
- D. For no cause with twelve (12) months' notice to the other party prior to termination.

Section 6. Duties Upon Termination.

- B. *Reserved.*
- B. If the Contractor's services are terminated, Anchorage shall pay the Contractor the reasonable value of the services satisfactorily rendered prior to termination. Except as otherwise provided in this contract, the reasonable value of the services rendered shall never exceed the monthly Contract rate for such services rendered prior to termination and any unpaid amount owed up to the date of termination. Contractor shall provide Anchorage with access, to the extent permitted by law and where access does not compromise any outstanding investigations or claims, to any finished or unfinished documents or materials including, but not limited to, police records, evidence in storage,

videotaped materials, photographs, phone records, and GVSA-specific social media accounts, prepared by the Contractor under this Contract.

C. If the Contractor's services are terminated for no cause by Anchorage, Anchorage will in addition to the reimbursement provided in paragraph 6B, reimburse Contractor for any unavoidable costs or fees incurred by Whittier subsequent to the termination arising from upgrades, improvements or purchases made by Whittier to service the GVSA under this Agreement. Anchorage will remit the reimbursement required by this subsection within thirty (30) days of receiving from Whittier notice to do so, together with supporting documentation; provided, Whittier shall in no event bill Anchorage for charges associated with services beyond Dec. 31, 2019, and Anchorage shall in no event be required under this subsection to pay more than \$2,500 per month each month through Dec. 31, 2019.

D. If the Contractor receives payments exceeding the amount to which it is entitled under this section, it shall remit the excess to the Administrator within ninety (90) days of receiving notice to do so and determining that the amount is in excess under the terms of the Contract.

E. The Contractor shall not be entitled to any compensation under this section until the Contractor has delivered to the Administrator all documents, records, work product, materials and equipment owned by Anchorage and requested by the Administrator.

F. If the Contractor's services are terminated, for whatever reason, the Contractor shall not claim any compensation under this Contract, other than that allowed under this Contract or otherwise agreed upon in writing by both parties.

G. Except as provided in this section, termination of the Contractor's services under Part I, Section 5 does not affect any other right or obligation of a party under this Contract.

Section 7. Insurance.

A. The Contractor shall maintain in good standing the insurance described in Subsection B of this section. Before rendering any services under the Contract, the Contractor shall furnish the Administrator with proof of the insurance in accordance with subsection B in a form acceptable to the Risk Manager for Anchorage.

B. The Contractor shall provide the following insurance:

1. Workers' compensation and employer's liability coverage in the amount of \$500,000 as required by Alaska law.
2. Commercial general liability, including contractual and personal injury coverage in the amounts of \$5,000,000 per occurrence, \$10,000,000 aggregate to include:

Premises Operations
Products and Completed Operations
Blanket Contractual
Broad Form Property Damage
Independent Contractors
Personal Injury

3. Commercial Automobile liability per occurrence in the amount of \$1,000,000, single limit to include owned, hired and non-owned.

C. Contractor shall provide Anchorage with not less than thirty (30) day's notice prior to cancelling any insurance policy required by this section.

D. Anchorage must be listed as an additional insured on all policies, except Workers' Compensation insurance.

E. General Liability and Automobile policies shall be endorsed to waive all rights of subrogation against the Municipality of Anchorage by reason of any payment made for claims under the above coverage.

Section 8. Assignments.

Unless otherwise allowed by this Contract or in writing by the Administrator, any assignment by the Contractor of its interest in any part of this Contract or any delegation of duties under this Contract shall be void, and an attempt by the Contractor to assign any part of its interest or delegate duties under this Contract shall give Anchorage the right to immediately terminate this Contract without any liability for work performed after the date of assignment.

Section 9. Omitted.

Section 10. Notices.

Any notice required pertaining to the subject matter of this Contract shall be either sent via facsimile (FAX) or mailed by prepaid first class registered or certified mail, return receipt requested to the following addresses:

Anchorage: Municipality of Anchorage
c/o Maury F. Robinson
Department of Public Works
P.O. Box 196650
Anchorage, AK 99519-6650
FAX: (907) 343-8088

Contractor: City of Whittier
c/o Chief Dave Schofield
P.O. Box 608
Whittier, AK 99693
FAX: (907) 472-2344

Notices are effective upon the earlier of receipt, proof of good transmission (facsimiles only), or five (5) days after proof of proper posting.

Section 11. Force Majeure.

A. Any failure to perform by either party due to force majeure shall not be deemed a violation or breach of this Contract.

B. As used in this Contract, force majeure means an act or event of substantial magnitude, beyond the control of the delayed party, which delays the completion of this Contract, including without limitation:

- 1 Strikes or work stoppages.

2. Any interruption, suspension or interference with services caused by acts of God, or acts of a public enemy, wars, blockades, insurrections, riots, arrests or restraints of governments and people, civil disturbances or similar occurrences, outside the control of Anchorage or Whittier; except that provision shall not be interpreted generally to excuse Whittier from responding to events, such as riots, civil disturbances, or similar occurrences, within GVSA that are of a nature to which a local police force would typically be expected to respond.

3. Order of court, administrative agencies or governmental officers with jurisdiction to issue such an order, other than those issued by Anchorage, GVSA, or Whittier.

PART II

GENERAL CONTRACT PROVISIONS

Part II of this Agreement consists of those provisions that are listed below by section number and title.

- Section 1. Relationship of Parties
- Section 2. Nondiscrimination
- Section 3. Permits, Laws and Taxes
- Section 4. Nonwaiver
- Section 5. Amendment
- Section 6. Jurisdiction; Choice of Law
- Section 7. Severability
- Section 8. Integration
- Section 9. Liability
- Section 10. Inspection and Retention of Records
- Section 11. Availability of Funds

Section 1. Relationship of Parties.

The Contractor shall perform its obligations hereunder as an independent contractor of Anchorage. Anchorage may administer the Contract and monitor the Contractor's compliance with its obligations hereunder. Anchorage shall not supervise or direct the Contractor other than as provided in this Contract.

Section 2. Nondiscrimination.

A. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, age, sex, or marital status or who is a "qualified individual with a disability" (as that phrase is defined in the Americans With Disabilities Act of 1990). The Contractor will take affirmative action to ensure that applicants are considered for employment and that employees are treated during employment without regard to their race, color, religion, or mental or physical impairment/disability, except that Contractor may consider an applicant or employee's mental or physical impairment/disability in determining if they are a "qualified individual with a disability" (as that phrase is defined in the American with Disabilities Act of 1990).

Such affirmative action shall be applied to actions including, without limitation, employment, upgrading, demotion or transfer, recruitment or recruiting advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. The Contractor agrees to post, in conspicuous places available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

B. The Contractor shall state, in all solicitations or advertisements for employees to work on Contract jobs, that Contractor is an equal opportunity employer.

C. The Contractor shall comply with any and all reporting requirements that may apply to it which the Anchorage Office of Equal Employment Opportunity Contract Compliance may establish by regulation.

D. The Contractor shall include the provisions of subsections A through C of this section in every subcontract or purchase order under this Contract, so as to be binding upon every such subcontractor or vendor of the Contractor under this Contract. Contractor shall not be required to amend or revise contracts with subcontractors or vendors executed prior to the Effective Date of the Contract to include subsections A through C of this section in such subcontract, vendor agreements or purchase orders under the Contract.

E. The Contractor shall comply with all applicable federal, state and municipal laws concerning the prohibition of discrimination including, but not limited to Title 5 and Title 7, Chapter 7.50 of the Anchorage Municipal Code.

Section 3. Permits, Laws and Taxes.

The Contractor shall acquire and maintain in good standing all permits, licenses and other entitlements necessary to its performance under this Contract. All actions taken by the Contractor under this Contract shall comply with all applicable statutes, ordinances, rules and regulations. The Contractor shall pay all applicable taxes from which it is not exempt pertaining to its performance under this Contract.

Section 4. Nonwaiver.

The failure of either party at any time to enforce a provision of this Contract shall in no way constitute a waiver of the provision, nor in any way affect the validity of this

Contract or any part hereof, or the right of such party thereafter to enforce each and every provision hereof.

Section 5. Amendment.

A. This Contract shall only be amended, modified or changed by a writing, executed by authorized representatives of the parties, with the same formality as this Contract was executed.

B. For the purposes of any amendment modification or change to the terms and conditions of this Contract, the only authorized representatives of the parties are:

Contractor: **Mark Lynch**
City Manager

Anchorage: **Michael K. Abbott**
Municipal Manager

C. Any attempt to amend, modify, or change this Contract by either an unauthorized representative or unauthorized means shall be void.

Section 6. Jurisdiction; Choice of Law.

Any civil action rising from this Contract shall be brought in the Superior Court for the Third Judicial District of the State of Alaska at Anchorage. The law of the State of Alaska shall govern the rights and obligations of the parties under this Contract.

Section 7. Severability.

Any provision of this Contract decreed invalid by a court of competent jurisdiction shall not invalidate the remaining provisions of the Contract.

Section 8. Integration.

This instrument and all appendices and amendments hereto embody the entire agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein; and this Contract shall supersede all previous

communications, representations or agreements, either oral or written, between the parties hereto.

Section 9. Liability.

A. The Contractor shall indemnify, defend, save and hold Anchorage (or Municipality) harmless from any and all claims, lawsuits or liability, including attorney fees and costs, allegedly arising from any wrongful or negligent act, error or omission of Contractor, Contractor's agents, employees, subcontractors or invitees, occurring during the course of, or as a result of the Contractor's, Contractor's agents, employees, contractors, subcontractors or invitees' performance pursuant to this Contract.

B. The Contractor shall indemnify, defend, save and hold Anchorage (or Municipality) harmless from any and all claims, lawsuits or liability, including attorney fees and costs, allegedly arising out of loss, damage or injury to persons or property, to the extent not attributable to any wrongful or negligent act, error or omission of Anchorage, to: (i) a Whittier Police Officer performing services pursuant to this Contract, or (ii) Whittier property used in the performance of services pursuant to this Contract. For purposes of this provision, the phrase "wrongful or negligent act, error or omission of Anchorage" shall not include Anchorage's selection, administration, or monitoring of Whittier's performance under this Contract, or in approving or accepting Whittier's work. All liabilities for salaries, wages, any other compensation, injury or sickness, employment taxes, and employment claims arising out of or stemming from an Officer's performance of services under this Contract shall be the responsibility of the Contractor.

C. Anchorage and Contractor shall each pay half of any fees and costs, including but not limited to reasonable attorney's fees (at rates typically paid by Contractor for similar work) and costs, arising out of or resulting from legal claims filed against Contractor or public records requests made of Contractor when those claims or requests (a) relate to this Contract or its performance and (b) intentionally harass or unduly burden Contractor. A decision maker appointed and employed by the State of Alaska's Office of Administrative Hearings (hereafter referred to as the "Hearing Officer") shall determine whether a claim or request (a) relate to this Contract or its performance and (b) was filed with the substantial intent of harassing or unduly burdening Contractor. The costs and fees associated with retaining the Hearing Officer shall be paid by Contractor but if the challenged claims or requests are found by the Hearing Officer to relate to this Contract or its performance and be intentionally harassing or unduly burdensome, Anchorage shall reimburse Contractor for half of the costs and fees for retaining the Hearing Officer. In the event that the Office of Administrative Hearings is unable to provide the services detailed

in this subsection, a hearing officer agreed upon by both parties shall be retained. The parties may mutually consent to waiving the Hearing Officer determination if the parties agree that it is more likely than not that a claim or request relates to this Contract or its performance and was brought or made to intentionally harass or unduly burden Contractor. Contract may elect to pay all costs associated with any claims or requests even if such claims or requests appear to qualify for cost-sharing under this subsection.

D. Nothing in this Agreement is intended to abrogate or limit either parties' ability to avail itself of any legal defenses it may have, including the doctrine of qualified immunity.

Section 10. Inspection and Retention of Records.

Every six (6) months from the effective date of this Contract, and upon request with reasonable notice, the Contractor shall submit such other information and reports relating to its activities under this Contract, to Anchorage, in such form and at such times as Anchorage may reasonably require subject to the limitations under law and in this section. The Contractor shall permit Anchorage to audit, examine and make copies of such records, and to make audits of all invoices, materials, payrolls, records of personnel and other data relating to all matters covered by this Contract to the extent permitted by law during regular business hours. Under no circumstances shall Contractor be required to create, compile, calculate or categorize records or information to meet a request made by Anchorage or any other entity or person. Anchorage may, at its option, permit the Contractor to submit its records to Anchorage in lieu of the retention requirements of this section. Nothing in this Agreement is intended to, or does, waive any rights or obligations under the Public Records laws contained in the Alaska Statutes.

Section 11. Availability of Funds.

To the extent that payments and performance under this Contract requires funds from future appropriations, payments and performance under this Contract are subject to such future appropriations. If sufficient funds are not appropriated for payments required under this Contract, this Contract shall terminate without penalty to either party and neither party shall be obligated to make payments or perform under this Contract beyond those which have previously been appropriated.

IN WITNESS WHEREOF, the parties have executed this Contract on the date and at the place shown below. This Agreement may be executed in counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single agreement.

MUNICIPALITY OF ANCHORAGE

Municipal Manager

Date: _____

CONTRACTOR

Name: _____

Title: _____

Date: _____

IRS Tax Identification No. _____

Tax Status: Taxable [] Non-Taxable []

APPENDIX A

~Scope of Work~

1. *Officers; Time of Performance.* Whittier will make available to the GVSA for response to police matters within the GVSA no less than two (2) sworn police officers (“Officers”) beginning January 1, 2017 at 12:01 a.m. and ending December 31, 2019 at 11:59 p.m. Both parties understand that Officers are not required to be present in the GVSA every hour of every day. Officers shall be available every hour of every day, except as otherwise provided in this Contract, to drive from Whittier to respond to requests for police services in the GVSA. Except as otherwise provided in this Contract, and as practicable within the discretion of the Whittier Chief of Police, Whittier will provide a minimum of three (3) physical patrols per day in the GVSA.
2. *Qualifications of Officers.* Officers shall:
 - a. Hold a valid police officer certificate from the Alaska Police Standards Council; or
 - b. Be actively working toward certification and
 - i. Meet the eligibility standards of 13 AAC 85.010(a) (requiring persons hired by a police department to be citizens, 21 years of age or older, of good moral character, in good medical and physical health, and with minimum educational qualifications) and .010(b) (requiring persons hired by a police department not to have certain disqualifying convictions, certain disqualifying license actions, or to have engaged in certain disqualifying activities related to controlled substances)
 - ii. Have attested and subscribed to the law enforcement Code of Ethics set out in 13 AAC 85.040(b)(5), and
 - iii. Have either successfully completed a basic police officer academy meeting the standards of 13 AAC 85.050, or be entitled to waiver and reciprocity under 13 AAC 85.060.

For the avoidance of doubt, no Officer may be provided to the GVSA who has been denied certification, or who has had his or her basic certification revoked, unless the

denial or revocation has been rescinded by the Alaska Police Standards Council or by the responsible licensing agency of the certificate-issuing jurisdiction.

3. *Substance of Work.* Whittier will provide general law enforcement services to the GVSA, as follows:
 - a. Whittier, as it deems appropriate, will enforce State law within GVSA
 - b. Officers will respond to calls for service within GVSA, 24 hours a day, 7 days a week
 - c. Officers will work with the State's District Attorney's Office and appear in Court, as needed to support legal proceedings
 - d. Officers will be under the exclusive supervision and control of Whittier
4. *Equipment.* Whittier, or its subcontractors, will supply all equipment necessary to fulfill the terms of this Contract.
5. *Prisoner Transport.* Whittier will transport to the Anchorage Jail the following individuals, if any, arrested by Officers providing service under this Contract:
 - a. All individuals arrested for felonies
 - b. All individuals arrested for crimes of domestic violence as defined in AS 18.66.990(3)
 - c. All individuals with outstanding warrants; and
 - d. All individuals arrested for misdemeanors for which the statewide bail schedule does not permit release on the individual's own recognizance.
6. *Other Individuals Requiring Transport.* Whittier will transport to a suitable facility in Anchorage, individuals within the GVSA, if any, for whom Whittier determines commitment proceedings should be initiated in accordance with Alaska Statutes title 47, including those that are mentally ill and as a result are likely to cause harm to themselves or others.

7. *Telecommunications.* Whittier shall maintain radio systems and any needed Alaska Land Mobile Radio Communications System agreements to permit radio interoperability with the Alaska State Troopers, Anchorage Fire Department, Girdwood Volunteer Fire Department, and the Anchorage Police Department to the same extent and with the same licenses and systems licensed or employed by Contractor on the day the Contract is executed.
8. *Public Safety Committee of Girdwood Board of Supervisors.* Whittier shall make a good faith effort to attend regularly scheduled meetings of the Public Safety Committee of the Girdwood Board of Supervisors. Anchorage anticipates that meetings of the Public Safety Committee will occur monthly, within the GVSA, after regularly scheduled business hours. Public Safety Committee meetings will provide a forum for communication between Whittier and the GVSA. Whittier will at least once annually provide the Public Safety Committee with statistical information regarding calls for service. The Public Safety Committee will exercise no control or direction over Whittier or any Officer; the Committee will meet for the purpose of receiving and exchanging information, and solely in advisory capacity.
9. *Description of Whittier's Allocation of Amounts Paid.* Not later than 30 days after January 1, 2018, and annually thereafter, Whittier shall provide Anchorage with at least a summary, with at least as much detail as the summary appended to this document as Appendix C, of how payments made to Whittier pursuant to this Contract were allocated by Whittier. Said summary shall, at a minimum, disclose to Anchorage the total amount of money that Whittier spent for purposes of fulfilling this Contract, for: (a) wages and benefits, and (b) equipment and supplies, and (c) any risk mitigation or contingency costs. The summary under this section shall not constitute a budget for services under this Contract nor shall Whittier be required to separately account for or itemize costs, fees or services that were expended, paid for and/or procured on behalf of the Whittier Police Department.
10. *Emergencies.* Both parties agree that Whittier will not be deemed to have breached this Contract if law enforcement services agreed upon in this Contract are unavailable due to an unanticipated and ongoing emergency within the GVSA or Whittier that requires immediate police attention. The need for police services shall be determined within the sole, reasonable discretion of the Whittier Police Chief.

APPENDIX B

~Statement of 911 Services~

At the time of execution of the Contract, Whittier receives 911 calls for service from land lines and cellular calls originating in Whittier, but also is capable of accepting calls forwarded from other federal, state, and municipal agencies. In Whittier, 911 calls are routed through the local telephone company, Telco, Inc., which routes the 911 calls to a line associated with a 10-digit number that rings simultaneously at several, separate locations, including:

- 1) The Whittier Police Station
- 2) The Police Chief's residence
- 3) The cell phones of all Whittier police officers

In Whittier, incoming 911 calls are not currently recorded. Whittier is upgrading the existing 911 system to record 911 calls and time stamp such calls.

For the GVSA, because APD is the primary Public Safety Answering Point (PSAP) for all of the Municipality of Anchorage, all 911 calls made from within the Municipality, including Girdwood, will initially come to APD. When APD Dispatch receives a 911 call from Girdwood where police response is requested, APD Dispatch will transfer the call to Whittier PD via the 10-digit phone number that rings when individuals call 911 in Whittier. This number will be programmed into APD's VESTA 911 phone system to facilitate a quick and easy transfer of the call.

APD Dispatch will receive Automatic Number Information (ANI) and Automatic Location Information (ALI) for the 911 call, but because Whittier is not a PSAP it will not receive this information directly; ANI/ALI is not the same as caller ID, so none of the information will transfer with the call. Per APD's current procedures, the first question that the APD call-taker will ask the caller is the location of the emergency. If APD determines that the call needs to be transferred to Whittier PD for response, the APD call-taker will remain on the line during the transfer. Per the NENA (National Emergency Number Association) Standard for the transfer of 911 calls to another agency, APD will remain on the line to ensure that Whittier PD has voice contact with the caller. APD will remain on the line long enough to determine that Whittier PD is able to determine a location of the emergency and the call-back number for the caller. In order to ensure that APD employees are not tied up on the phone any longer

than necessary, Whittier will obtain the location and call-back number of the caller at the very beginning of the call.

Should the call drop in transfer or in the event that Whittier is unable to make voice contact with the caller, the APD call-taker will provide to Whittier any information that they have – anything the caller told them as well as the ANI/ALI information displayed on their screen. Once this information has been relayed, APD will drop off the call and it will be the responsibility of Whittier PD to attempt to recall the caller.

APPENDIX C

~Summary, by Category, of Estimated First-Year Expenses~

Salary Wages and Benefits:	\$371,524
Supplies and Equipment:	\$155,671
Risk Mitigation/Contingencies:	\$90,804

DRAFT

**CITY OF WHITTIER, ALASKA
ORDINANCE # 09-2016**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WHITTIER, ALASKA
ADOPTING AN OPERATING AND CAPITAL BUDGET FOR THE FISCAL YEAR 2017
AND APPROPRIATING THE AMOUNT OF \$12,285,089 AS SUMMARIZED PURSUANT
TO THE FOLLOWING TABLE.**

FUND	REVENUES	EXPENSES	TRANSFERS	APPROPRIATION
GENERAL FUND	2,744,619	2,719,215	0	2,719,215
CRUISE SHIP TAX FUND	750,000	1,168,000	1,158,000	10,000
WATER/WASTWTR OPS	279,100	278,287	0	278,287
WATER/WASTWTR CAP	0	0	0	0
HARBOR OPERATIONS	1,366,175	1,172,581	0	1,172,581
HARBOR CAPITAL	165,000	165,000	0	165,000
RR STATION IMP FUND	261,571	261,571	0	261,571
COMMUNITY DEV	24,166	24,166	0	24,166
P SFTY BUILDING				
FROM CRUISE SHIP	2,000,000	2,000,000	0	2,000,000
FROM EXXON R.F.	100,000	100,000	0	100,000
FROM GENERAL F.	1,157,000	1,157,000	0	1,157,000
SHOTGUN COVE	4,397,269	4,397,269	0	4,397,269
	<u>\$13,244,900</u>	<u>\$13,443,089</u>	<u>\$1,158,000</u>	<u>\$12,285,089</u>

NOTE: For capital projects, Appropriations From Reserve Include

CRUISE SHIP TAX FUND	2,000,000	For Public Safety Building
EXXON R.F.	100,000	
GENERAL FUND	1,157,000	
Total From Reserve	<u>\$3,257,000</u>	

WHEREAS, the City of Whittier must annually adopt a budget of the expected revenues and expenditures to occur during the succeeding fiscal period.

NOW, THEREFORE, THE WHITTIER CITY COUNCIL ORDAINS that the City Council of the City of Whittier, Alaska, hereby adopts the City Operating and Capital Budgets and appropriates such funds for FY16, for the period of January 1, 2017 to December 31, 2017, in the amount of **\$12,285,089**.

ENACTED BY THE CITY COUNCIL OF THE CITY OF WHITTIER, this ____ day of , 2017

Introduced By: Mark Lynch
Introduction Date: December 6, 2016
Public Hearing: December 20, 2016

ATTEST:

Jennifer Rogers
City Clerk

Daniel Blair
Mayor

Ayes:
Nays:
Absent:
Abstain:

2017 Budget Proposed/Request						
ADMINISTRATION						
GENERAL FUND		2014	2015	2016	2016	2017
01-400-nnnn	Actual	Actual	Actual	Approved	Nov 4	Proposed
ADMIN EXPENSES						
01-400-6000	Salaries & Wages	233,073	272,388	275,242	220,734	244,968
01-400-6030	FICA/Medicare	4,223	7,365	4,008	3,477	3,552
01-400-6040	Worker's Comp.	3,214	2,761	1,774	2,262	1,360
01-400-6050	ESC	1,852	2,677	4,608	3,179	3,497
01-400-6060	Health, Life, Dis.	48,680	47,641	52,920	33,889	40,260
01-400-6070	PERS Retirement	98,328	75,086	80,773	40,848	53,893
01-400-6205	Advertising	2,772	1,536	2,100	1,712	2,500
01-400-6210	Condo Fees	5,200	5,630	10,643	8,000	11,319
01-400-6212	Condo Maintenance			3,000	3,587	3,000
01-400-6220	Bank Services Charges	7,584	10,745	4,000	4,051	10,000
01-400-6240	Community Support	645		500	0	500
01-400-6260	Dues & Subscriptions	2,726	1,735	1,800	1,764	1,800
01-400-6410	Insurance - Liability	33,093	43,852	20,112	11,461	2,299
01-400-6440	Insurance - Property	15,475	16,245	5,783	4,315	163
01-400-6540	Licenses & Permits	0	78	180	0	150
01-400-6541	Penalties & Fees	0	10	350	49	350
01-400-6565	Outside Contractors	12,944	3,899	15,000	8,106	15,000
01-400-6570	Physical Exams	0	48	250	126	250
01-400-6580	Postage	3,064	3,183	5,000	1,793	5,000
01-400-6600	Prof. Fees - Audit	34,995	55,239	39,000	28,361	39,000
01-400-6610	Prof. Fees - Accounting	119,703	72,992	120,000	7,650	12,000
01-400-6620	Prof. Fees - Appraisal	10,000	15,000	20,000	5,000	15,000
01-400-6625	Prof. Fees - Financial Software	0		45,000	34,875	45,000
01-400-6635	Prof. Fees - Computer Support	17,493	57,284	15,000	779	15,000
01-400-6636	Prof. Fees - Website Support	2,410	1,220	3,000	1,345	3,000
01-400-6645	Prof. Fees - Grant Assistance	25,922	16,333	30,000	0	30,000
01-400-6650	Prof. Fees - Legal	91,418	100,179	150,000	68,562	150,000
01-400-6675	Comprehensive Plan	0	0	20,000	250	20,000
01-400-6700	Publications & Subscriptions		105		75	0
01-400-6770	Travel, Training & Dev.	24,353	22,597	20,000	7,484	23,000
01-400-7100	Repairs - Building	202	240		0	0
01-400-7351	Equipment Maint. Agreements	7,047	1,722	8,600	3,548	8,600
01-400-7450	Repairs - Office Equipment	91	15	500	48	500
01-400-8550	Supplies - Office	8,762	4,730	7,500	3,915	7,500
01-400-8750	Supplies - Printing	801	255	1,000	540	1,000
01-400-9060	Utilities - Internet Service	9,071	8,087	10,000	5,817	10,000
01-400-9070	Utilities - Telephone	7,990	6,685	7,000	3,985	7,000
01-400-9100	Miscellaneous Expenses	601	1,988	1,000	974	2,000
01-400-9300	Project Development	38,889	29,894	35,000	31,762	35,000
	Total Operations Expense	680,634	869,423	1,001,611	553,306	823,481
CAPITAL EXPENDITURES						
01-910-9520	Capital Outlay - Equipment	11,479	887		0	
01-910-9530	Capital Outlay - Computer Equipment	5,742	1,263	5,000	1,025	1,000
01-910-9540	Capital Outlay - Land & Improv	0	0	0	0	0
	Total Capital Expenditures from Ops	20,222	2,150	5,000	1,025	1,000
01-400-9900	Inter Dept. Support	(155,474)	(117,018)	(176,438)	(158,910)	(164,528)
TOTAL ADMIN. EXPENSES		745,382	774,555	830,173	395,421	659,934
INTER-DEPT SUPPORT:						
50-800-9900	Water/Wastewater Fund	42,935	46,977	45,510	41,718	27,910
51-800-9900	Small Boat Harbor Fund	105,483	126,848	130,928	120,109	136,618
52-800-9900	Parking Fund	8,846	13,193	0		0
		157,264	187,018	176,438	161,827	164,528

2017 Budget Proposed/Request						
CITY COUNCIL						
GENERAL FUND		2014	2015	2016	2016	2017
01-401-nnnn		Actual	Actual	Approved	Nov 4	Proposed
CITY COUNCIL EXPENSES						
01-401-6240	Community Support	5,882	5,559	3,000	0	3,000
01-401-6280	Dues & Subscriptions	50	50	150	50	150
01-401-6325	Fireworks	12,500	12,000	12,500	12,500	12,500
01-401-6710	Public Relations	84	157	230	0	250
01-401-6770	Travel, Training & Dev.	13,061	1,876	10,000	1,239	10,000
01-401-6800	Council Chamber Imp.	1,266	0	40,000	200	40,000
01-401-8550	Supplies - Office	72	5	100	114	100
01-401-9070	Utilities - Telephone	54	385	400	22	400
01-401-9500	Lobbyist Fees	55,875	101,250	108,000	85,250	108,000
TOTAL CITY COUNCIL EXPENSES		88,863	121,282	174,400	99,375	174,400

2017 Budget Proposed/Request						
ELECTIONS						
GENERAL FUND		2014	2015	2016	2016	2017
01-420-nnnn		Actual	Actual	Approved	Nov 4	Proposed
ELECTIONS EXPENSES						
01-420-6100	Volunteer Support	678	683	1,200	522	1,200
01-420-6205	Advertising	450	450	600	0	600
01-420-6565	Outside Contractors	0			0	
TOTAL ELECTIONS EXPENSES		1,128	1,133	1,800	522	1,800

**2017 Budget Proposed/Request
PUBLIC SAFETY DEPARTMENT**

GENERAL FUND		2014	2015	2016	2016	2017
01-510-nnnn		Actual	Actual	Approved	Nov 4	Proposed
PUBLIC SAFETY EXPENSES						
01-510-6000	Salaries & Wages	379,179	347,375	354,198	318,660	589,791
01-510-6030	FICA/Medicare	8,286	10,959	8,540	8,277	9,816
01-510-6040	Worker's Comp.	31,167	39,680	21,220	22,838	29,978
01-510-6050	ESC	9,819	4,048	6,761	4,510	12,037
01-510-6060	Health, Life, Dis.	46,208	41,919	63,000	31,582	137,340
01-510-6070	PERS Retirement	145,356	152,152	70,482	55,173	130,128
01-510-6091	Uniform Allowance	1,720	1,280	2,300	1,430	4,600
01-510-6100	Volunteer Support	1,508	206	1,500	65	1,500
01-510-6205	Advertising	0	39	50	0	250
01-510-6210	Condo Fees	2,428	8,057	2,500	1,807	2,500
01-510-6280	Dues & Subscriptions	0	0	100	0	200
01-510-6410	Insurance - Liability	19,081	19,254	4,938	3,032	8,000
01-510-6420	Insurance - Auto	7,110	12,824	10,524	5,997	15,000
01-510-6440	Insurance - Property	0	0	289	851	1,637
01-510-6480	Insurance - Claims Deductible	0	0	10,000	0	15,000
01-510-6540	Licenses & Permits	75	115	100	20	200
01-510-6565	Outside Contractors	1,062	172	1,500	1,568	1,500
01-510-6570	Physical Exams	396	0	1,000	228	3,400
01-510-6580	Postage	35	193	200	62	400
01-510-6700	Publications	0	0	1,000	627	2,000
01-510-6735	Equipment Purchase	22,311	17,262	14,000	11,514	14,000
01-510-6761	Training - EMS SUPVSG MD	12,000	13,704	12,000	9,000	12,000
01-510-6770	Travel, Training & Dev.	7,442	3,501	9,000	7,648	16,000
01-510-7100	Building Maintenance	597	148	1,500	219	1,500
01-510-7150	Repairs - Communication Equipment	704	519	1,800	6,084	3,600
01-510-7200	Repairs - Computer System	248	451	500	1,363	1,000
01-510-7350	Repairs - Equipment	1,864	4,270	3,050	3,529	5,000
01-510-7400	Repairs - Vehicles	13,338	32,650	18,300	13,128	30,000
01-510-7750	Gas & Oil - Vehicles	19,250	15,700	22,500	10,407	32,000
01-510-8020	Supplies - Ammunition	1,450	1,188	1,200	0	2,500
01-510-8100	Supplies - Computers	879	2,099	750	783	1,500
01-510-8150	Supplies - Consumable	5,577	3,573	5,000	3,850	5,000
01-510-8200	Supplies - Copier	794	779		0	1,200
01-510-8550	Supplies - Office	2,728	3,219	3,500	707	4,000
01-510-8650	Supplies & Drugs Billable	5,301	2,830	4,800	3,972	4,800
01-510-8950	Supplies - Uniforms	11,084	3,967	10,700	4,129	12,000
01-510-9000	Utilities - Internet Service	10,246	9,409	15,000	8,380	21,000
01-510-9010	Utilities - Electricity	3,435	610	3,200	2,314	3,200
01-510-9040	Utilities - Heating Fuels	4,594	5,120	6,400	2,853	6,400
01-510-9070	Utilities - Telephone	16,086	14,475	14,000	7,770	18,000
01-510-9200	Grant Expenditures	1,848	0	2,000	0	2,000
	Total Operations Expense	794,987	773,748	709,412	554,387	1,161,974
CAPITAL EXPENDITURES						
01-510-9520	Capital Outlay - Equipment			0	0	28,833
	Capital Equipment Set aside					50,000
	Total Capital Expenditures	0	0	0	0	78,833
TOTAL PUBLIC SAFETY EXPENDITURES		794,987	773,748	709,412	554,387	1,240,808

2017 Budget Proposed/Request						
CLINIC						
GENERAL FUND		2014	2015	2016	2016	2017
01-535-nnnn	Actual	Actual	Actual	Approved	Nov 4	Proposed
CLINIC EXPENSES						
01-535-6210	Condo Fees	7,244	7,366	11,684	9,221	11,684
01-535-6211	Condo Maintenance	1,900		1,000	536	1,000
01-535-6440	Insurance - Property				0	99
01-535-7350	Repairs - Equipment	35	383	0	0	0
01-535-9000	Utilities - Internet/Cable	0	0	0	0	0
01-535-9070	Utilities - Telephone	0	0	0	0	0
01-535-9100	Miscellaneous Expenses	9,000	9,000	9,000	9,000	9,000
TOTAL CLINIC EXPENSES		18,179	16,749	21,684	18,757	21,782

2017 Budget Proposed/Request						
PROPERTY & FACILITIES						
GENERAL FUND		2014	2015	2016	2016	2017
01-700-nnnn	Act	Actual	Actual	Approved	Nov 4	Proposed
PROP. & FACILITIES EXPENSES						
01-700-6201	Lease Agreement - ARRC	0				
01-700-6210	Property & Facilities-Advertising	0				
01-700-6210	Condo Fees	13,957	15,875	5,407	6,045	5,669
01-700-6215	Condo Maintenance			1,000	1,668	1,000
01-700-6735	Equipment - Property & Facilities	0	640		0	
01-700-7100	Repairs - Buildings	290	14	5,000	65	5,000
01-700-9000	Utilities - Internet Service	1,031	1,107	1,500	1,555	2,000
TOTAL PROPERTIES & FACILITIES		15,278	17,635	12,907	9,352	13,669

2017 Budget Proposed/Request						
PUBLIC WORKS						
GENERAL FUND		2014	2015	2016	2016	2017
01-600-nnnn		Actual	Actual	Approved	Nov 4	Proposed
PUBLIC WORKS EXPENSES						
01-600-6000	Salaries & Wages	111,296	109,885	153,694	93,110	256,665
01-600-6030	FICA/Medicare	1,508	1,529	5,205	1,856	3,739
01-600-6040	Worker's Comp.	9,802	15,335	6,548	7,047	10,887
01-600-6050	ESC	2,520	1,704	2,911	1,315	5,036
01-600-6060	Health, Life, Dis.	17,826	20,021	18,900	10,501	38,430
01-600-6070	PERS Retirement	48,367	99,841	23,283	20,314	45,886
01-600-6410	Insurance - Liability				0	2,408
01-600-6420	Insurance - Auto	2,767	2,512	3,870	2,205	2,839
01-600-6430	Insurance - Equipment				0	3,334
01-600-6440	Insurance - Property	0		12,154	7,526	1,680
01-600-6490	Insurance - Claims deductible	0	0	5,000	0	5,000
01-600-6540	Licenses & Fees	77	0	250	244	250
01-600-6565	Outside Contractors	73	75	10,000	0	10,000
01-600-6570	Physical Exams	121	324	500	206	500
01-600-6740	Shop equipment & tools	3,117	260	1,500	726	1,500
01-600-6770	Travel, Training & Dev.	759	833	2,000	376	2,000
01-600-7100	Repairs - Buildings	1,803	4,713	5,000	981	5,000
01-600-7210	Repairs - Roads	1,200	6,298	15,000	841	15,000
01-600-7350	Repairs - Equipment	20,019	28,342	30,000	930	30,000
01-600-7410	Repairs - Emergency				14,037	
01-600-7750	Gas & Oil - Vehicles	19,943	10,339	45,000	3,974	30,000
01-600-8550	Supplies - Office	55	0	500	0	500
01-600-8950	Uniforms	0	0	1,000	0	1,220
01-600-8970	Supplies - Safety	360	0	2,000	0	2,000
01-600-8995	Supplies & Materials	11,096	6,832	15,000	497	15,000
01-600-9000	Utilities - Internet Service	5,880	3,801	5,938	2,430	5,938
01-600-9010	Utilities - Electricity	27,471	30,890	31,500	21,123	31,500
01-600-9040	Utilities - Heating Fuel	20,671	23,039	35,000	12,569	35,000
01-600-9050	Utilities - Sanitation		1,744		0	
01-600-9070	Utilities - Telephone	2,189	3,044	2,500	1,883	2,500
01-600-9095	Utilities - Water/Sewer/Garbage	3,247	0	8,000	113	8,000
	Total Operations Expense	312,166	371,460	442,253	204,805	571,822
CAPITAL EXPENDITURES						
01-990-9991	Capital Outlay - Equipment	11,500		50,000	50,000	50,000
	Total Capital Expenditures from Ops	11,500	0	50,000	50,000	50,000
INTERDEPARTMENTAL SUPPORT						
01-600-9900	Inter Dept Support (snow removal)	(35,000)	(35,000)	(35,000)	(32,083)	(35,000)
	Harbor Rebuild - Additional Cost		(35,000)			
	Total Interdepartmental Support	(35,000)	(70,000)	(35,000)	(32,083)	(35,000)
TOTAL PUBLIC WORKS EXPENSES		288,666	301,460	457,253	222,722	586,822
INTER-DEPT SUPPORT:						
51-800-8900	Small Boat Harbor Fund	26,250	26,250	26,250	35,000	35,000
52-800-9900	Parking Fund	8,750	8,750	8,750		
	Harbor Rebuild		35,000		35,000	
		35,000	70,000	35,000	70,000	35,000

**2017 Budget Proposed/Request
ENTERPRISE FUND SUMMARY**

		2014 Actual	2015 Actual	2016 Request	2016 Nov 4	2017 Proposed
	WATER - WASTEWATER					
50-340-nnnn	REVENUE	520,060	472,772	455,100	228,124	279,100
50-800-nnnn	EXPENDITURES	730,075	318,534	408,287	277,252	278,287
	PROFIT (LOSS)	(210,015)	154,239	45,813	(49,128)	813
	SMALL BOAT HARBOR					
51-340-nnnn	REVENUE	979,202	1,075,703	1,309,275	1,316,645	1,366,175
51-800-nnnn	EXPENDITURES	1,964,861	1,206,191	1,294,479	1,063,676	1,180,581
	PROFIT (LOSS)	(985,659)	(130,488)	14,796	252,969	185,594

2017 Budget Proposed/Request						
WATER - WASTEWATER FUND						
50-800-XXXX		2014	2015	2016	2016	2017
		Actual	Actual	Approved	Nov 4	Proposed
REVENUE						
50-360-4020	PERS On-behalf	43,137	0		0	
50-360-4240	Equipment Rental		0		0	
50-340-4300	Water Service Charges	297,059	291,465	295,000	156,735	190,000
50-340-4350	Sewer Service Charges	179,772	178,588	155,000	61,535	85,000
50-340-4500	Permit Fees	0	0	100	0	100
50-360-4901	Interest on Bank Accounts	93	283	5,000	3,501	4,000
50-360-4910	Miscellaneous Income	0	2,437		6,353	
	Total Water & Wastewater Revenue	520,060	472,772	455,100	228,124	279,100
WATER & WASTEWATER EXPENSES						
50-800-6000	Salaries & Wages	138,743	145,098	171,828	134,895	98,659
50-800-6030	FICA/Medicare	1,983	2,111	2,491	1,955	1,436
50-800-6040	Worker's Comp.	10,032	9,124	7,197	7,436	2,756
50-800-6050	ESC	5,068	1,631	2,775	1,883	1,955
50-800-6060	Health, Life, Dis.	28,188	30,021	33,390	24,103	15,750
50-800-6070	PERS Retirement	74,310	31,316	37,802	29,172	21,705
50-800-6270	Depreciation	321,674			0	
50-800-6410	Insurance - Liability		0	1,469	837	928
50-800-6420	Insurance - Auto	1,162	1,162	2,025	1,154	2,047
50-800-6430	Insurance - Equipment				0	202
50-800-6440	Insurance - Property				0	2,673
50-800-6490	Insurance - Claims Deductible	0	0	5,000	0	5,000
50-800-6540	Licenses & Permits	160	1,528	1,400	220	1,400
50-800-6565	Outside Contractors	34,220	0	10,000	0	10,000
50-800-6570	Physical Exams	0	0	500	0	500
50-800-6580	Postage	103	63	250	193	250
50-800-6740	Small Tools	1,882	245	2,500	120	2,500
50-800-6750	Testing Water/Sewer	6,403	3,236	5,000	4,505	5,000
50-800-6770	Travel, Training & Dev.	2,683	3,190	5,000	305	5,000
50-800-7100	Repairs - Building	660	0	5,000	17	5,000
50-800-7350	Repairs - Equipment	9,665	3,148	8,000	2,347	8,000
50-800-7650	Repairs - System	1,410	1,885	5,000	934	5,000
50-800-7750	Gas & Oil - Vehicles	2,779	2,248	3,500	1,049	3,500
50-800-8550	Supplies - Office	48	0	500	167	500
50-800-8950	Uniforms	0	0	400	0	380
50-800-8970	Supplies - Safety	1,184	1,378	2,500	0	2,500
50-800-8995	Supplies & Materials	4,745	510	4,000	0	4,000
50-800-9000	Utilities - Internet	0	0	0	0	0
50-800-9010	Utilities - Electricity	30,494	23,442	32,250	18,986	32,250
50-800-9040	Utilities - Heating Fuel	9,430	9,737	13,500	5,454	11,000
50-800-9070	Utilities - Telephones	350	483	500	12	487
50-800-9900	Inter Dept Support	42,935	46,877	45,510	41,718	27,910
	Total Operations Expense	730,075	318,534	409,287	277,252	278,287
CAPITAL EXPENDITURES						
	Transfer In from W-WW Reserve			(495,000)		
50-900-9580	Capital Outlay - W/WW	0		495,000	195,205	
	Total Capital Expenditures from Ops	0	0	0	0	0
TOTAL WATER & WASTEWATER EXPENSE		730,075	318,534	409,287	277,252	278,287
WATER - WASTEWATER FUND REVENUE LESS EXPENSES		(210,015)	154,239	45,813	(49,128)	813

2017 Budget Proposed/Request						
HARBOR FUND						
51-800-nnnn		2014	2015	2016	2016	2017
		Actual	Actual	Approved	Nov 4	Proposed
CHARGES FOR SERVICES						
51-340-4251	User Fees & Permits	32	30	75	-	75
51-340-4401	Moorage - Preferential	349,179	389,615	420,000	562,808	550,000
51-340-4402	Moorage - Transient	409,690	454,948	440,000	305,002	350,000
51-340-4403	Boat Lift Fees	14,804	12,189	13,000	10,910	10,000
51-340-4404	Utility Fees	44,081	51,855	60,000	22,882	60,000
51-340-4406	Wharfage Fees (includes hoist)	11,889	25,304	10,000	10,312	10,000
51-340-4407	Vessel tow fees	375	713	500	2,338	500
51-340-4408	Used oil collection fee	1,335	2,340	1,200	1,496	1,200
51-340-4409	Waiting List Fees	17,700	4,200	18,000	15,850	17,000
51-340-4410	Pump Out Fees	600	1,500	500	1,571	1,000
51-340-4411	Launch Fees	92,510	120,167	100,000	117,626	115,000
51-340-4412	Showers	2,976	2,706	2,500	2,684	2,500
51-340-4413	Grid	1,128	824	1,000	10,841	1,000
51-340-4414	Vessel Maintenance			6,000	347	500
51-340-4415	Dry Storage Fees	6,542	2,226	4,000	1,925	3,000
51-340-4416	Parking - Annual			73,000	52,800	60,000
51-340-4418	User fees	5,860	7,087	4,000	24	
51-340-4426	Parking - Daily			60,000	80,280	75,000
51-340-4440	Equipment Rental				-	
51-340-4445	Misc. Services			1,000	77	1,000
TOTAL CHARGES FOR SERVICES		979,202	1,075,703	1,213,775	1,199,730	1,257,775
LEASES						
51-345-4512	Lease Income	155,101	57,930	66,000	64,246	66,000
51-345-4515	Garbage Revenue					2,400
TOTAL LEASES		155,101	57,930	66,000	64,246	68,400
MISCELLANEOUS						
51-360-4020	PERS On-Behalf	65,887	60,436			
51-360-4417	Fuel Float Income	27,392	31,849	20,000	30,987	20,000
51-360-4419	SERVS Reimbursement Travel	865	272			
51-360-4430	Camping	4,761			11,279	11,000
51-360-4900	Late Fees on A/R	(484)	48	4,000	-	4,000
51-360-4901	Interest on Investments		253	5,000	3,501	5,000
51-360-4910	Misc. Revenue				6,901	
51-360-4990	Undistributed Revenue					
TOTAL MISCELLANEOUS		98,520	92,858	29,000	52,669	40,000
RESALE ITEMS						
51-365-4414	Resale Items	139	-	500	-	
TOTAL RESALE ITEMS		139	-	500	-	-
OTHER REVENUE						
51-390-4991	Transfer From CVPT Fund	401,036	466,808		-	
51-390-4955	Surplus Sales					
TOTAL OTHER REVENUE		401,036	2,500	-	-	-
TOTAL FUND REVENUE		1,633,998	1,228,991	1,309,275	1,316,645	1,366,175

HARBOR FUND						
51-800-nnnn		2014	2015	2016	2016	2017
		Actual	Actual	Approved	Nov 4	Proposed
HARBOR EXPENSES						
51-800-6000	Salaries & Wages	367,709	376,815	461,555	345,400	444,338
51-800-6030	FICA/Medicare	10,898	11,650	11,624	10,041	11,299
51-800-6040	Worker's Comp.	33,734	35,333	15,949	17,408	11,968
51-800-6050	ESC	12,453	5,144	10,391	8,031	9,577
51-800-6060	Health, Life, Dis.	65,825	69,124	94,500	58,475	71,760
51-800-6070	PERS Retirement	118,227	116,630	84,080	58,832	80,542
51-800-6200	Administration Indirect	-	-	-	-	-
51-800-6205	Advertising	293	-	1,500	144	1,500
51-800-6215	Collection Expense	-	-	5,000	-	5,000
51-800-6220	Bank Service Charges	15,506	21,053	14,000	21,773	22,000
51-800-6260	Bad Debt Expense	5,674	1,473	10,000	-	10,000
51-800-6270	Depreciation	740,876	-	-	-	-
51-800-6280	Dues & Subscriptions	325	225	500	225	500
51-800-6410	Insurance - Liability	64,134	85,773	62,256	5,168	4,169
51-800-6420	Insurance - Auto	1,988	2,181	2,638	1,092	848
51-800-6430	Insurance - Equipment	-	-	-	-	332
51-800-6440	Insurance - Property	1,483	1,278	16,158	11,856	19,031
51-800-6490	Insurance Claims - Deductibles	-	-	5,000	-	5,000
51-800-6540	License & Permits	12	219	250	60	250
51-800-6565	Outside Contractors	11,032	26,238	25,000	2,412	25,000
51-800-6570	Physical Exams	809	480	500	394	500
51-800-6580	Postage	2,412	2,455	2,500	940	2,500
51-800-6635	Prof. Fees - Computer Support	2,324	6,934	5,000	3,594	5,000
51-800-6636	Prof. Fees - Website Support	2,264	800	2,500	1,205	2,500
51-800-6650	Prof. Fees - Legal	-	2,637	10,000	2,761	10,000
51-800-6700	Publications & Subscriptions	415	(180)	350	150	350
51-800-6730	Equipment Rental	315	301	2,000	989	2,000
51-800-6740	Small tools	2,697	5,221	3,000	113	3,000
51-800-6770	Travel, Training & Dev.	3,045	8,512	4,000	4,240	4,000
51-800-6780	Waste Disposal - EVOS	1,814	570	2,000	268	3,000
51-800-7100	Repairs - Buildings	7,039	6,166	3,000	1,463	2,500
51-800-7350	Repairs - Equipment	15,396	25,762	16,000	2,883	12,000
51-800-7400	Repairs - Vehicles	1,414	1,975	2,000	332	2,000
51-800-7500	Parking Lot Maintenance	-	-	1,500	1,585	1,500
51-800-7610	Repairs - Utilities	2,192	7,659	6,000	600	6,000
51-800-7750	Gas & Oil - Vehicles	10,128	5,851	9,300	1,986	4,000
51-800-7820	Repairs - Docks	1,266	398	20,000	3,334	7,000
51-800-8150	Supplies - Consumable	6,674	2,150	8,000	5,481	8,000
51-800-8151	Supplies - Consumable - SERVS	-	-	-	80	-
51-800-8200	Supplies - Parking	-	-	4,000	749	3,000
51-800-8400	Supplies - Fire Suppression	228	-	7,000	-	2,500
51-800-8550	Supplies - Office	5,343	6,485	6,000	590	6,000
51-800-8750	Supplies - Printing	1,283	1,597	1,500	-	1,500
51-800-8800	Supplies - Resale Items	-	451	500	-	500
51-800-8950	Supplies - Uniforms	-	-	2,000	1,476	2,000
51-800-8970	Supplies - Safety	2,345	1,625	2,000	806	2,000
51-800-9000	Utilities - Internet Service	5,880	3,801	7,000	2,661	7,000
51-800-9010	Utilities - Electricity	72,531	57,633	60,000	42,952	60,000
51-800-9040	Utilities - Heating Fuel	3,543	3,662	4,500	2,929	4,500
51-800-9050	Utilities - Solid Waste	-	79,931	80,000	88,407	90,000
51-800-9070	Utilities - Telephone	5,755	4,323	6,000	2,108	6,000
51-800-9095	Utilities - Water & Wastewater	90,117	19,458	25,000	1,142	25,000
51-800-9200	Harbor Rebuild Expenditures	-	-	-	-	-
51-800-9213	Harbor Emergency Repair	-	-	-	-	-
51-800-9510	Snow Removal Expense	-	-	35,000	29,167	35,000

HARBOR FUND		2014	2015	2016	2016	2017
51-800-nnnn		Actual	Actual	Approved	Nov 4	Proposed
51-800-8900	Inter Dept Support	130,187	126,848	130,928	120,109	136,818
	Total Operations Expense	1,893,764	1,146,245	1,289,479	864,194	1,180,581
CAPITAL EXPENDITURES						
	Transfer from Harbor Reserve			(270,000)		(165,000)
51-900-9510	Capital Outlay Building & Facilities			120,000	110,000	
51-900-9515	Capital Outlay Parking Meters		29,879	-	-	-
51-900-9520	Capital Outlay - Equipment	3,247	25,772	150,000	69,482	10,000
51-900-9530	Capital Outlay - Office Equipment	3,161	4,196	5,000	-	5,000
51-900-9540	Capital Exp - Emergency Repairs	64,690			-	
51-900-9550	Capital Exp - Head of Bay Project				100,000	150,000
	Total Capital Expenditures from Ops	71,097	59,946	5,000	199,482	-
TOTAL EXPENDITURES		1,964,861	1,206,191	1,294,479	1,063,676	1,180,581
HARBOR REVENUE LESS EXPENSES		(330,863)	22,789	14,796	252,969	185,584

**2017 Budget Proposed
GRANTS**

	2014 Actual	2015 Actual	2016 Approved	2016 Nov 4	2017 Proposed
FUND 22- Railroad Station Improvements					
REVENUES					
22-330-4000 Grant Revenue	311,429	280,817	280,817	280,817	261,571
TOTAL REVENUE	311,429	280,817	280,817	280,817	261,571
EXPENDITURES					
22-900-9200 Expenditures -10-DC-032	30,612	0	280,817	19,247	261,571
TOTAL EXPENSES	30,612	0	280,817	19,247	261,571
RAILROAD STATION IMPROVEMENT REVENUE LESS EXPENSE	280,817	280,817	0	261,571	(0)
ENDING FUND BALANCE	280,817	280,817	0	261,571	0

FUND 24- Community Projects Clinic Repairs & Remodel					
REVENUES					
24-330-4000 Grant Revenue	38,882	38,882	25,482	25,482	24,166
TOTAL REVENUE	38,882	38,882	25,482	25,482	24,166
EXPENDITURES					
24-900-9200 Expenditures -09-RR-022	0	13,400	25,482	1,316	24,166
TOTAL EXPENSES	0	13,400	25,482	1,316	24,166
CLINIC REPAIRS & REMODEL REVENUE LESS EXPENSE	38,882	25,482	(0)	24,166	(0)
ENDING FUND BALANCE	38,882	25,482	(0)	24,166	(0)

	2014 Actual	2015 Thru Oct	2016 Request	2015 Thru Oct	2016 Request
FUND 30 - Shotgun Cove Road Federal					
REVENUES					
82-801-4000 Grant Revenue	3,482,138	1,951,875	1,951,875	1,951,875	1,951,875
TOTAL REVENUE	3,482,138	1,951,875	1,951,875	1,951,875	1,951,875
EXPENDITURES					
30-820-9540 Capital Land Improvements	1,530,263	0	0	0	0
30-820-6840 Professional Fees					1,951,875
TOTAL EXPENSES	1,530,263	0	0	0	1,951,875

SHOTGUN COVE REVENUE LESS EXPENSE	1,951,875	1,951,875	1,951,875	1,951,875	0
ENDING FUND BALANCE	1,951,875	1,951,875	1,951,875	1,951,875	0

FUND 30 - Shotgun Cove Road 13-DC-508 Phase IV								
REVENUES								
30-320-4064	Grant Revenue DCCED	2,000,000	1,274,439	1,191,999	1,191,999	504,794		
	TOTAL REVENUE	2,000,000	1,274,439	1,191,999	1,191,999	504,794		
EXPENDITURES								
30-820-9204	Capitla Land Improvements	725,561	82,440	1,191,999	687,205	504,794		
	TOTAL EXPENSES	725,561	82,440	1,191,999	687,205	504,794		
SHOTGUN COVE REVENUE LESS EXPENSE		1,274,439	1,191,999	0	504,794	0		
ENDING FUND BALANCE		1,274,439	1,191,999	0	504,794	0		

FUND 30 - Shotgun Cove Road 15-DC-160						
REVENUES						
30-320-4070	Grant Revenue DCCED	2,000,000	2,000,000	1,940,600	1,940,600	1,940,600
	TOTAL REVENUE	2,000,000	2,000,000	1,940,600	1,940,600	1,940,600
EXPENDITURES						
30-820-9542	Capitla Land Improvements	0	0	0	0	0
	Professional Fees					1,940,600
	TOTAL EXPENSES		59,400	0	0	1,940,600
SHOTGUN COVE REVENUE LESS EXPENSE		2,000,000	1,940,600	1,940,600	1,940,600	0
ENDING FUND BALANCE		2,000,000	1,940,600	1,940,600	1,940,600	0

2017 Budget Proposed/Request

PS BUILDING FUND						
29-XXX-XXXX		2014	2015	2016	2016	2017
		Actual	Actual	Approved	Nov 4	Proposed
REVENUE						
29-330-4010	State Grant 15-RR-051	32,818	422,486	1,939,729	1,939,729	0
29-390-4982	From CVP			3,500,000	1,496,471	2,000,000
	From GF			920,000	0	1,157,000
	From Exxon F.			100,000	0	100,000
	Total PS Building Revenue	32,818	422,486	6,459,729	3,436,200	3,257,000

PS BUILDING EXPENSES						
	Architect & Engineering	32,818	422,486			
29-600-9200	Construction	0	0	6,492,347	3,436,200	3,256,948
TOTAL PROPERTIES & FACILITIES		32,818	422,486	6,492,347	3,436,200	3,256,948

**CITY OF WHITTIER
RESOLUTION #35-2016**

A RESOLUTION BY THE WHITTIER CITY COUNCIL AUTHORIZING THE CITY MANAGER TO SIGN AN ENGAGEMENT LETTER WITH BIRCH, HORTON, BITTNER AND CHEROT TO ACT AS BOND COUNSEL FOR SERIES 2017 HARBOR BOND ISSUE, AND TO PAY FEES AND EXPENSES UP TO \$17,000.

WHEREAS, the City of Whittier is renovating infrastructure within the City owner Harbor; and

WHEREAS, the City Council has authorized the next \$2.5 million in Harbor improvements via Resolution #34-2016; and

WHEREAS, the City Council has directed the City Manager to seek bonds to pay for part or all of the Harbor improvement project; and

WHEREAS, Birch, Horton, Bittner and Cherot is the City's current legal firm and has expertise acting as Bond Counsel; and

WHEREAS, Birch, Horton, Bittner and Cherot has proposed an engagement letter which includes a Bond Counsel Fee and expenses of up to \$17,000; and

WHEREAS, Whittier Municipal Code provides that procurement of professional services may be accomplished through sole source procurement methods; and

WHEREAS, the City Manager recommends that the City Council authorize the Manager to sign the proposed engagement letter with Birch, Horton, Bittner and Cherot for an amount of up to \$17,000.

NOW THEREFORE BE IT RESOLVED, THAT THE CITY COUNCIL AUTHORIZES THE CITY MANAGER TO SIGN THE ENGAGEMENT LETTER WITH BIRCH, HORTON, BITTNER AND CHEROT FOR PROFESSIONAL SERVICES AS BOND COUNSEL FOR 2017 SERIES A HARBOR BONDS, FOR AN AMOUNT OF UP TO \$17,000.

PASSED AND APPROVED by a duly constituted quorum of the Whittier City Council on this 20th day of December, 2016.

Introduced By: Mark Lynch-City Manager
Introduction Date: December 20, 2016

ATTEST:

Jennifer Rogers
City Clerk

Daniel Blair
Mayor

Ayes: Abstain:

Nays: Absent:



Birch Horton Bittner & Cherot
a professional corporation

December 14, 2016

VIA ELECTRONIC DELIVERY

Mr. Mark Lynch
City Manager
City of Whittier
P.O. Box 608
Whittier, AK 99693

RE: Proposed Issuance of \$6,500,000 City of Whittier Harbor Revenue Bonds, Series 2017A and 2017B

Dear Mark:

This letter sets forth the role we propose to serve and responsibilities we propose to assume as bond counsel in connection with the issuance of the above-referenced bonds (the "Bonds") by the City of Whittier (the "Issuer"). Bond counsel is engaged as a recognized expert whose primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of bonds.

As bond counsel, we will examine applicable law; prepare the resolutions authorizing and securing the Bonds (the "Resolutions") and other authorizing documents; consult with the parties to the transaction prior to the issuance of the Bonds; review certified proceedings; and undertake such additional duties as we deem necessary to render the opinion.

Subject to the completion of proceedings to our satisfaction, we will render our opinion that:

- (1) the Issuer is duly created and validly existing as a municipal corporation of the State of Alaska with authority to adopt the Resolutions, perform the agreements on its part contained therein, and issue the Bonds;
- (2) the Resolutions have been duly adopted by the Issuer and constitute valid and binding obligations of the Issuer enforceable upon the Issuer;
- (3) the Resolutions create a valid lien on the funds or assets pledged by the Resolutions for the security of the Bonds;

(4) the Bonds have been duly authorized, executed, and delivered by the Issuer and are valid and binding special obligations of the Issuer, payable solely from the sources provided therefor in the Resolutions; and

(5) the interest paid on the Bonds will be excluded from gross income for federal income tax purposes.

The opinion will be executed and delivered by us in written form on the date the Bonds are exchanged for their purchase price (the "Closing") and will be based on facts and law existing as of its date. Upon delivery of the opinion, our responsibilities as bond counsel will be concluded with respect to this financing; specifically, but without implied limitation, we do not undertake (unless separately engaged) to provide continuing advice to the Issuer or any other party concerning any actions necessary to assure that interest paid on the Bonds will continue to be excluded from gross income for federal income tax purposes.

In rendering the opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation.

In performing our services as bond counsel, our client will be the Issuer and we will represent its interest. We assume that other parties to the transaction will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction. Our representation of the Issuer does not alter our responsibility to render an objective opinion as bond counsel.

As bond counsel, we will not assume or undertake responsibility for the preparation of an Official Statement or any other disclosure document with respect to the Bonds, nor are we responsible for performing an independent investigation to determine the accuracy, completeness, or sufficiency of any such document. However, if a disclosure document will be adopted or approved by the Issuer, our responsibility will include the preparation or review of any description therein of: (i) Alaska and federal law pertinent to the validity of the Bonds and the tax treatment of interest paid thereon, (ii) the terms of the Bonds, and (iii) our opinion.

Based upon (i) our current understanding of the terms, structure, size, and schedule of the financing, including that the Bonds will be issued in two series on two different dates in 2017; (ii) the duties we will undertake pursuant to this letter; (iii) the time we anticipate devoting to the financing; and (iv) the responsibilities we assume, we estimate that our fee as bond counsel will be \$15,000.00. The fee will be payable in two installments; \$10,000 upon the Closing of the Series A Bonds and \$5,000 upon the Closing of the Series B Bonds. Such fee may vary (i) if the principal amount of Bonds actually issued differs significantly from the amount stated above, (ii) if material changes in the structure of the financing occur, or (iii) if unusual or unforeseen circumstances arise which require a significant increase in our time or responsibility. If at any time we believe that circumstances require an adjustment of our original fee estimate, we will consult with you. In addition, we will expect to be reimbursed for all out-of-pocket expenses, including travel costs, photocopying, deliveries, filing fees, and

other necessary office disbursements. We estimate that such out-of-pocket expenses for the issuance of each of the two series of the Bonds will be in the range of \$500.00 to \$1,000.00. Our fee is usually paid at the Closing out of Bond proceeds, and we customarily do not submit any statement until the Closing unless there is a substantial delay in completing the financing.

If the foregoing terms of this engagement are acceptable to you, please so indicate by signing and returning a copy of this letter, retaining the original for your files. We look forward to working with you.

Yours truly,

BIRCH HORTON BITTNER & CHEROT

Thomas F. Klinkner

TFK:lcj

ACCEPTED AND APPROVED this _____ day of December, 2016.

CITY OF WHITTIER

By: _____
Mark Lynch, City Manager

507456\12\00564829

**CITY OF WHITTIER
RESOLUTION NO. 36-2016**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHITTIER, ALASKA AUTHORIZING HARBOR REVENUE BONDS OF THE CITY TO BE ISSUED IN SERIES TO FINANCE HARBOR AND RELATED IMPROVEMENTS; CREATING A LIEN UPON COMMERCIAL PASSENGER VESSEL TAX PAYMENTS FROM THE STATE OF ALASKA AND NET REVENUE OF CITY HARBOR FACILITIES FOR THE PAYMENT OF THE BONDS; AND ESTABLISHING COVENANTS OF THE CITY RELATED TO THE BONDS.

WHEREAS, AS 29.47.250 provides that an election is not required to authorize the City to issue revenue bonds; and

WHEREAS, subject to annual appropriation by the legislature, the State of Alaska distributes funds from state commercial passenger vessel tax proceeds under AS 43.52.230(b) to the City, which the City shall use for port facilities, harbor infrastructure, and other services provided to commercial passenger vessels and the passengers on board those vessels; and

WHEREAS, the City owns and operates a harbor (as further defined in Section 1, the "Harbor") as a revenue-producing enterprise; and

WHEREAS, it is necessary and in the best interest of the City and its residents that the City now provide for the issuance of one or more series of revenue bonds to finance improvements to the Harbor and for any other purpose of the Harbor now or hereafter permitted by law.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Whittier that:

Section 1. Definitions. The following terms shall have the following meanings in this Master Resolution:

"Aggregate Annual Debt Service" means Annual Debt Service for all Outstanding Bonds.

"Annual Debt Service" means the total amount of Debt Service for any Bond or series of Bonds in any Fiscal Year or Base Period.

"Base Period" means the most recent Fiscal Year preceding the date of issuance of an additional series of Bonds for which an independent audit has been completed.

"Bond Bank" means the Alaska Municipal Bond Bank, a public corporation of the State of Alaska.

"Bond Register" means the registration books maintained by the Registrar as Bond registrar, which include the names and addresses of the owners or nominees of the owners of the Bonds.

"Bonds" means the bonds, notes or other evidences of indebtedness issued from time to time in series under authority of Section 3.

"City" means the City of Whittier, Alaska, a first class city organized and existing under the Constitution and laws of the State of Alaska.

"City Representative" means the City Manager, or such other person as may be designated from time to time by resolution of the Council.

"Consultant" means an independent professional consultant or consulting firm experienced in harbor matters appointed by the City to perform the duties of Consultant under this Master Resolution. For the purposes of delivering any certificate required by Section 5(b)(2) and making the calculation required by Section 5(b)(2), the term Consultant also shall include any independent public accounting firm appointed by the City to make such calculation or to provide such certificate.

"Costs of Construction" means all costs paid or incurred by the City in connection with the acquisition and construction of capital additions, improvements and betterments to and extensions of the Facilities, and the placing of the same in operation, including without limitation paying all or a portion of the interest on the series of Bonds or any portion thereof issued to finance the costs of such improvements during the period of construction of such improvements and for a period of time thereafter; paying amounts required to meet any reserve requirement for the fund or account established or maintained for such series of Bonds; paying or reimbursing the City or any fund thereof or any other person for expenses incident and properly allocable to the acquisition and construction of said improvements and the placing of the same in operation; and all other items of expense incident and properly allocable to the acquisition and construction of said additions and improvements, the financing of the same and the placing of the same in operation.

"Council" means the general legislative authority of the City, as the same may be constituted from time to time.

"Coverage Requirement" means Net Revenue equal to or greater than 125% of Aggregate Annual Debt Service.

"CPV Revenue" means commercial passenger vessel tax proceeds distributed to the City by the State of Alaska under AS 43.52.230(b) or any successor statute.

"Debt Service" means, for any period, with respect to any Bonds, an amount equal to (1) the principal amount of such Bonds due or subject to mandatory redemption during such period and for which no sinking fund installments have been established, (2) the amount of any payment required to be made during such period into any sinking fund established for the payment of any such Bonds, plus (3) all interest payable during such period on any such Bonds Outstanding and with respect to Bonds with mandatory sinking fund requirements, calculated on the assumption that mandatory sinking fund installments will be applied to the redemption or retirement of such Bonds on the date specified in the Series Resolution authorizing such Bonds.

"Facilities" means all equipment and all property, real and personal, or any interest therein, whether improved or unimproved, now or hereafter (for as long as any Bonds shall be Outstanding) owned, operated, used, leased or managed by the Harbor and which contribute in some measure to its Gross Revenue.

"Fiscal Year" means the fiscal year of the City, which currently is the 12-month period commencing on January 1 and ending the following December 31.

"Government Obligations" means obligations that are either (i) direct obligations of the United States of America or (ii) obligations of an agency or instrumentality of the United States of America the timely payment of the principal of and interest on which are unconditionally guaranteed by the United States of America.

"Gross Revenue" means (1) all income, receipts and revenue derived by or for the account of the Harbor from time to time from any source from the ownership, leasing or operation of the Facilities whatsoever; (2) all CPV Revenue; and (3) all earnings on any fund or account that is pledged to secure the Bonds. However, the following shall be excluded from Gross Revenue: (i) the proceeds of any borrowing by the City and the earnings thereon (other than earnings on proceeds deposited in reserve funds); (ii) proceeds of insurance or condemnation proceeds other than business interruption insurance; and (iii) income from investments irrevocably pledged to the payment of Bonds issued or to be defeased under any refunding bond plan of the Harbor.

"Harbor" means all harbor facilities located within the boundaries of the City that are owned or operated by the City, including without limitation all small boat harbor facilities and all other docks, wharves, adjacent uplands and structures thereon that are used for harbor purposes, as any of them may be added to, improved and extended, for as long as any of the Bonds are Outstanding.

"Harbor Revenue Fund" means the Harbor Enterprise Fund of the City.

"Master Resolution" means this Resolution No. 36-2016.

"Maximum Annual Debt Service" means, with respect to any Outstanding series of Bonds, the highest remaining Annual Debt Service for such series of Bonds.

"Net Revenue" means Gross Revenue less any part thereof that must be used to pay Operating Expenses.

"Operating Expenses" means the current expenses incurred for operation, maintenance or repair of the Facilities of a non-capital nature, and shall include without limitation labor and supply expenses that are properly chargeable to current operations, utility expenses, customer accounts expenses, administrative and general expenses, insurance premiums, lease rentals, legal and engineering expenses, payments to pension, retirement, group life insurance, health and hospitalization funds or other employee benefit funds that are properly chargeable to current operations, interest on customers' deposits, payroll tax expenses, and any other expenses required to be paid under the provisions of this Master Resolution or by law or permitted by standard

practices for public enterprises similar to the properties and business of the Harbor and applicable in the circumstances. Operating Expenses shall not include payments of taxes or assessments (or payments in lieu of taxes or assessments) to the City, payments with respect to judgments, any allowances for depreciation or amortization, or any principal, redemption price or purchase price of, or interest on, any obligations of the City incurred in connection with the Facilities and payable from Gross Revenue.

"Outstanding" means, as of any date, any Bonds theretofore issued except such Bonds deemed to be no longer Outstanding as provided in this Master Resolution.

"Parity Bonds" means any Bonds issued in the future under a Series Resolution which provides that such Bonds shall be on a parity of lien with other series of Bonds issued pursuant to this Master Resolution, as provided in Section 3.

"Rate Covenant" means the covenant of the City set forth in Section 6(a).

"Registered Owner" means the person named as the registered owner of a Bond in the Bond Register.

"Registrar" means the City Manager, or any person that the Council may appoint from time to time by resolution or by a Series Resolution, to act as registrar for one or more series of Bonds.

"Series Resolution" means a resolution authorizing the issuance of a series of Bonds, as such resolution may thereafter be amended or supplemented. Each Series Resolution shall be supplemental to this Master Resolution.

"2017A Bonds" means the City of Whittier, Alaska, Harbor Revenue Bonds, 2017A authorized by Resolution No. 37-2016.

Section 2. Priority of Use of Gross Revenue; Establishment of Reserve Fund or Accounts. The Gross Revenue shall be deposited in the Harbor Revenue Fund as collected. The Harbor Revenue Fund shall be held separate and apart from all other funds and accounts of the City, and the Gross Revenue deposited therein shall be used only for the following purposes and in the following order of priority:

First, to pay Operating Expenses not paid from other sources;

Second, on or before the fifteenth day of each month, to pay into the debt service fund or account for each series of Bonds (i) an amount equal to one-sixth of the next interest payment that is due on such Bonds to the extent that such payment is not to be made from the sale proceeds of such Bonds, plus the amount, if any, necessary to cure any deficiency in the amount in such fund or account that is available to make such payment; and (ii) an amount equal to one-twelfth of the next payment of principal, including sinking fund payments, or redemption price that is due on such Bonds, plus the amount, if any, necessary to cure any deficiency in the amount in such fund or account that is available to make such payment;

Third, to make all payments required to be made into any reserve fund or account to secure the payment of any Bonds; and

Fourth, to make necessary additions, betterments, improvements and repairs to or extensions and replacements of the Harbor, or any other lawful City purposes, but only to the extent that there is no deficiency in the amount required to be on deposit in any fund or account described under the Second or Third purposes.

Before the issuance of the first Series of Bonds, the City Manager is authorized to determine whether the reserve accounts, if any, securing a series of Bonds shall be established by the Series Resolution authorizing such series, or whether there shall be a parity reserve fund securing all series of Bonds and the amount that must be maintained in such parity reserve fund.

Section 3. Authorization of Bonds. The City hereby is authorized to issue revenue bonds of the City, to be known as the "City of Whittier, Alaska, Harbor Revenue Bonds," from time to time in series, and without limitation as to aggregate principal amount. Each series of Bonds may be issued in such amount and upon such terms and conditions as the Council may from time to time deem to be necessary or advisable, for any purposes of the Harbor now or hereafter permitted by law, but only upon compliance with the applicable conditions for their issuance in Section 5.

All Bonds shall be Parity Bonds having an equal lien and charge upon Net Revenue upon the fulfillment of the conditions for their issuance under this Master Resolution. From and after the time of issuance and delivery of the Bonds of each series, and so long thereafter as any of the same remain Outstanding, the City hereby irrevocably obligates and binds itself to set aside and pay out of Net Revenue into the special funds created for the payment of the Bonds of such series, on or before the due date, the amount necessary to pay principal or interest coming due on the Bonds of such series. Said amounts so pledged to be paid into such special funds are hereby declared to be a prior lien and charge upon Gross Revenue superior to all other charges of any kind or nature whatsoever except for Operating Expenses and except for charges equal in rank that may be made thereon to pay and secure the payment of the principal of and interest on Parity Bonds issued under and in accordance with this Master Resolution.

The Bonds shall not in any manner or to any extent constitute general obligations of the City or of the State of Alaska, or of any political subdivision of the State of Alaska.

Section 4. Series Resolution. Each series of Bonds shall be authorized by a Series Resolution, which shall, among other provisions, specify or provide for:

- (a) the authorized principal amount, designation and series of such Bonds;
- (b) the general purpose or purposes for which such series of Bonds is being issued, and the deposit, disbursement and application of the proceeds of the sale of the Bonds of such series;
- (c) the date or dates, and the maturity date or dates, of the Bonds of such series, and the principal amount maturing on each maturity date;

(d) the interest rate or rates on the Bonds of such series and the interest payment date or dates therefor;

(e) the denominations of, and the manner of dating, numbering, and, if necessary, authenticating, the Bonds of such series;

(f) the paying agent or paying agents, if any, for the Bonds of such series and the duties and obligations thereof;

(g) the place or places of payment of the principal, redemption price, if any, or purchase price, if any, of and interest on, the Bonds of such series;

(h) the Registrar or Registrars, if any, for the Bonds of such series and the duties and obligations thereof;

(i) the form or forms of the Bonds of such series and the methods, if necessary, for the registration, transfer and exchange of the Bonds of such series;

(j) the terms and conditions, if any, for the redemption of the Bonds of such series prior to maturity, including the redemption date or dates, the redemption price or prices and other applicable redemption terms;

(k) the manner of sale of the Bonds of such series;

(l) if so determined by the City, the authorization of and any terms and conditions with respect to credit support for the Bonds of such series and the pledge or provision of moneys, assets or security other than Net Revenue to or for the payment of the Bonds of such series or any portion thereof;

(m) a special fund or account to provide for the payment of the Bonds of such series and, if so determined by the City, any other specific funds or accounts, including without limitation reserve funds or accounts, for the Bonds of such series and the application of moneys or securities therein; and

(n) any other provisions which the City deems necessary or desirable in connection with the Bonds of such series.

Concurrently with the adoption of this Master Resolution, the City will adopt Resolution No. 37-2016, authorizing the issuance of \$2,000,000 in aggregate principal amount of 2017A Bonds.

Section 5. Limitations on Issuance of Bonds. Except for the 2017A Bonds, the City shall not issue any series of Bonds or incur any additional indebtedness with a parity lien or charge on Net Revenue with Bonds at the time Outstanding unless it meets the applicable conditions for the issuance of such series in this section.

(a) Project Completion. The City may issue Bonds to pay Costs of Construction of Facilities for which Bonds have been issued previously if the principal amount of such Bonds being issued for completion purposes does not exceed an amount equal to an aggregate of 15% of the principal amount of Bonds theretofore issued for such Facilities and reasonably allocable to the Facilities to be completed as shown in a written certificate of a City Representative, and there is delivered a Consultant's certificate stating that the nature, purpose, scope and design of such Facilities have not materially changed. Notwithstanding any other provision of this subsection (a), for so long as the Bond Bank is the Registered Owner of any Outstanding Bonds, the City shall not issue any Bonds under this paragraph (a) without the prior written consent of the Bond Bank, which consent shall not be unreasonably refused.

(b) Any Purposes of the Harbor. The City may issue Bonds if the Bonds are being issued for any purposes permitted under Section 3, upon delivery of a certificate prepared as described in paragraph (1) or (2) of this subsection.

(1) Certificate of the City Without a Consultant. The City may deliver a certificate without a Consultant if the City shall not have been in default of the Rate Covenant for the immediately preceding Fiscal Year, and if Net Revenue for the Base Period (confirmed by an independent audit) is not less than the amount of Net Revenue that would be required to fulfill the Coverage Requirement in each Fiscal Year in which Bonds of such series or any prior series will be Outstanding, commencing with the first full Fiscal Year following the date on which any portion of interest on the series of Bonds then being issued will be paid from a source other than the proceeds of such series of Bonds.

(2) Certificate of a Consultant. Unless the City delivers a certificate without a Consultant as provided in paragraph (1) of this subsection, the City shall deliver a certificate of a Consultant demonstrating fulfillment of the Coverage Requirement in each Fiscal Year in which Bonds of such series or any prior series will be Outstanding, commencing with the first full Fiscal Year following the date on which any portion of interest on the series of Bonds then being issued no longer will be paid from the proceeds of such series of Bonds. For the purpose of certifying compliance with the Coverage Requirement under this paragraph (2), the Consultant shall determine Net Revenue by adjusting Net Revenue for the Base Period as follows:

(i) By adding the estimated annual Net Revenue to be derived from the operation of any additions or improvements to or extensions of the Facilities under construction but not completed at the time of such certificate and not being paid for out of the proceeds of sale of such Bonds being issued, and which net revenue is not otherwise included in any of the sources of Net Revenue described in this paragraph (2);

(ii) By adding the estimated annual Net Revenue to be derived from the operation of any additions and improvements to or extensions of the Facilities being paid for out of the proceeds of sale of such Bonds being issued;

(iii) By adding to Gross Revenue the amount of any depreciation that is included in Operating Expenses; and

(iv) By adjusting Net Revenue to reflect the Harbor rates and charges effective on the date of such certificate if there has been any change in such rates and charges during or after the Base Period.

Notwithstanding any other provision of this paragraph (2), for so long as the Bond Bank is the Registered Owner of any Outstanding Bonds, the City shall not issue any Bonds under this paragraph (2) without the prior written consent of the Bond Bank, which consent shall not be unreasonably refused.

(c) Refunding for Debt Service Savings. The City may issue Bonds for the purpose of refunding Outstanding Bonds where the Annual Debt Service in each Fiscal Year on all Bonds to be Outstanding after the issuance of the refunding Bonds will not be greater than the Annual Debt Service in the same Fiscal Year if such refunding did not occur.

Section 6. Specific Covenants. The City hereby covenants with the Registered Owners of all Outstanding Bonds for as long as any Bonds remain Outstanding:

(a) Rate Covenant. At all times the City will establish, maintain and collect rentals, tariffs, rates, fees, and charges in the operation of all of the business of the Harbor that will produce Net Revenue in each Fiscal Year at least equal to the greater of:

(1) 125% of the amount required in such Fiscal Year to be paid as Debt Service on Outstanding Bonds, or

(2) the amount required to be deposited during such Fiscal Year from Net Revenue into bond funds and reserve funds established for Outstanding Bonds, but excluding from each of the foregoing payments made from refunding debt or capitalized Debt Service.

If the Net Revenue in any Fiscal Year is less than required to fulfill the Rate Covenant, then the City will retain a Consultant to make recommendations as to operations and the revision of schedules of rentals, tariffs, rates, fees and charges, and on the basis of such recommendations and other available information the City will establish such rentals, tariffs, rates, fees and charges for Harbor services and operations as are necessary to meet the Rate Covenant. If the City has taken the steps set forth in this paragraph and the Net Revenue in the Fiscal Year in which adjustments are made nevertheless is not sufficient to meet the Rate Covenant, there shall be no default under the Rate Covenant unless the City fails to meet the Rate Covenant in the Fiscal Year immediately succeeding the Fiscal Year in which the adjustments are made.

(b) Maintenance and Repairs. The City will at all times maintain, preserve and keep the Harbor's properties and every part and parcel thereof in good repair, working order and condition; will from time to time make or cause to be made all necessary and proper repairs, renewals and replacements thereto so that the business carried on in connection therewith may be properly and advantageously conducted, and will at all times operate the Harbor in an efficient manner and at a reasonable cost.

(c) Insurance. The City will at all times carry fire and other casualty insurance on the Facilities to the full insurable value thereof, and will also carry adequate public liability insurance and such other forms of insurance as under good business practices are ordinarily carried on such equipment and property. Such insurance also may be maintained by the City through a program of self-insurance.

(d) Extensions or Betterments. The City will not expend any of the money in the Harbor Revenue Fund for any extensions or betterments which are not economically sound and which will not contribute to the operation of the Harbor in an efficient and economical manner, unless such extensions are required by law or any regulatory body having jurisdiction.

(e) Accounting. The City will keep and maintain proper books and accounts with respect to the operation of the Harbor in such manner as prescribed by any authorities having jurisdiction over the Harbor and will cause its books of account to be audited annually by competent certified public accountants, copies of which audits shall, upon request, be furnished to Registered Owners of the Bonds. Said audits shall show whether or not the City has in all respects performed and complied with the covenants set forth in this Master Resolution.

(f) Bonding of Employees. All employees and agents of the City collecting or handling money of the City in connection with the management and operation of the Harbor shall be bonded in an amount commensurate with the funds they handle and in an amount sufficient to protect the City from loss.

(g) Disposal of Harbor. The City will not sell, or otherwise dispose of, substantially all of the Facilities or other properties of the Harbor, unless contemporaneously with such sale or disposal there shall be paid into a special fund a sum sufficient (together with investment income thereon) to defease all Bonds then Outstanding to the date or dates on which they first may be redeemed.

The City may sell or dispose of any portion of the Facilities or other properties of the Harbor to related or unrelated entities, provided that if such properties constitute five percent or greater of the "book value" of the Harbor's properties or generate five percent or greater of the Net Revenue of the Harbor at the time of such sale or disposition, the Harbor has on hand a report from a Consultant verifying compliance with the Coverage Requirement for the next three full Fiscal Years.

The City also may sell, dispose of or convey any assets which are no longer deemed to be used or useful to the operations of the Harbor.

Section 7. Amendatory and Supplemental Resolutions.

(a) The Council from time to time and at any time may adopt a resolution or resolutions supplemental hereto, which resolution or resolutions thereafter shall become a part of this Master Resolution, for any one or more of the following purposes:

(1) To provide for the issuance of a series of Bonds in accordance with Section 5, and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed.

(2) To add covenants and agreements of the City for the purpose of further securing the payment of the Bonds; provided that such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the City contained in this Master Resolution.

(3) To prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the City payable from Net Revenue which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect.

(4) To surrender any right, power or privilege reserved to or conferred upon the City by the terms of this Master Resolution.

(5) To make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any defective provision contained in this Master Resolution or in regard to matters or questions arising under this Master Resolution as the Council may deem necessary or desirable and not inconsistent with this Master Resolution and which shall not adversely affect the security for the payment of the Bonds or the interests of the Registered Owners of the Bonds.

For so long as the Bond Bank is the Registered Owner of any Outstanding Bonds, the City shall not adopt a supplemental resolution under this subsection (a) without giving at least 30 days' prior written notice to the Bond Bank of the terms of such resolution. Any such supplemental resolution may be adopted without the consent of the Registered Owner of any of the Bonds at any time Outstanding, notwithstanding any of the provisions of subsection (b) of this section.

(b) With the consent of the Registered Owners of not less than 60 percent in aggregate principal amount of the Bonds at the time Outstanding, the Council may adopt a resolution or resolutions supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Master Resolution or of any supplemental resolution; provided, however, that no such supplemental resolution shall:

(1) extend the fixed maturity of any of the Bonds, or reduce the rate of interest thereon, or reduce the amount or change the date of any sinking fund installment, or extend the time of payments of interest from their due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the Registered Owner of each Bond so affected; or

(2) reduce the aforesaid percentage of Registered Owners of Bonds required to approve any such supplemental resolution without the consent of the Registered Owners of all of the Bonds then outstanding.

Notwithstanding any other provision of this subsection (b), for so long as the Bond Bank is the Registered Owner of any Outstanding Bonds, the Council shall not adopt a supplemental resolution under this paragraph (b) without the prior written consent of the Bond Bank, which consent shall not be unreasonably refused. It shall not be necessary for the consent of the Registered Owners of the Bonds under this subsection to approve the particular form of any proposed supplemental resolution, but it shall be sufficient if such consent approves the substance thereof.

(c) Upon the adoption of any supplemental resolution under this section, this Master Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Master Resolution of the City and all Registered Owners of Outstanding Bonds shall thereafter be subject in all respects to such modification and amendment, and all the terms and conditions of the supplemental resolution shall be deemed to be part of the terms and conditions of this Master Resolution for any and all purposes.

(d) Bonds of any series delivered after the effective date of any amendment adopted under this section to this Master Resolution or the Series Resolution with respect to that series may bear a notation as to any matter provided for in such supplemental resolution, and if such supplemental resolution shall so provide, new Bonds modified so as to conform, in the opinion of the City, to the terms of any such supplemental resolution may be prepared by the City and delivered without cost to the Registered Owners of the affected Bonds then Outstanding, upon surrender for cancellation of such Bonds in equal aggregate principal amounts.

Section 8. Notice to Registered Owners. Except as this Master Resolution specifically provides otherwise, any notice under this Master Resolution to Registered Owners of any Bonds may be given by first class mail, postage prepaid, to such Registered Owners at their respective addresses appearing upon the Bond Register maintained by or on behalf of the City.

Section 9. Execution of Instruments by Registered Owners. Any instrument in writing that this Master Resolution requires or permits to be executed by Registered Owners of Bonds may be in any number of concurrent instruments of similar tenor and may be executed by such Registered Owners in person or by an agent duly appointed by an instrument in writing. The fact and date of the execution by any person of any such instrument may be proved sufficiently for any purpose of this Master Resolution by either (a) an acknowledgment executed by a notary public or other officer empowered to take acknowledgments of deeds to be recorded in the particular jurisdiction, (b) an affidavit of a witness to such execution sworn to before such a notary public or other officer, or (c) a signature guarantee. Where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such acknowledgment or affidavit shall also constitute sufficient proof of the authority of such person. The foregoing shall not be construed as limiting the City to such proof, it being intended that the City may accept any other evidence of the matters herein stated which to it may seem sufficient.

Section 10. Defeasance. In the event money and/or non-callable Government Obligations maturing at such times and bearing interest to be earned thereon in amounts sufficient to redeem and retire any or all of the Bonds in accordance with their terms are set aside in a special trust

account to effect such redemption or retirement and such moneys and the principal of and interest on such Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made to pay or secure the payment of the principal of and interest on such Bonds and such Bonds shall be deemed not to be Outstanding.

Section 11. Resolutions a Contract with Registered Owners. In consideration of the purchase and acceptance of the Bonds by those who shall own the same from time to time, the provisions of this Master Resolution and of any Series Resolution shall constitute a contract with the Registered Owners of each Bond, and the obligations of the City under this Master Resolution and under any Series Resolution shall be enforceable by any court of competent jurisdiction; and the covenants and agreements herein set forth to be performed on behalf of the City shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bonds.

Section 12. Severability. If any one or more of the covenants or agreements provided in this Master Resolution to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements shall be null and void and shall be deemed separable from the remaining covenants and agreements in this Master Resolution and shall in no way affect the validity of the other provisions of this Master Resolution or of the Bonds.

Section 13. Effective Date. This resolution shall take effect upon passage and approval.

PASSED AND APPROVED by a duly constituted quorum of the Whittier City Council on this ____ day of December 2016.

ATTEST:

CITY CLERK

MAYOR

Ayes:
Nays:
Absent:
Abstain:

**CITY OF WHITTIER
RESOLUTION NO. 37-2016**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHITTIER, ALASKA AUTHORIZING THE ISSUANCE OF A SERIES OF HARBOR REVENUE BONDS IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$2,000,000 FOR THE PURPOSE OF FINANCING THE DESIGN, CONSTRUCTION AND ACQUISITION OF HARBOR AND RELATED CAPITAL IMPROVEMENTS; ESTABLISHING THE TERMS OF THE BONDS; AND AUTHORIZING THE SALE OF THE BONDS.

WHEREAS, the City of Whittier (the “City”) has authorized the issuance of harbor revenue bonds in one or more series pursuant to Resolution No. 36-2016 adopted December 20, 2016 (the “Master Resolution”); and

WHEREAS, it is necessary and in the best interest of the City that revenue bonds of the City be authorized to be sold and the funds derived therefrom be used to design, construct and acquire harbor and related capital improvements, including without limitation replacement of Small Boat Harbor Floats B, C, and X (the "Project") and to reimburse any fund of the City which may have advanced funds for such design, construction or acquisition; and

WHEREAS, the Council finds that it is necessary and appropriate to delegate to the City Manager authority to determine the maturity amounts, interest rates and other details of the bonds, and to determine other matters that are not provided for in this resolution.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Whittier that:

Section 1. Definitions. The terms used in this Series Resolution which are defined in the Master Resolution shall have the meanings set forth in the Master Resolution. In addition the following terms shall have the following meanings in this Series Resolution:

“Bond Bank Bonds” means general obligation bonds issued by the Bond Bank after the date of this Resolution, all or part of the proceeds of which are used to purchase all of the 2017A Bonds.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, together with all regulations applicable thereto.

“Loan Agreement” means the Loan Agreement between the City and the Bond Bank concerning the 2017A Bonds.

“2017A Bond Fund” means the Harbor Revenue Bond Fund, 2017A, established by Section 13 of this Series Resolution.

"2017A Bonds" means the City of Whittier, Alaska, Harbor Revenue Bonds, 2017A authorized by this Series Resolution.

“2017A Debt Service Account” means the account of that name created in the 2017A Bond Fund by Section 13(a) of this Series Resolution.

“2017A Project Account” means the account of that name created in the 2017A Bond Fund by Section 13(c) of this Series Resolution.

“2017A Reserve Account” means the account of that name created in the 2017A Bond Fund by Section 13(b) of this Series Resolution.

“2017A Reserve Requirement” means an amount equal to the least of (i) Maximum Annual Debt Service with respect to the Outstanding 2017A Bonds; (ii) 125% of average Annual Debt Service with respect to the Outstanding 2017A Bonds; and (iii) 10% of the initial principal amount of the 2017A Bonds.

Section 2. Authorization of 2017A Bonds and Purpose of Issuance. For the purpose of providing part of the funds required to pay the Costs of Construction of the Project, to reimburse any fund of the City which may have advanced funds for the Project, to make any required deposit into the 2017A Reserve Account, and to pay all costs incidental thereto and to the issuance of the 2017A Bonds, the City hereby authorizes and determines to issue and sell as a series of Bonds under the Master Resolution the 2017A Bonds in the aggregate principal amount of not to exceed \$2,000,000.

Section 3. Obligation of 2017A Bonds. The 2017A Bonds shall be an obligation only of the 2017A Bond Fund and shall be payable and secured as provided herein and in the Master Resolution. Neither the faith and credit nor the taxing power of the City is pledged for the payment of the 2017A Bonds.

Section 4. Description of 2017A Bonds. The 2017A Bonds shall be designated "City of Whittier, Alaska, Harbor Revenue Bonds, 2017A." The 2017A Bonds shall be in the denomination of \$5,000 or any integral multiple thereof, shall be numbered separately in the manner and with such additional designation as the Registrar deems necessary for purposes of identification, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to the rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

The 2017A Bonds shall mature in one or more years commencing in or after 2017 and ending no later than 2025. The 2017A Bonds shall bear interest from their date, payable commencing on a date on or after January 1, 2017, and semi-annually thereafter in each year. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Subject to Section 2 and the remainder of this section, the dated date, the principal and interest payment dates, the record dates for interest payments, the aggregate principal amount, the principal amount of each maturity, and the interest rates on the 2017A Bonds shall be determined at the time of execution of the Loan Agreement under Section 16.

Section 5. Optional Redemption. The 2017A Bonds, if any, subject to optional redemption by the City, the time or times when such Bonds are subject to optional redemption, the terms upon which such Bonds may be redeemed, and the redemption price or redemption prices for such 2017A Bonds, shall be determined at the time of execution of the Loan Agreement under Section 16.

Section 6. Selection of 2017A Bonds for Redemption; Notice of Redemption.

(a) Selection of 2017A Bonds for Redemption. When the Bond Bank is the Registered Owner of the 2017A Bonds, the selection of 2017A Bonds to be redeemed shall be made as provided in the Loan Agreement. When the Bond Bank is not the Registered Owner of the 2017A Bonds, the selection of 2017A Bonds to be redeemed shall be made as provided in this subsection (a). If the City redeems at any one time fewer than all of the 2017A Bonds having the same maturity date, the particular 2017A Bonds or portions of 2017A Bonds of such maturity to be redeemed shall be selected by lot (or in such other manner determined by the Registrar) in increments of \$5,000. In the case of a 2017A Bond of a denomination greater than \$5,000, the City shall treat such 2017A Bond as representing such number of separate 2017A Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such 2017A Bond by \$5,000. In the event that only a portion of the principal amount of a 2017A Bond is redeemed, upon surrender of such 2017A Bond at the office of the Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a 2017A Bond or Bonds of like maturity and interest rate in any of the denominations authorized herein.

(b) Notice of Redemption. When the Bond Bank is the Registered Owner of the 2017A Bonds, notice of any intended redemption of 2017A Bonds shall be given as provided in the Loan Agreement. When the Bond Bank is not the Registered Owner of the 2017A Bonds, notice of any intended redemption of 2017A Bonds shall be made as provided in this subsection (b). Notice of redemption shall be mailed not less than 30 nor more than 45 days prior to the date fixed for redemption by first class mail to the Registered Owners of the 2017A Bonds to be redeemed at their addresses as they appear on the Bond Register on the day the notice is mailed. Notice of redemption shall be deemed to have been given when the notice is mailed as herein provided, whether or not it is actually received by the Registered Owners. All notices of redemption shall be dated and shall state: (1) the redemption date; (2) the redemption price; (3) if fewer than all outstanding 2017A Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the 2017A Bonds to be redeemed; (4) that upon the condition that moneys sufficient to redeem such 2017A Bonds are on deposit in the Debt Service Account on the redemption date the redemption price will become due and payable upon each such 2017A Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and (5) the place where such 2017A Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the office of the Registrar.

Official notice of redemption having been given as aforesaid, and upon moneys sufficient to redeem such 2017A Bonds being on deposit in the Debt Service Account on the date fixed for redemption, 2017A Bonds or portions of 2017A Bonds to be redeemed shall, on the redemption

date, become due and payable at the redemption price therein specified, and from and after such date, such 2017A Bonds or portions of 2017A Bonds shall cease to bear interest. Upon surrender of such 2017A Bonds for redemption in accordance with said notice, such 2017A Bonds shall be paid at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender of any 2017A Bond for partial redemption, there shall be prepared for the Registered Owner a new 2017A Bond or Bonds of the same maturity in the amount of the unpaid principal. All 2017A Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

Each check or other transfer of funds issued to pay the redemption price of 2017A Bonds shall bear the CUSIP number, if any, identifying, by maturity, the 2017A Bonds being redeemed with the proceeds of such check or other transfer.

Section 7. Form of Bond. Each 2017A Bond shall be in substantially the following form, with such variations, omissions and insertions as may be required or permitted by this Series Resolution or the Master Resolution:

UNITED STATES OF AMERICA
STATE OF ALASKA
CITY OF WHITTIER

NO. _____ \$ _____

HARBOR REVENUE BOND, 2017A

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The City of Whittier, a municipal corporation of the State of Alaska (the "City"), acknowledges itself indebted and for value received promises to pay (but only out of the sources mentioned herein) to the Registered Owner identified above, or its registered assigns, the principal amount shown above in the following installments on _____ 1 of each of the following years, and to pay interest on such installments from the date hereof, payable on _____ 1, 2017 and semiannually thereafter on the 1st days of _____ and _____ of each year, at the rates per annum as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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When this 2017A Bond is owned by the Alaska Municipal Bond Bank (the "Bond Bank"), payment of principal and interest shall be made as provided in the Loan Agreement dated as of _____ 1, 2017, between the Bond Bank and the City (the "Loan Agreement"). When this 2017A Bond is not owned by the Bond Bank, installments of principal and interest on this 2017A Bond shall be paid by check or draft mailed by first class mail to the Registered Owner as of the close of business on the _____ day of the month _____ each installment payment date; provided that the final installment of principal and interest on this 2017A Bond shall be payable

upon presentation and surrender of this 2017A Bond by the Registered Owner at the office of the Registrar. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. Both principal of and interest on this 2017A Bond are payable in lawful money of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts.

Installments of principal of this 2017A Bond due on and after _____, 20__, shall be subject to prepayment on and after _____, 20__, at the option of the City (subject to any applicable provisions of the Loan Agreement), in such principal amounts and from such maturities as the City may determine, and by lot within a maturity, at a redemption price equal to the principal amount to be prepaid, plus accrued interest to the date of prepayment.

This 2017A Bond is a special obligation of the City and is one of a duly authorized issue of Bonds of the City designated "City of Whittier, Alaska, Harbor Revenue Bonds" (the "Bonds"), issued and to be issued in various series under Resolution No. 36-2016 (the "Master Resolution"), adopted December 20, 2016, and a Series Resolution authorizing each such series. As provided in the Master Resolution, the Bonds may be issued from time to time pursuant to Series Resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and, subject to the provisions thereof, may otherwise vary. The aggregate principal amount of Bonds which may be issued under the Master Resolution is not limited, and all Bonds issued and to be issued under said Master Resolution are and will be equally and ratably secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the Master Resolution.

This 2017A Bond is one of a series of Bonds issued in the aggregate principal amount of \$_____ under the Master Resolution and Resolution No. 37-2016 (the "Series Resolution"), adopted December 20, 2016, for the purpose of providing funds to design, construct and acquire harbor and related capital improvements for the City of Whittier Harbor.

This 2017A Bond shall be an obligation only of the 2017A Bond Fund and shall be payable and secured as provided in the Master Resolution and the Series Resolution. Neither the faith and credit nor the taxing power of the City is pledged for the payment of the 2017A Bonds. The City has pledged to pay into the 2017A Bond Fund from Net Revenue or money in the Harbor Revenue Fund, on or prior to the respective dates on which the same become due, such amounts as are required to pay the interest and principal to become due on this 2017A Bond. Said amounts so pledged are hereby declared to be a lien and charge upon Gross Revenue superior to all other charges of any kind or nature whatsoever, except for Operating Expenses and except that the amounts so pledged are of equal lien to any lien and charge thereon which may hereafter be made to pay and secure the payment of the principal of and interest on any Parity Bonds.

IT IS HEREBY CERTIFIED and declared that this 2017A Bond is issued pursuant to and in strict compliance with the constitution and statutes of the State of Alaska, and that all acts, conditions and things required to happen, to be done, and to be performed precedent to and on the issuance of this 2017A Bond have happened, been done and been performed.

IN WITNESS WHEREOF, THE CITY OF WHITTIER, ALASKA, has caused this 2017A Bond to be signed in its name and on its behalf by the manual or facsimile signature of its Mayor and its corporate seal (or a facsimile thereof) to be impressed or otherwise reproduced hereon and attested by the manual or facsimile signature of its Clerk, all as of the ____ day of _____ 2017.

CITY OF WHITTIER

Mayor

A T T E S T:

Clerk

[SEAL]

Section 8. Execution. The 2017A Bonds shall be executed in the name of the City by the manual or facsimile signature of the Mayor, and its corporate seal (or a facsimile thereof) shall be impressed or otherwise reproduced thereon and attested by the manual or facsimile signature of the City Clerk. The execution of a 2017A Bond on behalf of the City by persons who at the time of the execution are duly authorized to hold the proper offices shall be valid and sufficient for all purposes, although any such person shall have ceased to hold office at the time of delivery of the 2017A Bond or shall not have held office on the date of the 2017A Bond.

Section 9. Payment of Principal and Interest. The 2017A Bonds shall be payable in lawful money of the United States of America which at the time of payment is legal tender for the payment of public and private debts. When the Bond Bank is the Registered Owner of the 2017A Bonds, payment of principal and interest on the 2017A Bonds shall be made as provided in the Loan Agreement. When the Bond Bank is not the Registered Owner of the 2017A Bonds, installments of principal and interest on the 2017A Bonds shall be paid by check mailed by first class mail to the Registered Owner as of the record date for the installment payment at the address appearing on the Bond Register; provided that the final installment of principal and interest on a 2017A Bond shall be payable upon presentation and surrender of the 2017A Bond by the Registered Owner at the office of the Registrar.

Section 10. Registration. The 2017A Bonds shall be issued only in registered form as to both principal and interest. The Registrar shall keep, or cause to be kept, the Bond Register at the principal office of the City. The City and the Registrar may treat the person in whose name any 2017A Bond shall be registered as the absolute owner of such 2017A Bond for all purposes, whether or not the 2017A Bond shall be overdue, and all payments of principal of and interest on a 2017A Bond made to the Registered Owner thereof or upon its order shall be valid and effectual to satisfy and discharge the liability upon such 2017A Bond to the extent of the sum or sums so paid, and neither the City nor the Registrar shall be affected by any notice to the contrary.

Section 11. Transfer and Exchange. 2017A Bonds shall be transferred only upon the books for the registration and transfer of 2017A Bonds kept at the office of the Registrar. Upon surrender for transfer or exchange of any 2017A Bond at such office, with a written instrument of transfer or authorization for exchange in form and with guaranty of signature satisfactory to the Registrar, duly executed by the Registered Owner or the duly authorized attorney of the Registered Owner, the City shall execute and deliver an equal aggregate principal amount of 2017A Bonds of the same maturity of any authorized denominations, subject to such reasonable regulations as the City may prescribe and upon payment sufficient to reimburse it for any tax, fee or other governmental charge required to be paid in connection with such transfer or exchange. All 2017A Bonds surrendered for transfer or exchange shall be canceled by the Registrar.

Section 12. 2017A Bonds Mutilated, Destroyed, Stolen or Lost. Upon surrender to the Registrar of a mutilated 2017A Bond, the City shall execute and deliver a new 2017A Bond of like maturity and principal amount. Upon filing with the Registrar of evidence satisfactory to the City that a 2017A Bond has been destroyed, stolen or lost and of the ownership thereof, and upon furnishing the City with indemnity satisfactory to it, the City shall execute and deliver a new 2017A Bond of like maturity and principal amount. The person requesting the execution and delivery of a new 2017A Bond under this section shall comply with such other reasonable regulations as the City may prescribe and pay such expenses as the City may incur in connection therewith.

Section 13. 2017A Bond Fund. A special fund of the City designated the "Harbor Revenue Bond Fund, 2017A" is hereby created for the purpose of paying and securing the payment of the 2017A Bonds. The 2017A Bond Fund shall be held separate and apart from all other funds and accounts of the City and shall be a trust fund for the owners, from time to time, of the 2017A Bonds.

(a) 2017A Debt Service Account. A 2017A Debt Service Account is hereby created in the 2017A Bond Fund for the purpose of paying the principal of and interest on the 2017A Bonds. The City shall deposit in the Debt Service Account the portion, if any, of the sale proceeds of the 2017A Bonds that is to be used to pay interest on the 2017A Bonds. The City hereby irrevocably obligates and binds itself for as long as the 2017A Bonds remain Outstanding to set aside and pay into the 2017A Debt Service Account from Net Revenue or money in the Harbor Revenue Fund, such amounts as are required to be deposited in the Debt Service Account by Section 2 of the Master Resolution and to pay on or prior to the respective dates on which the same become due (i) the interest scheduled to become due on the Outstanding 2017A Bonds, and (ii) maturing principal of the Outstanding 2017A Bonds.

(b) 2017A Reserve Account. A 2017A Reserve Account is hereby created in the 2017A Bond Fund for the purpose of securing the payment of the principal of and interest on the 2017A Bonds. On the date of issuance of the 2017A Bonds, the City shall deposit a sum in the 2017A Reserve Account that is equal to the 2017A Reserve Requirement. If a deficiency occurs in the 2017A Debt Service Account, an amount sufficient to make up the deficiency shall be withdrawn from the 2017A Reserve Account and transferred to the 2017A Debt Service Account. The City shall make up any deficiency in the 2017A Reserve Account resulting from such a withdrawal

within one year out of Net Revenue or out of any other moneys legally available for such purpose, after providing for the payments required to be made into the 2017A Debt Service Account within such year.

Any amount in the 2017A Reserve Account in excess of the 2017A Reserve Requirement may be transferred to the 2017A Debt Service Account and used to pay the principal of and interest on the 2017A Bonds as the same becomes due and payable. Whenever there is a sufficient amount in the 2017A Bond Fund, including the 2017A Reserve Account and the 2017A Debt Service Account, to pay the principal of and interest on all Outstanding 2017A Bonds, the amount in the 2017A Reserve Account may be used to pay such principal and interest.

This subsection (b) shall apply only if the City Manager does not determine to establish a parity reserve fund securing all Bonds under Section 2 of the Master Resolution.

(c) 2017A Project Account. A 2017A Project Account is hereby created in the 2017A Bond Fund for the purpose of receiving sale proceeds of the 2017A Bonds that are to be used to pay Costs of Construction of the Project other than the portion, if any, of the sale proceeds of the 2017A Bonds that is to be used to pay interest on the 2017A Bonds. The City shall disburse monies from the 2017A Project Account as required to pay, or to reimburse the City for its prior payment of, Costs of Construction of the Project.

(d) Pledge and Lien. Said amounts so pledged to be paid into the 2017A Debt Service Account and the 2017A Reserve Account are hereby declared to be a lien and charge upon Gross Revenue superior to all other charges of any kind or nature whatsoever, except for Operating Expenses and except that the amounts so pledged are of equal lien to any lien and charge thereon which may hereafter be made to pay and secure the payment of the principal of and interest on any Parity Bonds.

Section 14. Disposition of the Sale Proceeds of the 2017A Bonds. The sale proceeds of the 2017A Bonds shall be applied to pay accrued interest on the 2017A Bonds, Costs of Construction of the Project, issuance costs of the 2017A Bonds and any amount required to cause the amount on deposit in the 2017A Reserve Account to be equal to the 2017A Reserve Requirement, and shall be deposited in the appropriate funds or accounts of the City for such purposes.

Section 15. Tax Covenants. The City covenants to comply with any and all applicable requirements set forth in the Code in effect from time to time to the extent that such compliance shall be necessary for the exclusion of the interest on the 2017A Bonds from gross income for federal income tax purposes. The City covenants that it will make no use or investment of the proceeds of the 2017A Bonds which will cause the 2017A Bonds to be "arbitrage bonds" subject to federal income taxation by reason of Section 148 of the Code. The City covenants that it will not take or permit any action that would cause the 2017A Bonds to be "private activity bonds" as defined in Section 141 of the Code.

Section 16. Sale of 2017A Bonds. The 2017A Bonds shall be sold at negotiated sale to the Bond Bank as provided in the Loan Agreement. Subject to the limitations provided in Sections

2 and 4, the City Manager is hereby authorized to determine the aggregate principal amount, maturity amounts, interest rates, yields, dated date, principal and interest payment dates, and redemption terms, if any, for the 2017A Bonds, and other details of the 2017A Bonds; provided that the true interest cost of the 2017A Bonds, expressed as an annual rate, does not exceed 4.0 percent. In determining the maturity amounts, interest rates, yields, and redemption terms, if any, for the 2017A Bonds, the City Manager shall take into account those factors which, in his judgment, will result in the lowest true interest cost on the 2017A Bonds to their maturity, including without limitation current financial market conditions and current interest rates for obligations comparable in tenor and quality to the 2017A Bonds. Based upon the foregoing determinations, the City Manager is authorized to execute the Loan Agreement, in substantially the form presented at this meeting.

Section 17. Authority of Officers. The City Manager, the acting City Manager, the Finance Director, the acting Finance Director, the Clerk and the acting Clerk are, and each of them hereby is, authorized and directed to do and perform all things and determine all matters not determined by this Series Resolution, to the end that the City may carry out its obligations under the 2017A Bonds and this Series Resolution.

Section 18. Miscellaneous.

(a) All payments made by the City of, or on account of, the principal of or interest on the 2017A Bonds shall be made on the several 2017A Bonds ratably and in proportion to the amount due thereon, respectively, for principal or interest as the case may be.

(b) No recourse shall be had for the payment of the principal of or the interest on the 2017A Bonds or for any claim based thereon or on the Master Resolution or this Series Resolution against any member of the Council or officer of the City or any person executing the 2017A Bonds. The 2017A Bonds are not and shall not be in any way a debt or liability of the State of Alaska or of any political subdivision thereof, except the City, and do not and shall not create or constitute an indebtedness or obligation, either legal, moral or otherwise, of said state or of any political subdivision thereof, except the City.

Section 19. Severability. If any one or more of the provisions of this Series Resolution shall be declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this Series Resolution and shall in no way affect the validity of the other provisions of this Series Resolution or of the 2017A Bonds.

Section 20. Effective Date. This Series Resolution shall become effective upon passage and approval.

PASSED AND APPROVED by a duly constituted quorum of the Whittier City Council
on this ____ day of December 2016.

ATTEST:

CITY CLERK

MAYOR

Ayes:

Nays:

Absent:

Abstain:

PROPOSED FORM OF
LOAN AGREEMENT

THIS LOAN AGREEMENT, dated the ____ day of _____ 2017 (the “Loan Agreement”), between the Alaska Municipal Bond Bank (the “Bank”), a body corporate and politic constituted as an instrumentality of the State of Alaska (the “State”) exercising public and essential governmental functions, created pursuant to the provisions of Chapter 85, Title 44, Alaska Statutes, as amended (the “Act”), having its principal place of business at Juneau, Alaska, and the City of Whittier, Alaska, a duly constituted second class city of the State (the “City”):

W I T N E S S E T H:

WHEREAS, pursuant to the Act, the Bank is authorized to issue bonds and make loans of money (the “Loan” or “Loans”) to governmental units; and

WHEREAS, the City is a “Governmental Unit” as defined in the General Bond Resolution of the Bank hereinafter mentioned and was authorized to accept a Loan from the Bank, evidenced by its municipal bonds; and

WHEREAS, the City desires to borrow money from the Bank in the amount not to exceed \$2,000,000 to finance a portion of the costs of capital improvements to certain of the City’s Harbor Facilities (the “Harbor Projects”) and has submitted an application to the Bank for a Loan in the amount not to exceed \$6,500,000 (the “Harbor Loan”) to pay a portion of the costs of the Harbor Projects; and

WHEREAS, the City has duly authorized the issuance of its fully registered Harbor Revenue Bond, 2017A in the principal amount of \$_____ (the “Municipal Bond”), which Municipal Bond is to be purchased by the Bank as evidence of and security for the City’s obligation to repay the Harbor Loan in accordance with this Loan Agreement; and

WHEREAS, the application of the City contains the information requested by the Bank; and

WHEREAS, to provide for the issuance of bonds of the Bank to obtain from time to time money with which to make, and/or to refinance Loans, the Board of Directors of the Bank (the “Board”) adopted its General Obligation Bond Resolution on July 13, 2005 (as amended, the “General Bond Resolution”); and

WHEREAS, the Board approved certain modifications to the General Bond Resolution, effective on the date when all bonds issued under the terms of the General Bond Resolution, prior to February 19, 2013, cease to be outstanding; and

WHEREAS, on _____, 20__ the Board adopted Series Resolution No. 20__-__ (the “Series Resolution” and together with the General Bond Resolution, the “Bond Resolution”), authorizing the Bank to, among other things, issue the Bank’s _____ Bonds, 2017 Series _____ (the “2017 Series _____ Bonds”), make the Harbor Loan to the City and purchase the City’s Municipal Bond.

NOW, THEREFORE, the parties agree as follows:

1. The Bank hereby makes the Harbor Loan, and the City hereby accepts the Harbor Loan, in the principal amount of \$_____. As evidence of the Harbor Loan made to the City and such money borrowed from the Bank by the City, the City hereby agrees to sell to the Bank the Municipal Bond in the principal amount, with the principal installment payments, and bearing interest from its date at the rate or rates per annum, stated in Exhibit A.

2. The City represents that it has duly adopted or will adopt all necessary ordinances or resolutions, including Resolution No. 36-2016, adopted on December 20, 2016 (the "City's Master Resolution"), and Resolution No. 37-2016, adopted on December 20, 2016 (the "City's Harbor Revenue Bond, 2017A Series Resolution" and together with the City's Master Resolution, the "City's Resolution"). The City further represents to the Bank that the City has taken or will take all other proceedings required by law to enable it to enter into this Loan Agreement and to issue its Municipal Bond to the Bank and that the Municipal Bond will constitute a revenue bond of the City, secured by a special and limited obligation of the City, duly authorized by the City's Resolution.

The City represents that the City's Resolution is in full force and effect and has not been amended, supplemented or otherwise modified, other than as may have been certified by the City to the Bank.

3. Subject to any applicable legal limitations, the amounts to be paid by the City pursuant to this Loan Agreement representing interest due on its Municipal Bond (the "Municipal Bond Interest Payments") shall be computed at the same rate or rates of interest borne by the corresponding maturities of the bonds sold by the Bank in order to obtain the money with which to make the Harbor Loan and to purchase the Municipal Bond (the "Loan Obligations") and shall be paid by the City at least seven (7) business days before the interest payment date so as to provide funds sufficient to pay interest as the same becomes due on the Loan Obligations.

4. The amounts to be paid by the City pursuant to this Loan Agreement representing principal due on its Municipal Bond (the "Municipal Bond Principal Payments"), shall be paid at least seven (7) business days before the payment date stated in the Municipal Bond so as to provide funds sufficient to pay the principal of the Loan Obligations as the same matures based upon the maturity schedule stated in Exhibit A.

5. In the event the amounts referred to in Sections 3 and 4 hereof to be paid by the City pursuant to this Loan Agreement are not made available at any time specified herein, the City agrees that any money payable to it by any department or agency of the State may be withheld from it and paid over directly to the Trustee acting under the General Bond Resolution, and this Loan Agreement shall be full warrant, authority and direction to make such payment upon notice to such department or agency by the Bank, with a copy provided to the City, as provided in the Act.

6. In the event that all or a portion of the Loan Obligations have been refunded and the interest rates the Bank is required to pay on its refunding bonds in any year are less than the

interest rates payable by the City on the Municipal Bond for the corresponding year pursuant to the terms of the Municipal Bond, then both the Municipal Bond Interest Payments and the Municipal Bond Principal Payments will be adjusted in such a manner that (i) the interest rate paid by the City on any principal installment of the Municipal Bond is equal to the interest rate paid by the Bank on the corresponding principal installment of the Bank's refunding bonds and (ii) on a present value basis the sum of the adjusted Municipal Bond Interest Payments and Municipal Bond Principal Payments is equal to or less than the sum of the Municipal Bond Interest Payments and Municipal Bond Principal Payments due over the remaining term of the Municipal Bond as previously established under this Loan Agreement. In the event of such a refunding of the Loan Obligations, the Bank shall present to the City for the City's approval, a revised schedule of principal installment amounts and interest rates for the Municipal Bond. If approved by the City the revised schedule shall be attached hereto as Exhibit A and incorporated herein in replacement of the previous Exhibit A detailing said principal installment amounts and interest rates.

7. The City is obligated to pay to the Bank Fees and Charges. Such Fees and Charges actually collected from the City shall be in an amount sufficient, together with the City's Allocable Proportion (as defined below) of other money available therefor under the provisions of the Bond Resolution, and other money available therefor, including any specific grants made by the United States of America or any agency or instrumentality thereof or by the State or any agency or instrumentality thereof and amounts applied therefor from amounts transferred to the Operating Fund pursuant to Section 606 of the General Bond Resolution:

(a) to pay, as the same become due, the City's Allocable Proportion of the Administrative Expenses of the Bank; and

(b) to pay, as the same become due, the City's Allocable Proportion of the fees and expenses of the Trustee and paying agent for the Loan Obligations.

The City's Allocable Proportion as used herein shall mean the proportionate amount of the total requirement in respect to which the term is used determined by the ratio that the principal amount of the City's Municipal Bond outstanding bears to the total of all Loans then outstanding to all Governmental Units under the General Bond Resolution, as certified by the Bank. The waiver by the Bank of any fees payable pursuant to this Section 7 shall not constitute a subsequent waiver thereof.

8. The City is obligated to make the Municipal Bond Principal Payments scheduled by the Bank. The first such Municipal Bond Principal Payment is due at least seven (7) business days prior to each date indicated in Exhibit A, and thereafter on the anniversary thereof each year. The City is obligated to make the Municipal Bond Interest Payments scheduled by the Bank on a semi-annual basis commencing seven (7) business days prior to each date indicated on Exhibit A, and to pay any Fees and Charges imposed by the Bank within 30 days after receiving the invoice of the Bank therefor.

9. The Bank shall not sell and the City shall not redeem prior to maturity any portion of the City's Municipal Bond in an amount greater than the related Loan Obligations that are then outstanding and that are then redeemable, and in the event of any such sale or redemption,

the same shall be in an amount not less than the aggregate of (i) the principal amount of the Municipal Bond (or portion thereof) to be redeemed, (ii) the interest to accrue on the Municipal Bond (or portion thereof) to be redeemed to the next redemption date thereof not previously paid, (iii) the premium, if any, payable on the Municipal Bond (or portion thereof) to be redeemed, and (iv) the cost and expenses of the Bank in effecting the redemption of the Municipal Bond (or portion thereof) to be redeemed. The City shall give the Bank at least 50 days' prior written notice of the City's intention to redeem its Municipal Bond.

In the event the Loan Obligations with respect to which the sale or redemption prior to maturity of such Municipal Bond is being made have been refunded and the refunding bonds of the Bank issued for the purpose of refunding such Loan Obligations were issued in a principal amount in excess of or less than the principal amount of the Municipal Bond remaining unpaid at the date of issuance of such refunding bonds, the amount which the City shall be obligated to pay or the Bank shall receive under item (i) above shall be the principal amount of such refunding bonds outstanding.

In the event all or a portion of the Loan Obligations have been refunded and the interest the Bank is required to pay on the refunding bonds is less than the interest the Bank was required to pay on the Loan Obligations, the amount which the City shall be obligated to pay or the Bank shall receive under item (ii) above shall be the amount of interest to accrue on such refunding bonds outstanding.

In the event all or a portion of the Loan Obligations have been refunded, the amount which the City shall be obligated to pay or the Bank shall receive under item (iii) above, when the refunded Loan Obligations or portion thereof are redeemed, shall be the premium, if any, on the Loan Obligations to be redeemed.

Nothing in this Section shall be construed as preventing the City from refunding the Municipal Bond in exchange for a new Municipal Bond in conjunction with a refunding of all or a portion of the Loan Obligations.

10. Simultaneously with the delivery of the Municipal Bond to the Bank, the City shall furnish to the Bank evidence satisfactory to the Bank which shall set forth, among other things, that the Municipal Bond will constitute a valid and binding special and limited obligation of the City, secured by the Net Revenues of the Harbor.

11. Invoices for payments under this Loan Agreement shall be addressed to the City, Attention: Mark Lynch, City Manager, P.O. Box 608, Whittier, Alaska 99693. The City shall give the Bank and the corporate trust office of the Trustee under the General Bond Resolution at least 30 days' prior written notice of any change in such address.

12. The City hereby agrees that it shall fully fund, at the time of loan funding, its debt service reserve fund (in an amount equal to \$ _____) which secures payment of principal and interest on its Municipal Bond, that such fund shall be held in the name of the City with the Trustee, and that the yield on amounts held in such fund shall be restricted to a yield not in excess of _____ percent.

13. The City agrees to at all times establish, maintain and collect rentals, tariffs, rates, fees and charges in the operation of the business of the Harbor¹ that will produce Net Revenue² in each fiscal year of the City at least equal to the greater of (a) 125% of the amount required in such fiscal year of the City to be paid as Debt Service³ on Outstanding City Harbor Revenue Bonds, or (b) the amount required to be deposited during such fiscal year from Net Revenue into bond funds and reserve funds established for Outstanding City Harbor Revenue Bonds, but excluding from each of the foregoing payments made from refunding debt or capitalized Debt Service.

14. The City hereby agrees to keep and retain, until the date six years after the retirement of the Municipal Bond, or any bond issued to refund the Municipal Bond, or such longer period as may be required by the City's record retention policies and procedures, records with respect to the investment, expenditure and use of the proceeds derived from the sale of its Municipal Bond, including without limitation, records, schedules, bills, invoices, check registers, cancelled checks and supporting documentation evidencing use of proceeds, and investments and/or reinvestments of proceeds. The City agrees that all records required by the preceding sentence shall be made available to the Bond Bank upon request.

¹ "Harbor" means all harbor facilities located within the boundaries of the City that are owned or operated by the City, including without limitation all small boat harbor facilities and all other docks, wharves, adjacent uplands and structures thereon that are used for harbor purposes, as any of them may be added to, improved and extended, for as long as any of the bonds, notes or other evidences of indebtedness issued from time to time in series under the authority of the City's Master Resolution (the "City Harbor Revenue Bonds") are Outstanding.

"Outstanding" means, as of any date, any City Harbor Revenue Bonds theretofore issued except such City Harbor Revenue Bonds deemed to be no longer Outstanding as provided in the City's Master Resolution.

² "Net Revenue" means Gross Revenue less any part thereof that must be used to pay Operating Expenses.

"Gross Revenue" means (1) all income, receipts and revenue derived by or for the account of the Harbor from time to time from any source from the ownership, leasing or operation of all equipment and all property, real and personal, or any interest therein, whether improved or unimproved, now or hereafter (for as long as any City Harbor Revenue Bonds shall be Outstanding) owned, operated, used, leased or managed by the Harbor and which contribute in some measure to its Gross Revenue (the "Facilities") whatsoever; (2) all commercial passenger vessel tax proceeds distributed to the City by the State of Alaska under AS 43.52.230(b) or any successor statute ("CPV Revenue"); and (3) all earnings on any fund or account that is pledged to secure the City Harbor Revenue Bonds. However, the following shall be excluded from Gross Revenue: (i) the proceeds of any borrowing by the City and the earnings thereon (other than earnings on proceeds deposited in reserve funds); (ii) proceeds of insurance or condemnation proceeds other than business interruption insurance; and (iii) income from investments irrevocably pledged to the payment of City Harbor Revenue Bonds issued or to be defeased under any refunding bond plan of the Harbor.

"Operating Expenses" means the current expenses incurred for operation, maintenance or repair of the Facilities of a non-capital nature, and shall include without limitation labor and supply expenses that are properly chargeable to current operations, utility expenses, customer accounts expenses, administrative and general expenses, insurance premiums, lease rentals, legal and engineering expenses, payments to pension, retirement, group life insurance, health and hospitalization funds or other employee benefit funds that are properly chargeable to current operations, interest on customers' deposits, payroll tax expenses, and any other expenses required to be paid under the provisions of the City's Master Resolution or by law or permitted by standard practices for public enterprises similar to the properties and business of the Harbor and applicable in the circumstances. Operating Expenses shall not include payments of taxes or assessments (or payments in lieu of taxes or assessments) to the City, payments with respect to judgments, any allowances for depreciation or amortization, or any principal, redemption price or purchase price of, or interest on, any obligations of the City incurred in connection with the Facilities and payable from Gross Revenue.

³ "Debt Service" means, for any period, with respect to any City Harbor Revenue Bonds, an amount equal to (1) the principal amount of such City Harbor Revenue Bonds due or subject to mandatory redemption during such period and for which no sinking fund installments have been established, (2) the amount of any payment required to be made during such period into any sinking fund established for the payment of any such City Harbor Revenue Bonds, plus (3) all interest payable during such period on any such City Harbor Revenue Bonds Outstanding and with respect to City Harbor Revenue Bonds with mandatory sinking fund requirements, calculated on the assumption that mandatory sinking fund installments will be applied to the redemption or retirement of such City Harbor Revenue Bonds on the date specified in the Series Resolution authorizing such City Harbor Revenue Bonds.

15. Prior to payment of the amount of the Harbor Loan or any portion thereof, and the delivery of the Municipal Bond to the Bank or its designee, the Bank shall have the right to cancel all or any part of its obligations hereunder if:

(a) Any representation, warranty or other statement made by the City to the Bank in connection with its application to the Bank for a Loan shall be incorrect or incomplete in any material respect.

(b) The City has violated commitments made by it in the terms of this Loan Agreement.

(c) The financial position of the City has, in the opinion of the Bank, suffered a materially adverse change between the date of this Loan Agreement and the scheduled time of delivery of the Municipal Bond to the Bank.

16. The obligation of the Bank under this Loan Agreement is contingent upon delivery of its General Obligation Bonds, 20__ Series _____ and receipt of the proceeds thereof.

17. The City agrees that it will provide the Bank with written notice of any default in covenants under the City's Resolution within thirty (30) days after the date thereof.

18. The City agrees that it shall file, on an annual basis, its annual financial statements with the Municipal Securities Rulemaking Board not later than two hundred ten (210) days after the end of each fiscal year of the City for so long as the Municipal Bond remains outstanding. The City further agrees that filings under this Section 18 shall be made in connection with CUSIP Nos. 01179P, 011798 and 01179R. Additional or alternate CUSIP number(s) may be added from time to time by written notice from the Bank to the City. The City agrees that if it shall receive from the Bank CUSIP number(s) in addition to those set forth in this Section then it shall thereafter make its filings using both CUSIP numbers herein stated and any additional CUSIP number(s).

19. The City agrees that it shall not take, or omit to take, any action lawful and within its power to take, which action or omission would cause interest on the Municipal Bond to become subject to federal income taxes in addition to federal income taxes to which interest on such Municipal Bond is subject on the date of original issuance thereof.

The City shall not permit any of the proceeds of the Municipal Bond, or any facilities financed with such proceeds, to be used in any manner that would cause the Municipal Bond to constitute a "private activity bond" within the meaning of Section 141 of the Code.

The City shall make no use or investment of the proceeds of the Municipal Bond that will cause the Municipal Bond to be an "arbitrage bond" under Section 148 of the Code. So long as the Municipal Bond is outstanding, the City, shall comply with all requirements of Section 148 of the Code and all regulations of the United States Department of Treasury issued thereunder, to the extent that such requirements are, at the time, applicable and in effect. The City shall indemnify and hold harmless the Bank from any obligation of the City to make rebate payments to the United States under said Section 148 arising from the City's use or investment of the proceeds of the Municipal Bond.

20. Upon request of the Bank, the City agrees that if its bonds constitute ten percent (10%) or more of the outstanding principal of municipal bonds held by the Bank under its General Bond Resolution, it shall execute a continuing disclosure agreement prepared by the Bank for purposes of Securities and Exchange Commission Rule 15c2-12, adopted under the Securities and Exchange Act of 1934.

21. The City agrees that if its bonds constitute ten percent (10%) or more of the outstanding principal of municipal bonds held by the Bank under its General Bond Resolution it shall provide the Bank for inclusion in future official statements, upon request, financial information generally of the type included in Appendix D of the Bank's Official Statement, dated _____, 20__, under the heading "Summaries of Borrowers Representing 10% or More of Outstanding Principal of Bonds Issued Under the 2005 General Bond Resolution" attached hereto as Exhibit B.

22. If any provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

23. This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments, and take such other actions as are necessary, to give effect to the terms of this Loan Agreement.

24. No waiver by either party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other term or condition hereof, nor shall a waiver of any breach of this Loan Agreement be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

25. In this Loan Agreement, unless otherwise defined herein, all capitalized terms which are defined in Article I of the General Bond Resolution shall have the same meanings, respectively, as such terms are given in Article I of the General Bond Resolution.

26. This Loan Agreement shall remain in full force and effect so long as the Municipal Bond remains outstanding.

27. This Loan Agreement merges and supersedes all prior negotiations, representations and agreements between the parties hereto relating to the subject matter hereof and constitutes the entire agreement between the parties hereto in respect thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Loan Agreement as of the date first set forth above.

ALASKA MUNICIPAL BOND BANK

By: _____
DEVEN J. MITCHELL
Executive Director

CITY OF WHITTIER,
ALASKA

By: _____

Its: _____

EXHIBIT A

\$ _____
City of Whittier, Alaska
Harbor Revenue Bond, 2017A
("Municipal Bond")

Due (_____ 1)	Principal <u>Amount</u>	Interest <u>Rate</u>
-------------------	----------------------------	-------------------------

Principal installments shall be payable on _____ 1 in each of the years, and in the amounts set forth above. Interest on the Municipal Bond shall be payable on _____ 1, 20____, and thereafter on _____ 1 and _____ 1 of each year.

[Prepayment Provisions: The Municipal Bond principal installments are not subject to prepayment prior to maturity.]

[Optional Prepayment: The Municipal Bond principal installments due on or after _____ 1, 20____ are subject to prepayment in whole or in part at the option of the City on any date on or after _____ 1, 20____, at a price of 100% of the principal amount thereof to be prepaid, plus accrued interest to the date of prepayment.]

EXHIBIT B

[Information from Appendix D of the Bond Bank's Official Statement to be inserted.]

RESOLUTION NO. 38-2016

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHITTIER APPROVING THE 2017 ANNUAL FEE SCHEDULE

WHEREAS, the City of Whittier provides certain services for customers using City facilities;
and

WHEREAS, the City charges certain fees for services; and

WHEREAS, a fee schedule is necessary to ensure fees are being charged appropriately and
fairly; and

WHEREAS, City Council has reviewed and approves the attached Exhibit A, Annual Fee
Schedule for 2017 calendar year; and

WHEREAS, The 2017 Annual Fee Schedule will be effective beginning January 1, 2017 and
continuing until another fee schedule is approved.

NOW THEREFORE BE IT RESOLVED THAT: The City Council by this resolution hereby
adopts the attached Exhibit A as the Fee Schedule for 2016.

PASSED AND APPROVED THIS 20th DAY OF DECEMBER, 2016.

CITY OF WHITTIER

ITS: Dan Blair
Mayor

ATTEST:

Jennifer Rogers
CITY CLERK

Ayes:
Nays:
Absent:
Abstain:

EXHIBIT A

2017 WHITTIER FEE SCHEDULE

ALL DEPARTMENTS

SERVICE	DESCRIPTION	RATE	W/TAX	PER
Bad Checks (NSF)		\$ 30.00		Each NSF *
Copies 8.5" x 11"	per page / per side	\$ 0.25		Each Page *
Color Copies 8.5" x 11"	per page / per side	\$ 1.00		Each Page *
Copies 8.5" x 14"	per page / per side	\$ 0.35		Each Page *
Color Copies 8.5" x 14"	per page / per side	\$ 1.50		Each Page *
Copies 11" x 17"	per page / per side	\$ 0.50		Each Page *
Color Copies 11" x 17"	per page / per side	\$ 2.00		Each Page *
CDs	Electronic files provided on CD	\$ 5.00		Each CD *
DVDs	Electronic files provided on DVD	\$ 10.00		Each DVD *
Emailed electronic records	Electronic files provided by email	\$ 5.00		Each email *
Fax 1st Page	First Page	\$ 1.50		Each *
Fax Each Additional Page	Additional Pages	\$ 0.50		Each Page *
Labor Fee	1 hr Per Staff min.	\$ 75.00	\$ 78.75	Hour
Labor Overtime fee (or after Hours)	2 hr Per Staff min. (if call out)	\$ 112.50	\$ 118.13	Hour
Labor Holiday Pay	2 hr Per Staff min. (if call out)	\$ 150.00	\$ 157.50	Hour
Notary	per document	\$ 10.00		Each Stamp *

HARBOR

SERVICE	DESCRIPTION	RATE	W/TAX	PER
Preferential Moorage	JAN through DEC	\$ 65.81		ft./year *
Annual Transient Moorage	JAN through DEC	\$ 65.81		ft./year *
Transient Moorage	Daily	\$ 1.10	\$ 1.16	ft./day
Transient Moorage	Monthly	\$ 21.40	\$ 22.47	ft./month
Transient Moorage (Winter)	SEPT 16 to APR 15	\$ 45.00		ft./season *
Boat Lift - Short	1 hr min	\$ 299.50	\$ 314.48	1 hr
Boat Lift - Normal	1 hr min	\$ 269.50	\$ 282.98	1 hr
Boat Lift - Rail Car Lift	1 hr min	\$ 349.50	\$ 366.98	1 hr
Each Additional 1/2 hour		\$ 100.00	\$ 105.00	1/2 hr
Launch Ramp	One Way	\$ 10.00	\$ 10.00	Each *
Launch Ramp	Round Trip	\$ 20.00	\$ 20.00	Each *
Launch Ramp (Recreational/Pleasure)	Annual Launch Permit	\$ 160.00	\$ 160.00	Year *
Launch Ramp (Smitty's Cove Commercial Launch)	Annual Permit	\$ 500.00	\$ 500.00	Year *
Launch Ramp (Smitty's Cove Freight Landing Fee)	Each Use	\$ 125.00	\$ 125.00	Each Time *
Wharfage	Freight	\$ 14.29	\$ 15.00	Ton
Wharfage	Raw Fish	\$ 19.05	\$ 20.00	Ton
Hoist	Min. 1 hr	\$ 41.50	\$ 43.58	1hr
Grid	Per Foot per Tide	\$ 2.20	\$ 2.31	ft./tide
STORAGE / MAINTENANCE				
Dry Storage -- Winter, Per Ft/Month	Vessel (Oct 1-March 31)	\$ 4.00		ft./month *
Boat Maintenance (Day 1-7)	Vessel (Apr 1-Sept 30)		\$ 10.50	Day
Boat Maintenance (Starting day 8)	Vessel (Apr 1-Sept 30)		\$ 21.00	Day
Dry Storage--Clean Up Fee	Clean up fee (min. 1 hour)	\$ 75.00	\$ 78.75	per hour
PARKING (daily rates are midnight-midnight)				
Single Vehicle Parking (up to 24 ft.) No campers	Daily - Flat rate per day	\$ 11.00		Day *
Parking (January Through December) Per Car	Annual - Flat rate per year	\$ 250.00		Year *
Parking (October 15 to May 1) Truck & Trailer	Daily - Flat rate per day	\$ 15.00		Day *

UTILITIES (Harbor)				
KWH		\$ 0.15	\$ 0.16	Per KWH
Monthly Service Charge	Only if elec. Used.	\$ 12.00	\$ 12.60	Month
Unmetered Electric		\$ 10.00	\$ 10.50	Day
USED OIL AND WATER COLLECTION FEES				
Absorbent Pads	Each	\$ 2.25	\$ 2.36	Each
Pure Used Oil (no solvents)	Per Gallon	\$ 1.60	\$ 1.68	Gallon
Used Oil and Water	Per Gallon	\$ 3.50	\$ 3.68	Gallon
Used Glycol	Per Gallon	\$ 2.00	\$ 2.10	Gallon
Fuel (Diesel, Jet Fuel, Heating)	Per Gallon	\$ 2.50	\$ 2.63	Gallon
CAMPING (rates are noon-noon)				
Tent Site + vehicle	Primitive w/ fire ring	\$ 11.00		Day *
Tent Site + vehicle	Primitive w/ fire ring	\$ 65.00		Week (7 days) *
RV / Trailer / Motorhome	Primitive w/ fire ring	\$ 20.00		Day *
RV / Trailer / Motorhome	Primitive w/ fire ring	\$ 120.00		Week (7 days) *
MISCELLANEOUS				
Late fee	.875% of unpaid balance	0.00875		Per Month *
Owner/Agent Assist		\$ 75.00	\$ 78.75	Hour
Bilge Pump Out	Min. 1 hour	\$ 75.00	\$ 78.85	Hour
Emergency snow removal	Each occurrence	\$ 250.00		Each
Sewer Pump Out		\$ 10.00	\$ 10.50	Time
Bilge Pump Rental	min. 1 hour	\$ 40.00	\$ 42.00	Hour
Shower		\$ 4.00	\$ 4.20	Time
Tow (boat rate) (plus labor charged per hour)	min 1 hour, Plus labor	\$ 75.00	\$ 78.75	Hour
Harbor Wait List		\$ 50.00		Year *

PUBLIC WORKS

All Equipment and Vehicles will be billed at current Blue Book rates.
All Labor will be billed at applicable City rates (see All Departments).

PUBLIC SAFETY

SERVICE	DESCRIPTION	RATE	W/TAX	PER
Requests for Police Records on paper		\$ 20.00	\$ 21.00	Each
Request for accident report on paper		\$ 20.00	\$ 21.00	Each
Civil Paper Service		\$ 50.00	\$ 52.50	Each
Records or reports on CD		\$ 20.00	\$ 21.00	Each
Records or reports on DVD		\$ 25.00	\$ 26.25	Each
Burn Permit - One Time		\$ 25.00	\$ 26.25	Each
Burn Permit - Commercial		\$ 100.00	\$ 105.00	Each
First Aid / CPR Class		\$ 50.00	\$ 52.50	Each
All Equipment and Vehicles will be billed at current Blue Book rates.				
All Labor will be billed at applicable City rates (see All Departments).				

**CITY OF WHITTIER, ALASKA
RESOLUTION #39-2016**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHITTIER, ALASKA
AUTHORIZING THE GROUND LEASE BETWEEN THE CITY OF WHITTIER,
ALASKA AND HAI HAN YE.**

WHEREAS, the City of Whittier, Alaska ("City") is the owner of certain Real Property owned by the Alaska Railroad Corporation, which is more particularly described as:

Block 2, Lot 1 of Harbor Loop subdivision according to Plat 99-111, Anchorage
Recording District ("Property"), and as shown in Exhibit A.

WHEREAS, the City previously leased the Property to Kenneth B. Hunt who presumably assigned his interest in the Property to Theodore H. Butler and Mr. Butler both assigned and was re-assigned his interest in the Property to John Norris but none of these transfers or assignments were permitted under the existing lease; and

WHEREAS, Hai Han Ye desires to lease the Property from the City for use in connection with Tenant's plans to operate a retail sales or food services business, or charter services, and otherwise improve the Property in accordance with the provisions of the Lease; and

WHEREAS, the Lease shall commence on January 1, 2017 and shall expire on November 12, 2033, unless the Lease is renewed pursuant to Section 1.3 of the Lease;

WHEREAS, it is in the City's best interest to generate revenue by entering into the Lease of the Property to support the valuable services the City provides its citizens, residents, and visitors;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Whittier that the City Manager is authorized to enter into the Lease of the Property with Tenant for the stated term, unless the Lease is renewed pursuant to Section 1.3 of the Lease. The Lease shall be in substantially the same form as Exhibit A, with such modifications as the City Manager may deem appropriate.

PASSED AND APPROVED by a duly constituted quorum of the Whittier City Council on this 20th day of December 2016.

ATTEST:

Jennifer Rodgers
CITY CLERK

Daniel Blair
MAYOR

Ayes:
Nays:
Absent:
Abstain:

GROUND LEASE

BETWEEN

CITY OF WHITTIER, ALASKA

AND

HAI HAN YE

Dated December _____, 2016

LEASE AND SUBLEASE

THIS LEASE and SUBLEASE (“Lease”) is made and entered into as of the 1st day of January, 2017, by and between the City of Whittier, a municipal corporation (“Landlord” or “Lessor”), and Hai Han Ye (“Tenant” or “Lessee”).

RECITALS

A. Landlord is the owner of certain real property (“Whittier Land”) and the lessee of Real Property owned by the Alaska Railroad Corporation (“ARRC Land”) located in Whittier, Alaska and more particularly described as Block 2 Lot 1 of Harbor Loop subdivision according to Plat 99-111, Anchorage Recording District and shown on Exhibit A attached (“the Real Property” or “Leasehold Premises”).

B. Tenant desires to lease the Real Property from Landlord, for use in connection with Tenant’s plans to operate a RETAIL SALES or FOOD SERVICES business in accordance with the provisions of this Lease. The Real Property and all improvements constructed thereon are referred to collectively as the “Leasehold Premises.”

AGREEMENTS

NOW, THEREFORE, it is mutually agreed between Landlord and Tenant:

SECTION 1. PREMISES

1.1 Lease. For and in consideration of Tenant’s covenant to pay the rental and other sums provided for in this Lease and to perform the other covenants contained in this Lease, Landlord leases to Tenant, and Tenant leases from Landlord, the Real Property.

1.1.1 Access to Tidelands. Landlord also assigns and grants, without warranty of any kind whatsoever, to Tenant, a nonexclusive right to use Landlord’s rights of access to tidelands as contained in Section 1.3 of the Ground Lease and Management Agreement dated 13 November, 1998 (“Ground Lease”) including such rights as may be subsequently granted to Landlord pursuant to Section 1.3 of the Ground Lease.

1.2 Term. The term of this Lease shall commence as of January 1, 2017 (the “Commencement Date”). The term of this Lease shall expire (unless renewed pursuant to Section 1.3 below) on November 12, 2033 or earlier terminated pursuant to the terms hereof or by agreement of the parties hereto. Each twelve month period commencing on the Commencement Date or an anniversary of the Commencement Date shall be referred to herein as a “Lease Year.”

1.2.1 Term to Be Inclusive. Whenever the word “Term” is used in this Lease, it shall be deemed to include the term described in Section 1.2, together with any exercised renewal period as described in Section 1.3.

1.3 Tenant's Right to Renew. Should the Master Lease be renewed beyond its existing term, and provided Lessee is not in default hereunder, Lessee shall have the right to extend this Ground Lease, for one (1) additional period of thirty-five (35) years ("Renewal Period") but in no event to extend beyond the term of the Master Lease renewal upon the following terms and conditions:

1.3.1 Notice. Notice of the exercise of such right to renew shall be given no earlier than April 1, 2031 and no later than April 1, 2032.

1.3.2 Terms and Conditions. During the renewal period all terms and conditions of this Lease shall continue to apply except that the rental rate will be amended as described in Section 2.2 of this Lease and that portion of the Real Property which is ARRC land shall be subject to termination in accordance with Section 2.4 of the Master Lease. Under no circumstances shall the Tenant have a claim against the Landlord or ARRC for damages, loss or injury of any kind or nature whatsoever, because ARRC exercises its rights pursuant to Section 2.4 of the Master Lease with respect to all or any portion of the ARRC Land included in this Lease.

1.3.3 Renewal of Master Lease. Lessee may not extend the term of this Lease, unless ARRC extends the term of the Master Lease.

1.3.4 City Succession under Master Lease. If the City succeeds to the interest of the Alaska Railroad Corporation in the property that is the subject of this Ground Lease, neither the term of this Lease nor Lessee's right to extend this Ground Lease shall be affected by the termination or non-renewal of the Master Lease as to that property.

1.4 Landlord's Warranties. Landlord represents and warrants that:

(a) The Real Property shall, as of the Commencement Date, be free of all liens and encumbrances except those of record and the rights of Alaska Railroad Corporation ("ARRC") under the Ground Lease;

(b) Landlord has the authority to enter into this Lease and its execution and delivery by Landlord has been duly authorized;

(c) Tenant shall at all times from and after the Commencement Date and for the balance of the Term of this Lease have the right to peacefully and quietly have, hold and enjoy the Leasehold Premises.

1.5 Tenant's Warranties. Tenant represents and warrants that Tenant has the authority to enter into this Lease and its execution and delivery by Tenant has been duly authorized.

1.6 Use of Premises. Lessee will be providing the following business services or sales: RETAIL SALES or FOOD SERVICES. Lessee covenants that the Leased Premises will be used

only for the purposes directly related to the services or sales stated above and related activities thereto and no other use whatsoever shall be made of the Leased Premises.

The Lessee further covenants that Lessee will neither cause, nor maintain nor permit any public or private nuisance to exist on the Leased Premises, nor will Lessee fail to maintain the land in an orderly, neat, and clean condition, free of hazard and nuisance. Trash, debris, unusable machinery, etc., will be disposed of as soon as practical. Building materials and supplies will be neatly stacked and/or stored. Lessee shall not permit storage of any equipment or material on the Leased Premises not directly related to the business of Lessee.

1.6.1 Compliance with Laws. Tenant covenants that, at no cost or expense to Landlord, it will use and occupy the Leasehold Premises during the Term of this Lease in compliance with all applicable laws, ordinances, regulations and requirements of all federal, state and municipal governments having jurisdiction, and that, in the event the use or occupancy of the Leasehold Premises by Tenant or any subtenant shall constitute a violation of any such laws, ordinances, regulations or requirements, Tenant shall take all steps, promptly upon knowledge of such violation, reasonably necessary to remedy or prevent the same, as the case may be.

1.6.2 Compliance with Insurance Requirements. Tenant covenants that it will observe and comply with the requirements of all policies of liability, fire and other policies of insurance required to be maintained by Tenant at any time in force with respect to the Leasehold Premises, and Tenant shall, in the event of any violation or attempted violation of the provisions of this section by any subtenant, take steps promptly upon knowledge of such violation or attempted violation, to remedy or prevent the same, as the case may be.

1.6.3 Contests. Tenant shall have the right, after prior written notice to Landlord, to contest by appropriate legal proceedings diligently conducted in good faith, in the name of Tenant or Landlord or both, without cost or expense to Landlord, the validity or application of any law, ordinance, order, rule regulation or requirement of the nature referred to in Section 1.6.1 hereof, subject to the following:

(a) If by the terms of any such law, ordinance, order, rule, regulation or requirement, compliance therewith pending the prosecution of any such proceeding may legally be delayed without the incurrence of any lien, charge or liability of any kind against the Leasehold Premises or any part thereof and without subjecting Tenant or Landlord to any liability, civil or criminal, for failure so to comply therewith, Tenant may delay compliance therewith until the final determination of such proceeding; or

(b) If any lien, charge or civil liability would be incurred by reason of any such delay, Tenant nevertheless may contest as aforesaid and delay as aforesaid, provided that such delay would not subject Landlord to criminal liability or fine, and Tenant (i) furnishes to Landlord security, reasonably satisfactory to Landlord, against any loss or injury by reason of such contest or delay, and (ii) prosecutes the contest with due diligence.

Landlord, without cost to it, shall, subject to the foregoing, execute and deliver any appropriate papers which may be necessary or proper to permit Tenant so to contest the validity or application of any such law, ordinance, order, rule, regulation or requirement.

1.7 Maintenance and Repairs. Tenant at its expense will keep the Leasehold Premises in good and clean order and condition, and will promptly make or cause others to make all necessary or appropriate repairs, replacements or renewals thereof, whether interior or exterior, structural or nonstructural, ordinary or extraordinary, foreseen or unforeseen. All repairs, replacements and renewals shall be substantially equal in quality and class to the original work. Tenant waives any rights created by any law now or hereafter in force to make repairs to the Leasehold Premises at Lessor's expense, in that Landlord and Tenant have by this Lease made specific provision for such repairs and have their respective obligations thereto. Tenant, at its expense, will do or cause others to do every act necessary or appropriate for the preservation and safety of the Leasehold Premises by reason of or in connection with any excavation or other building operation upon the Leasehold Premises or any adjoining property, including, without limitation, all shoring up of foundations and walls of the Improvements or of the ground adjacent thereto, whether or not the owner of the adjoining property shall be required by any legal requirement to take such action or be liable for failure to do so.

SECTION 2. RENT

2.1 Initial Rent. Tenant covenants and agrees to pay Landlord for the Ground Lease premises an annual rental ("Rent") of **\$3633.60** payable in twelve monthly installments, due, in advance, on the first day of each month (**the monthly payment is \$302.80**) subject to adjustment as provided in Section 2.2.

2.2 Adjustment of Rent. Beginning on July 1, 2017, and annually on each July 1 thereafter during the term and any Renewal Period, the Rent Lessee shall pay Lessor shall increase or decrease by the percentage increase or decrease, if any, in the Consumer Price Index for All Urban Consumers, All Items, Anchorage, Alaska (1982-1984=100), as published by the U.S. Department of Labor, Bureau of Labor Statistics (hereafter "CPI-U"), between the first and second prior calendar years. For example, the CPI-U adjustment on July 1, 2016 shall be based on a comparison of the CPI-U for 2014 with the CPI-U for 2015. The formula for the rental adjustment is as follows:

$$\begin{aligned} & \% \text{ of change in CPI-U} \times \text{Prior Year Rent} + \text{Prior} \\ & \text{Year Rent} = \text{Adjusted Rent for Lease Year} \end{aligned}$$

Application of the CPI-U adjustment may cause the Rent to increase or decrease. If the base index years for the CPI-U are changed by the Bureau of Labor Statistics so that comparison between the CPI-U for various years will be inaccurate, the CPI-U for the respective years shall be converted as necessary in accordance with the conversion factors published by the Bureau of Labor Statistics. If the CPI-U is discontinued, such other government index or computation with which it is replaced

shall be used in order to obtain substantially the same result as would be obtained if the CPI-U had not been discontinued.

2.3 Rent Payments. Rent shall be payable in equal monthly installments in advance in lawful money of the United States of America on the first day of each calendar month during the term of this Lease. All payments of Rent shall be made by Tenant to Landlord without notice on demand, at the place provided in Section 18.12. In the event any payment of Rent shall not be paid on or before five (5) days following the due date as provided in this Section, the delinquent amount shall be due together with interest accruing at the rate of eight percent (8%) from the due date until the date of payment.

2.4 Pro Rata Portions of a Month. If the Commencement Date occurs, or the Term expires, or there is to be a partial abatement of rental pursuant hereto, or an end to such abatement effective, on a date other than at the end or start of a calendar month, the Rent for such month shall be prorated for the month involved on the basis of the actual days in such month.

2.5 Offset of Rent. Rent shall not be withheld in whole or part because of an offset or counterclaim by Tenant.

SECTION 3. ASSESSMENTS, SUBDIVISION AND SURVEY, AND UTILITIES; IMPOSITIONS; CONTEST OF IMPOSITIONS

3.1 Utilities. Tenant shall pay or cause to be paid when due, and shall indemnify, protect, defend and hold harmless Landlord and the Leasehold Premises from, all charges for public or private utility services to or for the Leasehold Premises during the Term, including without limiting the generality of the foregoing, all charges for heat, light, electricity, water, gas, telephone service, garbage collection and sewage service. Landlord shall have no liability whatsoever for the failure of any such service for any reason.

3.2 Impositions. Tenant shall pay when due and before any interest, penalty, fine or cost which may be added for nonpayment, each and every one of the following ("Impositions"):

(a) All real property taxes or payments in lieu thereof imposed with respect to the Leasehold Premises or any portion thereof;

(b) Taxes imposed upon the leasehold estate created by this Lease, the rents payable or paid by Tenant to Landlord, or a tax in any form against Landlord measured by income derived from the leasing or rental of the Leasehold Premises, specifically including without limitation any leasehold excise taxes and any business and occupation tax imposed upon Landlord with respect to rentals, but excluding any taxes on net income or taxes in lieu thereof imposed on Landlord;

(c) All taxes imposed on or with respect to personal property and intangibles located in or used in connection with the Leasehold Premises other than such property owned by subtenants of the Leasehold Premises;

(d) All assessments for public improvements or benefits including but not limited to all road improvement district and utility local improvement district taxes which are assessed during the Term of this Lease, and any similar assessments and charges;

(e) All other rents, rates and charges, excises, levies, license fees, permit fees, inspection fees and other fees and charges, in each case whether general or special, ordinary or extraordinary, foreseen or unforeseen, of every character (including interest and penalties thereon), which at any time during or in respect of the Term may be assessed, levied, confirmed or imposed on or in respect of or be a lien upon the Leasehold Premises or any part thereof, or any estate, right or interest therein, or any occupancy, use or possession of or activity conducted on the Leasehold Premises or any part thereof.

3.2.1 Installments. If by law any Imposition may at the option of the taxpayer be paid in installments, Tenant may exercise such option, and shall pay all such installments (and interest, if any) becoming due during the Term as the same become due and before any additional interest or any penalty, fine or cost may be added thereto, and shall at the end of the Term deposit with Landlord an amount sufficient to pay Tenant's pro rata share of all Impositions for the Lease Year in which this Lease terminates.

3.2.2 Proof of Payment. Tenant will furnish to Landlord, upon request, for inspection, within thirty (30) days after the date any Imposition would become delinquent (unless being contested in conformity with Section 3.3), official receipts of the appropriate taxing authority or other proof satisfactory to Landlord evidencing the payment of such Imposition.

3.3 Permitted Contests. Tenant at its sole cost and expense may, after prior written notice to Landlord, by appropriate legal proceedings conducted in good faith and with due diligence, contest the amount or validity or application, in whole or in part, of any Imposition or lien therefor, or any other lien, encumbrance or charge against the Leasehold Premises arising from work done or materials provided to or for Tenant, if, and only if:

(a) Neither the Leasehold Premises nor any part thereof or interest therein is or will be in any danger of being sold, forfeited or lost;

(b) Such delay would not subject Landlord to criminal liability or fine; and

(c) Tenant shall have furnished such security, if any, as may be required in the proceedings or as may be reasonably requested by Landlord.

Tenant shall indemnify, protect, defend and hold harmless Landlord and the Leasehold Premises from any lien or liability with respect to any such Imposition or contest thereof, including all costs and expenses related thereto.

SECTION 4. TENANT FINANCING OF IMPROVEMENTS

4.1 Leasehold Mortgages. Tenant, and its successors and assigns, shall have the unrestricted right to mortgage (which term shall include a deed of trust) and pledge this Lease to an institutional lender without Landlord approval and to another lender with prior written approval of Landlord. In no event shall Landlord subordinate its fee simple interest in the Real Property which is the subject of this Lease.

SECTION 5. CONSTRUCTION OF IMPROVEMENTS

5.1 Acceptance of Premises. Tenant has inspected the Real Property and will accept the same on the Commencement Date in its present condition.

5.2 Commencement of Construction. No construction is required.

5.3 Approval of Plans and Schedule. N/A

5.4 Hold Harmless. Tenant shall indemnify, protect and hold harmless Landlord, ARRC and the Leasehold Premises from and against all claims and liabilities arising by virtue of, or relating to, construction of any Improvements or repairs made at any time to the Leasehold Premises (including repairs, restoration and rebuilding).

5.5 Permits; Compliance with Codes. Tenant shall secure at its sole cost all building permits and other permits, licenses, permissions, consents and approvals required to be obtained from governmental agencies or third parties in connection with construction of the Improvements, or repairs, replacements or renewals to the Leasehold Premises as required by applicable laws, ordinances or regulations. Tenant shall cause all work on the Leasehold Premises during the Term to be performed in accordance with all applicable laws and all directions and regulations of all governmental agencies and the representatives of such agencies having jurisdiction.

5.6 Control and Indemnification. Landlord's approval of any Construction Plans including any changes thereto shall not render Landlord liable therefore, and Tenant shall indemnify, defend and hold harmless Landlord from and against any and all claims arising out of or from the use of such Preliminary Construction Plans. Nothing within this Section 5.6 shall be construed as a release or waiver of liability of any contractor with respect to any and all claims arising out of or from the use of such Construction Plans.

5.7 Ownership of Improvements.

5.7.1 Tenant Ownership of Improvements. During the Term of this Lease, all Improvements constructed by Tenant including without limitation all additions, alterations and improvements thereto or replacements thereof and all appurtenant fixtures, machinery and equipment installed therein, other than such property which is owned by subtenants of the Leasehold Premises, shall be the property of Tenant. At the expiration or earlier termination of this Lease, the Improvements and all additions, alterations and improvements thereto or replacements thereof and all appurtenant fixtures, machinery and equipment installed therein, other than such property which is owned by subtenants of Tenant, shall become the property of Landlord.

5.7.2 ARRC Ownership of Fill and Subsurface Improvements. All subsurface improvements, including but not limited to fill, existing on or placed upon the Leasehold Premises shall belong to ARRC if located on ARRC Land but shall be part of the premises leased to Tenant hereunder. Any fill added to, or placed upon, the ARRC Land during the Term of this Lease shall become the property of ARRC upon installation and become a part of the Leasehold Premises.

5.8 Alterations and Additions.

5.8.1 Alterations and Additions. Tenant shall have the right at any time and from time to time during the Term, so long as no default exists hereunder, to make, at its expense, changes, renovations, alterations and additions to the Improvements or any part thereof; provided, however, that any such change, renovation, alteration or addition:

(a) shall not change the use of the Real Property or reduce the fair market value of the Improvements below their value immediately prior to such change, alteration or addition, or impair their usefulness;

(b) shall be effected with due diligence in good and workmanlike manner, and in compliance with all legal requirements and insurance requirements;

(c) shall be promptly and fully paid for by Tenant; and

(d) shall be made, if the estimated cost of such change, renovation, alteration or addition exceeds thirty percent of Tenant's current assessed value of improvements (exclusive of any changes made in connection with any subleases not involving any structural change), in accordance with plans and specifications and modifications thereto prepared by an architect or engineer selected by Tenant and satisfactory to Landlord, provided that such plans and specifications and modifications thereto and all cost estimates have been approved in writing by Landlord and Tenant shall have furnished to Landlord such security as is satisfactory to Landlord to assure the completion of such change, renovation, alteration or addition. In the event that Landlord does not approve any such change, alteration or addition, it shall, within such fifteen (15) days of the receipt of plans and specifications or modifications thereto, so notify Tenant in writing, giving the reasons for such lack of approval. The parties shall then forthwith negotiate in good faith to resolve these difficulties. If a satisfactory resolution is not reached within an additional fifteen (15) days, the reasonableness of Landlord's disapproval shall be submitted to arbitration

pursuant to Section 15 below. Each party shall bear the cost of such submittal incurred by it and the cost of the arbitrators shall be borne equally by the parties.

5.8.2 Demolition and Reconstruction. Tenant shall have the right at any time and from time to time during the Term, so long as no default exists hereunder, at its expense, to demolish part or all of the Improvements then existing if Tenant shall forthwith construct improvements upon the Land (the "Replacement Improvements") to replace such demolished Improvements, provided that (i) such Replacement Improvements shall be similar in type and quality to the Improvements that previously existed, and (ii) in Landlord's judgment the Replacement Improvements will provide sufficient income to pay the Rent, provided that:

(a) Prior to the commencement of any such demolition, Landlord shall have (i) received at least three (3) months' prior written notice from Tenant of the proposed demolition and construction, (ii) approved in writing the plans and specifications and modifications thereto for the proposed Replacement Improvements, prepared by an architect or engineer licensed in the State of Alaska selected by Tenant and satisfactory to Landlord, (iii) approved in writing the cost estimates for the proposed demolition and construction, and (iv) received a contractor's completion bond from Tenant as shall be satisfactory to Landlord to assure the lien-free completion of such proposed demolition and construction;

(b) Any such demolition and the construction of Replacement Improvements in connection therewith shall comply with the provisions of subsections (b) and (c) of Section 5.8.1; and

(c) Evidence of compliance of such demolition and reconstruction with the provisions of this Lease, including without limitation, insurance and legal requirements.

Tenant shall not demolish any portion of the Improvements, other than strictly in accordance with the provisions of this Section 5.8.2, without the prior written consent of Landlord, except for minor demolitions in connection with alterations or additions as are performed in compliance with the provisions of Section 5.8.1.

5.9 Surrender Upon Termination. Upon expiration or earlier termination of this Lease, Tenant shall remove Tenant's personal property and equipment and shall surrender the Leasehold Premises to Landlord; provided that Tenant shall not remove any appurtenant fixtures, machinery or equipment described in Section 1.6, or any additions to or replacements thereof made during the Term of this Lease, it being the intent of the parties that upon expiration or earlier termination of this Lease, Landlord shall receive a facility Tenant (or its sublessee) construct thereon. Tenant's personal property and equipment not removed by Tenant at expiration or other termination or within a reasonable time thereafter shall be considered abandoned and Landlord may take title to and use such property or at Landlord's sole discretion dispose of such property in any reasonable manner and Tenant shall reimburse Landlord for all costs and expenses of such disposal.

5.10 As-Built Drawings. Upon completion of the Improvements, Tenant shall deliver to Landlord two copies each of as-built drawings for such Improvements and an as-built survey showing the location of the Improvements, including all underground Improvements and fill.

5.11 Discharge of Liens. Tenant will not directly or indirectly create or permit to be created or to remain, and will discharge any mortgage, lien, security interest, encumbrance or charge on, pledge of or conditional sale or other title retention agreement with respect to the Leasehold Premises or any part thereof, or with respect to Rent, or any other sums payable under this Lease, other than (a) this Lease; (b) liens for Impositions not yet payable, or payable without the addition of any fine, penalty interest or cost for nonpayment, or being contested as permitted by Section 3.3; (c) liens of mechanics, material men, suppliers or vendors, or rights thereto, incurred in the ordinary course of business for sums which under the terms of the related contracts are not at the time due, provided that adequate provision for the payment thereof shall have been made; (d) a leasehold mortgage permitted by Section 4.1; (e) a security interest in furniture, fixtures and equipment given as additional security for a leasehold mortgage permitted by Section 4.1; (f) any purchase money security interest in furniture, fixtures and equipment given to any vendor thereof; (g) any interest in furniture, fixtures and equipment given as security for the payment of money borrowed for the purchase price thereof and (h) arising solely from the conduct of Lessor. Lessor shall have the right to post notices of nonresponsibility in conspicuous places on the Leasehold Premises. Tenant shall give Lessor no less than twenty (20) days' prior notice in writing before commencing the work or the furnishing of materials for any change, renovation, alteration, addition or restoration so that Lessor may post notices of nonresponsibility in conspicuous places on the Leasehold Premises.

SECTION 6. DAMAGE OR DESTRUCTION

6.1 Repairs and Alterations. In the event of damage to or destruction of the Improvements:

6.1.1 Tenant's Obligation to Repair. If the same can be made under then existing laws, ordinances, statutes or regulations of any governmental authorities applicable thereto (or can be so made with minor and nonmaterial changes to the former condition and form of property damaged or destroyed), Tenant shall effect, and Landlord and Tenant agree that the funds derived from insurance acquired pursuant to Section 7 shall be made available to effect, the repair and reconstruction of the Improvements so damaged or destroyed to substantially its condition prior to said damage or destruction. If insurance funds are not adequate, Landlord may require Tenant to escrow prior to the commencement of any construction work a sufficient sum so that taken together with the insurance funds available for construction purposes, is equal to or exceeds the cost of all labor, materials and other construction costs, direct and indirect to fully complete the repairing, restoring and/or rebuilding of the Improvement as aforesaid.

All such repair work shall be carried on in accordance with plans and specifications prepared by a licensed architect or engineers approved by Landlord (acting reasonably) if such an architect or engineer is reasonably required, given the scope and nature of the work. No extras or

changes in plans and specifications shall be made by Tenant without first (A) giving written notice of such changes to Landlord and obtaining Landlord's approval thereof (which approval shall not be unreasonably withheld or delayed), and (B) depositing into escrow additional funds sufficient to pay for such extras or changes, and (C) as to any such changes which, together with all other changes theretofore made, involve over thirty percent of current assessed value of Tenant's improvements and as to any changes which involve fundamental or material changes in the uses permitted by this Lease, obtaining the written consent of Landlord (which consent shall not be unreasonably withheld).

6.1.2 Tenants Election to Repair. If funds in excess of thirty percent of the available insurance funds would be required to effect the repairs or reconstruction described in Section 6.1.1 or if such reconstruction or rebuilding cannot be made under then existing laws, ordinances, statutes or regulations of any governmental authority applicable thereto (and cannot be so made with changes to the former condition and form of the Improvements damaged or destroyed such that the repaired or reconstructed Improvements have substantially the same economic value as the Improvements had immediately prior to the damage or destruction), and, in either such event, the parties hereto are unable during a period of sixty (60) days after the determination of the insurance surveyor with respect to such damage or destruction to agree in writing on a construction program, then the Term shall end as of the date of such damage or destruction and the insurance proceeds collected as a result of such damage or destruction shall be distributed as provided in Section 7.6(b); provided, however, if such reconstruction or rebuilding can be made under such existing laws, ordinances, statutes and regulations (or can be so made with changes to the former condition and form of the Improvements damaged or destroyed such that the repaired or reconstructed Improvements have substantially the same economic value as the Improvements had immediately prior to the damage or destruction), but the cost of so repairing or reconstructing such damage or destruction (after deducting available insurance proceeds) is in excess of thirty percent of the available insurance funds would be required to effect the repair and restoration as provided in Section 6.1.1, and the Term shall not end as of the date of such damage or destruction, if Tenant (i) gives notice to that effect to Landlord within sixty (60) days after the determination of the insurance surveyor with respect to said damage or destruction; and (ii) promptly demonstrates to the reasonable satisfaction of Landlord that it can deposit into escrow the funds required or that will be required under the provisions of Section 6.1.1, whereupon the provisions of said Section 6.1.1 shall be fully applicable to such damage or destruction.

6.2 Prompt Repair. If Tenant, pursuant to the terms hereof, is obligated or elects to repair, replace, reconstruct or rebuild any structures, improvements or other property as hereinabove provided, the same shall be effected at Tenant's cost and expense (which may be paid from insurance proceeds available as above provided and subject to the provisions of Section 6.1.1), and Tenant shall diligently commence and continuously carry out such repair, replacement, reconstruction or rebuilding, to full completion as soon as possible, except to the extent of delays due to strikes, lockouts, shortages of labor or materials after due diligence in obtaining the same, governmental restrictions, fire, casualty, riot, act of God, act of the public enemy, or other causes beyond the reasonable control of Tenant after the exercise of due diligence, including diligence in contracting, and the exercise of rights under contracts, with contractors and suppliers.

6.3 No Abatement. This Lease and the Term shall not terminate or be terminated because of damage to or destruction of any structure or Improvement on or in the Leasehold Premises except under and in accordance with the provisions hereinabove contained, and Tenant's obligation to pay the Rent due hereunder shall not be abated as a result of any such damage or destruction or during any period of repair or reconstruction.

6.4 Damage During Last Ten (10) Years of Term. If there occurs during the last ten (10) years of the Term damage or destruction to any structure or Improvement on or in the Leasehold Premises and the costs of repairing, restoring, replacing or rebuilding the same exceed fifty percent of the current assessed value of Tenant's improvements immediately prior to damage or destruction, then Tenant may elect to terminate the Term and, in such event, Tenant shall give notice to Landlord of its election within sixty (60) days after the determination by the insurance surveyor of the amount of damage, the Term shall thereupon terminate as of the date of such notice and Landlord shall be entitled to receive the full amount of any insurance proceeds collected as a result of such damage or destruction.

SECTION 7. INSURANCE

7.1 Acquisition of Insurance Policies. Tenant shall, at its sole cost and expense, procure and maintain, or cause to be procured and maintained, during the Term, the insurance described in this Section (or its then available equivalent), which insurance shall be subject to Landlord's review and approval, which approval shall not be unreasonably withheld, and shall name Landlord and ARRC with respect to ARRC Land as additional co-insureds. Policy limits may be reviewed annually by Landlord and may be adjusted if prudent, considering levels of inflation, risk of loss, premium expenses, and other relevant factors. Any dispute regarding policy limits shall be resolved by Arbitration as provided in Section 15 hereof.

7.2 Types of Required Insurance. Tenant shall procure and maintain the following:

7.2.1 Comprehensive General Liability Insurance. Comprehensive general liability insurance covering all claims with respect to injuries or damages to persons or property sustained in, on or about the Leasehold Premises and the appurtenances thereto, including sidewalks and alleyways adjacent thereto, if any, with limits of liability (which limits shall be adjusted as provided in Section 7.1 above) no less than the following:

Bodily and Personal Injury and Property Damage Liability
Five Hundred Thousand Dollars (\$500,000) each occurrence
and aggregate.

7.2.2 Physical Property Damage Insurance. All risk physical damage insurance covering all real and personal property, excluding property paid for by subtenants or paid for by Tenant for which subtenants have reimbursed Tenant, located on or in, or constituting a part of, the Leasehold Premises, in an amount equal to at least one hundred percent (100%) of replacement

value of all such property (or such lesser amount as Landlord may approve in writing). Such insurance shall afford coverage for damages resulting from (a) fire, (b) perils normally covered by extended coverage insurance used in the state of Alaska, (c) earthquake and flood, (d) explosion of steam and pressure boilers and mechanical and electrical apparatus located in the Leasehold Premises and (e) loss of rents and/or business interruption. Tenant shall not be required to maintain insurance for war risks; provided, however, if Tenant shall obtain any such coverages, then, for as long as such insurance is maintained by Tenant, Landlord shall be entitled to the benefits of (i) the first sentence of Section 7.3 hereof, and (ii) subparagraph (c) of such Section 7.3.

7.2.3 Builder's Risk Insurance. During construction of the Improvements and during any subsequent restorations, alterations or changes in the Leasehold Premises that may be made by Tenant at a cost in excess of Twenty-five Thousand Dollars (\$25,000) per job, contingent liability and all builder's risk insurance in an amount reasonably satisfactory to Landlord. During construction of the Improvements, the all builder's risk insurance shall include insurance for earthquake risks.

7.2.4 Workers' Compensation Insurance. Workers' compensation and employer's liability insurance in respect of any work by employees of Tenant on or about the Leasehold Premises.

7.3 Terms of Insurance. The policies required under Section 7.2 shall name Landlord and ARRC as additional co-insureds and Tenant shall provide to Landlord certificates of insurance and copies of policies obtained by Tenant hereunder promptly upon the request of Landlord. Further, all policies of insurance described in Section 7.2 shall:

- (a) Be written as primary plus umbrella policies not contributing with and not in excess of coverage that Landlord or ARRC may carry;
- (b) Contain a replacement cost endorsement without deduction for depreciation;
- (c) Contain an endorsement providing that such insurance may not be materially changed, amended or canceled with respect to Landlord or ARRC except after thirty (30) days' prior written notice from insurance company to Landlord and ARRC; and
- (d) Contain an endorsement including an express waiver of any right of subrogation by the insurance company against Landlord and Landlord's officers, agents and employees to the extent such waiver is obtainable.

7.4 Landlord's Acquisition of Insurance. If Tenant at any time during the Term fails to procure or maintain such insurance or to pay the premiums therefore, Landlord shall have the right to procure the same and to pay any and all premiums thereon, and Tenant shall pay to Landlord upon demand the full amount so paid and expended by Landlord, together with interest

thereon at the rate provided in Section 16.14 hereof from the date of such expenditure by Landlord until repayment thereof by Tenant.

7.5 Insurance Money and other Funds Held in Trust. All insurance money or condemnation proceeds as provided in Section 8, shall be held in trust and shall be applied as follows: First, for the purpose of defraying the cost of repairing, restoring, replacing and/or rebuilding any structure or improvement on or in the Leasehold Premises as hereinafter provided; and second, if the damaged or destroyed structure or improvement is not repaired, restored, replaced or rebuilt as hereinafter provided, said funds shall, except as provided in Section 6.4, be disposed of as provided in Section 7.6(b).

7.6 Application of Proceeds of Physical Damage Insurance.

(a) In the event of any repair, replacement, restoration or rebuilding pursuant to Section 6.1.1 or 6.1.2, the proceeds of the insurance shall be applied to the cost of such work upon certificate of progress by the licensed architect or engineer in charge of the work. Any amounts payable to Tenant or any affiliate of Tenant for work or services performed or materials provided as part of any such repair, replacement, restoration or rebuilding shall not exceed competitive rates for such services or materials and Tenant shall, upon request of Landlord, make available to Landlord all books and records of Tenant relating to such work, services and materials. Upon completion of such repair, replacement, restoration or rebuilding in accordance with the provisions of this Lease, and the full payment therefore (so no liens, encumbrances or claims with respect thereto can be asserted against the Leasehold Premises, this Lease, Landlord or Tenant), any insurance proceeds received with respect to the damage or destruction involved, and not used, shall be paid to Tenant.

(b) In the event any damaged or destroyed structure or improvement is not restored, repaired or replaced, the proceeds of any insurance collected with respect to such damage or destruction shall, except as provided in Section 6.4, be applied:

- (i) First, to the payment of any mortgage constituting a lien on the Leasehold Premises,
- (ii) Second, Landlord shall be paid an amount sufficient to restore the Real Property to its condition as of the Commencement Date, and
- (iii) Third, the balance of such proceeds shall be paid to Tenant.

7.7 Insurance Surveyor. The determinations required under Section 6 and this Section 7 shall be made by an independent qualified insurance appraiser selected by the parties, whose decision shall not be subject to arbitration. If the parties cannot agree on the insurance appraiser within thirty (30) days after the date of such damage or destruction, then the same shall be decided by arbitration pursuant to Section 15.

SECTION 8. CONDEMNATION

8.1 Total Taking. In the event of the taking or condemnation by any competent authority for any public or quasi-public use or purpose of the whole of the Real Property at any time during the Term, the Term shall cease as of the Date of Taking by the condemner and all rental and other payments shall be apportioned as of the Date of Taking and the right of Landlord and Tenant to share in the proceeds of any award for the Real Property, improvements and damages upon any such taking, shall be as follows:

8.1.1 Landlord's Share. The Landlord shall first receive a sum equal to the fair market value, as of the day prior to commencement of the condemnation proceedings, of the Real Property taken, considered as unimproved, unencumbered land (except for Tenant's interest under this Lease), as then restricted by applicable zoning laws, together with interest thereon from the Date of Taking to the date of payment at the rate paid on the award, and together with amounts owing Landlord from Tenant under this Lease as rental, damages for Tenant's breach or otherwise.

8.1.2 Tenant's Share. Except as otherwise provided for within this Section 8.1.2 Tenant shall be entitled to the entire balance of the award ("Award Balance"). If the Taking as above set forth shall occur at any time during the last ten (10) years of the initial Term or extended Term, Tenant shall be entitled to receive out of the award, with interest thereon, the Award Balance diminished by ten percent (10%) of such Award Balance for each full year (and in proportion for a fraction of a year) that has elapsed from the first day of said ten-year period to the Date of Taking; the remaining Award Balance and interest thereon, *as well as* the award for the Real Property pursuant to Section 8.1.1 and interest thereon, shall belong to the Landlord.

8.1.3 Determination of Tenant and Landlord Shares. If the values of the respective interests of Landlord and Tenant shall be determined according to the provisions of Sections 8.1.1 and 8.1.2 in the proceeding pursuant to which the Real Property shall have been taken or condemned, the values so determined shall be conclusive upon Landlord and Tenant. If such values shall not have been thus separately determined, such values shall be fixed by agreement between the Landlord and Tenant or if they are unable to agree within thirty (30) days following the date of the award, then the controversy shall be resolved by Arbitration under Section 15.

8.2 Substantial Taking. In the event of the taking in condemnation of less than the whole of the Real Property but materially all of the Real Property (which, as used herein is defined in Section 8.2.1. below), and the part of the Real Property that remains includes a part of the or Improvements, then the Lease Term shall cease as of the date of possession by the condemner as provided in Section 8.1.1 and as to the untaken portion of the Improvements, the parties shall endeavor to agree on the fair market value of such portion of the Improvements as of the day prior to commencement of the condemnation proceeding, and if they fail to agree within ninety (90) days after either party requests negotiations to reach agreement, then the controversy shall be resolved by Arbitration as provided in Section 15. The value so agreed or determined in Arbitration as the fair market value of the untaken Improvements shall be paid by Landlord to Tenant and until

paid shall be a charge on the share of the award to which Landlord shall be entitled in the condemnation proceeding but shall be payable only out of the proceeds of such award for land value and Landlord shall have no further liability therefore.

8.2.1. Determination of Substantial Taking. For the purposes of this Section, a taking or condemnation of materially all of the Real Property, as distinguished from a taking or condemnation of the whole of said Real Property, means a taking of such scope that the remaining part of the Leasehold Premises not taken cannot be adequately restored, repaired or reconstructed so as to constitute a complete functional unit of property of substantially the same usefulness, design and construction, having regard to the taking, as immediately before such taking, capable of producing, after the payment of all operating expenses thereof, the annual Rent and other charges herein reserved, the debt service charges on any then existing mortgages held by a permitted mortgagee (but not including a purchase money leasehold mortgage given on the sale of the Tenant's leasehold interest hereunder), and after the performance of all covenants, terms, agreements and provisions herein and by law provided to be performed and paid by the Tenant, a fair and reasonable net annual income, defined as ninety percent (90%) of the average net annual income produced by the Leasehold Premises during the three (3) year period immediately preceding such taking.

8.3 Partial Taking. In the event of a partial taking or condemnation, e.g., a taking or condemnation of less than materially all of the Real Property:

(a) The Term of this Lease (except as hereinafter provided) shall, nevertheless continue, but the annual Rent to be paid by Tenant under Section 2 shall thereafter be reduced in the ratio that the rental value of the portion of the Real Property taken or condemned bears to the rental value of the entire Real Property at the time of the taking or condemnation. If the parties cannot agree upon a just proportion of rent to be abated, the amount shall be determined in accordance with the Arbitration provisions of Section 15;

(b) The award shall be divided and shared by Landlord and Tenant as provided in Section 8.1.1 and 8.1.2 hereof;

(c) The Tenant shall have the right, to be exercised by written notice to the Landlord within sixty (60) days after the date of taking, to terminate this Lease as to such remaining part of the Real Property not so taken on a date to be specified in said notice not earlier than the date of such taking. In such case the Tenant shall pay and satisfy all Rent due and accrued hereunder up to such date of such termination and shall perform all of the obligations of the Tenant hereunder to such date and thereupon this Lease shall terminate. Should the parties be unable to agree as to whether the part not taken is susceptible of adequate restoration, repair or reconstruction as aforesaid, such controversy shall be determined by Arbitration in the manner provided in Section 15 of this Lease;

(d) If this Lease is not terminated as hereinabove provided, and if such taking occurs prior to the last fifteen (15) years of the Lease Term, then, as to the Real Property not taken

in such condemnation proceeding, the Tenant shall proceed diligently, to the extent the portion of the condemnation award paid to Tenant is sufficient for such purpose, to make an adequate restoration, repair or reconstruction of the part of the Improvements not taken so as to restore, repair or reconstruct the Leasehold Premises, to the extent practicable, to a condition having the per square foot income generating capability of the Leasehold Premises prior to such taking.

8.4 Successive Takings. In case of a second or any other additional partial taking or takings from time to time, the provisions hereinabove contained shall apply to each partial taking.

8.5 Temporary Taking. If the whole or any part of the Real Property or of the Tenant's interest under this Lease be taken or condemned by any competent authority for its temporary use or occupancy, Tenant shall continue to pay, in the manner and at the times herein specified, the full amounts of the Rent and charges payable by Tenant hereunder; and this Lease shall continue and, except only to the extent that Tenant may be prevented from so doing pursuant to the terms of the order of the condemning authority, Tenant shall perform and observe all of the other terms, covenants, conditions and obligations hereof upon the part of Tenant to be performed and observed, as though such taking or condemnation had not occurred. In the event of any such temporary taking, or condemnation Tenant shall be entitled to receive the entire amount of any award made for such taking, whether paid by way of damages, rent or otherwise, unless such period of temporary use or occupancy shall extend to or beyond the expiration date of the Term of this Lease, in which case such award shall be apportioned between the Landlord and the Tenant as of such date of expiration of the Term.

SECTION 9. INSPECTION BY LANDLORD

9.1 Inspection of Premises. Landlord, ARRC (as to ARRC Land) and Landlord's or ARRC's agents and representatives shall be entitled, from time to time, upon reasonable notice to Tenant, to go upon and into the Leasehold Premises during normal business hours for the purpose of:

- (a) Inspecting the same; or
- (b) Inspecting the performance by Tenant of the agreements and conditions of this

During the last thirty-six (36) months of the Term of this Lease, Tenant shall permit inspection of the Leasehold Premises at reasonable times and for reasonable periods by or on behalf of prospective tenants and prospective purchasers.

9.2 Rights of Subtenants. Notwithstanding the provisions of Section 9.1, the rights of Landlord and ARRC to enter into any portion of the Leasehold Premises which are subject to a sublease from Tenant to any subtenant, shall be subject to reasonable restrictions contained in such sublease which are applicable to Tenant and any provisions of applicable law.

SECTION 10. INDEMNIFICATION

10.1 Tenant to Indemnify Landlord and ARRC. Notwithstanding that joint or concurrent liability may be imposed upon Landlord and/or ARRC by statute, ordinance, rule, regulation or order, Tenant shall upon demand indemnify, defend, hold harmless and reimburse Landlord and/or ARRC from and against and for any and all liabilities, obligations, penalties, fines, suits, claims, demands, actions, costs and expenses of any kind or nature including without limitation reasonable architects', engineers', and attorneys' fees which may be imposed upon or asserted against Landlord and/or ARRC by reason of any damage to any property or the Improvements on the Leasehold Premises, or injury to any person or persons occurring on or about the Leasehold Premises.

10.2 Legal Proceedings. If Tenant is required to defend any action or proceeding pursuant to this Section to which action or proceeding Landlord and/or ARRC is made a party, Landlord and/or ARRC shall also be entitled to appear, defend, or otherwise take part in the matter involved, at its election, by counsel of its own choosing, and to the extent Landlord and/or ARRC is indemnified under this Section 10, Tenant shall bear the reasonable costs of Landlord's and/or ARRC's defense, including attorney's fees.

SECTION 11. ENVIRONMENTAL PROVISIONS

11.1 General Obligations.

(a) Tenant shall comply with all environmental laws, orders and regulations of federal, state, and local authorities, and with any directive issued pursuant to law by any public officer thereof, which shall impose any order or duty upon Tenant pertaining to the construction, use or occupancy of the Leasehold Premises or any improvements thereon by Tenant or any of its sublessees.

(b) Tenant shall have the right to contest any obligations imposed upon Tenant pursuant to the provisions of this section, and do defer compliance during the pendency of the contesting proceedings, provided that the failure of Tenant to comply will not subject Landlord to civil fine or criminal penalty.

(c) Notwithstanding the foregoing, in the event that Tenant's failure to promptly fulfill the contested obligations would pose an imminent threat to public health, public safety and/or the environment, Tenant shall immediately perform whatever actions may be required to abate the immediate threat. Thereafter, Tenant may contest the obligations and defer further compliance, as set forth above.

(d) Tenant shall provide Landlord with copies, of all documents served upon Tenant or its counsel by, and served by Tenant or its counsel upon, the governmental authority.

(e) Failure of Tenant to comply with the provisions of this section shall be an act of default under the terms of this Lease and shall entitle Landlord to pursue all applicable remedies. In addition, Landlord shall be entitled to collect from Tenant any fines, penalties, expenses of defense (including legal fees), expenses of compliance and other damages incurred by Landlord by reason of Tenant's default under this section.

11.2 Procedure to Follow upon Discovery of Potential Contamination. In the event that Tenant discovers any condition during the course of excavation or construction that would indicate the possible existence of hazardous substances on the Leasehold Premises (hereafter referred to as "contamination"), Tenant shall immediately suspend the work and notify Landlord. If Tenant knows or has reasonable cause to believe that the contamination occurred during the lease Term, then Tenant shall investigate the matter at its sole cost and expense and the responsibility for such contamination shall be governed by Section 11.4 below. If, however, the time of occurrence of the contamination is unknown, the Landlord shall investigate the matter at Landlord's initial cost and expense. If the substances are indeed hazardous, as defined under any statute or regulations of any governmental authority (including the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq. the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; the Toxic Substances Control Act, 15 U.S.C. §2601 et seq., or AS 46.04.010, 46.08.010, or 46.09.010), then the following shall apply:

(a) The obligation to pay rent as to those lands shall be suspended from the date of discovery by Tenant of the evidence of hazardous substances to the extent specified in subsection (b)(2) below.

(b) If the parties agree or Tenant proves by a preponderance of the evidence either that the contamination occurred prior to the effective date of this Lease, or that the contamination occurred during the lease Term and is attributable to the negligence or willful act of Landlord or its employees or agents, then:

(1) Landlord shall bear full responsibility for any actions required by law in the same manner as if the existence of the contamination were known prior to execution of this Lease and as provided in subsection 11.3 below.

(2) Either party shall be entitled to terminate this Lease as to those lands which are contaminated by giving written notice of its election to do so within sixty (60) days after receipt of notice that such substances are hazardous or the date of determination that the contamination predated Tenant's occupancy or resulted from actions attributable to Landlord, whichever last occurs. The decision to terminate shall be exercised consistent with the covenant of good faith and fair dealing. If neither party elects to terminate, Landlord shall take whatever actions are required by law to remediate, remove or otherwise clean up the premises when and as required under Section 11.3 below. The obligation to pay rent as to those lands shall be suspended from the date of discovery of the evidence of hazardous substances until remediation is complete,

but only if and to the extent the Leasehold Premises are not usable and Tenant is not receiving rents from any subtenants with respect to such contaminated land.

(c) If none of the conditions stated in subparagraph 11.2(b) above apply, Tenant shall reimburse Landlord for the cost of the initial investigation.

(d) As to ARRC Land, Tenant understands that pursuant to Section 8.2(b)(2), ARRC may terminate its Ground Lease, if such lands are contaminated and such contamination predates the City's occupancy or resulted from actions attributable to ARRC. In the event ARRC elects to terminate the Ground Lease as to any land which is part of the Leased Premises hereunder, then this Lease, similarly and simultaneously therewith shall terminate as to such ARRC Lands and Tenant shall have no claim against Landlord or ARRC because of such termination for any damages, loss or injury which Tenant suffers either directly or indirectly by reason of such termination. Tenant recognizes that pursuant to the Ground Lease ARRC, rather than Landlord, may be the entity that will investigate and/or assume responsibilities undertaken by Landlord in Section 11.2.

11.3 Tenant's Indemnity for Contemporaneous Contamination. Tenant agrees to indemnify, hold harmless and defend Landlord against all liability, cost and expense (referred to hereafter as "costs" and including, without limitation, any fines, penalties, diminution in value of the Leasehold Premises, assessment and clean-up costs, judgments, litigation costs and attorneys' fees) incurred by or levied against Landlord to the extent such costs arise as a result of Tenant's breach of section 11.1 of this Lease or as a result of any discharge, leakage, spillage, emission or pollution on or from the Leasehold Premises, without regard to whether such costs arise as a result of acts or omissions that occur on the Leasehold Premises during the Term of this Lease, including any extended term hereof, or thereafter; provided, however, that Tenant shall not be required to indemnify Landlord under this paragraph if or to the extent (1) the parties agree or a court of competent jurisdiction determines that such liability, cost or expense is caused by the willful misconduct or negligence of Landlord, or (2) if Tenant proves that the contamination occurred before occupancy by the City of the Leasehold Premises or any relevant portion thereof under this Lease or any other preexisting agreement between the parties. The foregoing indemnity shall survive the expiration or earlier termination of this Lease.

SECTION 12. SUBLETTING AND ASSIGNMENT

12.1 Subletting. Tenant shall have the right to, directly or indirectly, sublease or sublet all or any part of the Leasehold Premises for any time or times during the Term not to exceed the Term of this Lease, provided such subletting is consistent with the purposes of, and uses permitted by this Lease.

12.2 Covenant Against Assignments. Except as permitted by Section 4.1 of this Lease, Tenant shall not, without the prior consent of Landlord, which consent shall not be unreasonably withheld, sell; assign, transfer, dispose of, mortgage, pledge or grant a security interest in this Lease, the leasehold estate it creates, or any of Tenant's rights hereunder, in whole or in part, nor

shall Tenant's rights or interests under or in this Lease pass or be transferred or assigned by operation of law or otherwise.

12.3 Covenants Binding on Successors and Assigns. All of the terms, conditions and covenants of this Lease shall inure to the benefit of and be binding upon the successors and assigns of the respective parties hereto. If there occurs any assignment permitted hereunder, or made with the consent of Landlord, Tenant shall cause to be delivered to Landlord concurrently with or prior to such assignment, an instrument in writing signed and duly acknowledged by the assignee or successor by which such assignee or successor agrees to perform all of the terms and provisions of this Lease applicable to Tenant.

12.4 Rights of Mortgagee. Notwithstanding the foregoing provisions of this Section 12, Tenant shall have the right to mortgage or grant a deed of trust on the Leasehold Premises to a mortgagee, all subject to and as provided in Section 4 of this Lease.

SECTION 13. LANDLORD AND TENANT TO FURNISH STATEMENT

13.1 Landlord's Statement. Landlord within twenty (20) days after written request to Landlord from Tenant or any mortgagee or prospective mortgagee, will furnish a written statement, duly acknowledged, which shall specify to the best of Landlord's knowledge:

- (a) The amount of the Rent due, if any;
- (b) Whether or not this Lease is unmodified and in full force and effect (or, if there have been modifications, whether or not the same are in full force and effect as modified and identifying the modifications);
- (c) Whether or not Tenant is in default and specifying the nature of any such;
and
- (d) Such other matters as Tenant or the mortgagee may reasonably request and which relate to the actual knowledge of Landlord.

13.2 Tenant's Statement. Tenant, within twenty (20) days after written request of the Landlord, will furnish a written statement, duly acknowledged, as to:

- (a) Whether this Lease is unmodified and in full force and effect (or, if there have been modifications, whether or not the same are in full force and effect as modified and identifying the modifications);
- (b) Whether there are any defaults thereunder on the part of Landlord to the knowledge of Tenant and specifying the nature of such defaults, if any; and

(c) Such other matters as Landlord may reasonably request and which relate to the actual knowledge of Tenant.

SECTION 14. DEFAULT

14.1 Event of Default. The occurrence of any of the following shall constitute an Event of Default:

14.1.1 Payments to Landlord. Failure of Tenant to duly and punctually make any payment owing to Landlord hereunder, or to pay any Imposition (except when non-payment or delay is expressly permitted by Section 3) or any other payment which if not paid may result in a lien on the Leasehold Premises as and when the same becomes due and payable, or the failure to maintain any of the insurance coverage required hereunder or pay any of the premiums required to be paid with respect thereto, and such occurrence or failure continues for a period of fifteen (15) days after notice thereof given to Tenant by Landlord.

14.1.2 Construction of Improvements and Construction Schedule. Tenant's failure to commence construction of the Improvements in the manner described in the Preliminary Construction Plans on or before the "Start Date" as defined in the Construction Schedule. Or, after commencing construction, Tenant's fails to continue and maintain its construction obligations in accordance with Tenant's Construction Schedule and such failure continues for a period of more than 180 days after Landlord has given Tenant notice that it is not in compliance with the Construction Schedule and/or the Preliminary Construction Plans.

14.1.3 Other Covenants. Tenant being in breach of, or Tenant failing to perform, comply with, or observe any other term, covenant, warranty, condition, agreement or undertaking contained in or arising under this Lease of the Ground Lease and such failure continues for a period of thirty (30) days after notice thereof is given to Tenant.

14.2 Termination of Lease. In addition to all other rights and remedies available to Landlord by law or equity, Landlord may, at any time after the occurrence of any Event of Default, and while the same remains unremedied, give notice to Tenant of its intention to terminate this Lease, in which case, subject to the provisions of Section 4, unless within fifteen (15) days after the giving of such notice, the condition creating or upon which it is based such an Event of Default is cured, this Lease shall terminate as of the expiration of such fifteen (15) days and Landlord may reenter upon the Leasehold Premises and have possession thereof; provided, however, if the Event of Default is one described in Section 14.1.3 and is one which can be cured, but cannot with due diligence (without regard to the availability of funds or the financial condition of Tenant) be cured prior to the expiration of the period provided herein, and Tenant proceeds promptly and thereafter prosecutes with all due diligence the curing of such default, then the time for curing of such Event of Default shall be extended for such period as may be necessary to complete the same with all due diligence. Notwithstanding the foregoing provisions of this Section 14.2 or the provisions of Section 14. 1.3 hereof, if the asserted default is subject to arbitration pursuant hereto, and the existence of such default is being contested by the party assertedly in default, if and so long as

such party is cooperating and acting in good faith to complete the arbitration proceeding with respect thereto as expeditiously as possible, the time for curing such default shall commence upon the rendering of the arbitration decision with respect thereto, or other resolution thereof, whichever occurs first; provided, however, if the matter being arbitrated is capable of performance to the extent not reasonably in dispute (e.g., the undisputed portion of monies owing), performance to the extent not in dispute shall be a condition precedent to the effectiveness of this sentence.

14.3 Effect of Termination. Subject to the provisions of Section 4 (relating to the rights of mortgagees) upon termination of this Lease by expiration of the Term or pursuant to this Section 14, all rights and privileges of Tenant and all duties and obligations of Landlord hereunder shall terminate. Immediately upon such termination, and without further notice to any other party, Landlord shall have the right to assert, perfect, establish and confirm all rights reverting to Landlord by reason of such termination by any means permitted by law, including the right to take possession of the Leasehold Premises together with all Improvements thereto, fixtures therein (including trade fixtures) and any and all alterations and Improvements which may be constructed upon or to the Leasehold Premises, with or without process of law, and to remove all personal property from the Leasehold Premises and all persons occupying the same and to use all necessary lawful force therefore and in all respects to take the actual, full and exclusive possession of the Leasehold Premises and every part thereof as Landlord's original estate, thereby wholly terminating any right, title, interest or claim of or through Tenant as to the Leasehold Premises and the improvements, fixtures and alterations thereto, and all personal property located on the Leasehold Premises, all without incurring any liability to Tenant or to any person occupying or using the Leasehold Premises for any damage caused or sustained by reason of such entry or such removal, except for damage resulting from Landlord's negligence in effecting such removal, and Tenant agrees to indemnify, protect and save harmless Landlord, and all employees, agents and representatives of Landlord, from all costs, loss or damage arising or occasioned thereby to Tenant, or its agents, employees, officers, guests, invitees or tenants, except as limited hereinabove.

14.4 Damages and Remedies. The exercise by Landlord of any remedy arising by virtue of an Event of Default shall not be considered exclusive, and Landlord may exercise any and all other rights or remedies provided by this Lease or by law or equity. The termination of this Lease by expiration of the Term or pursuant to this Section 14 shall not extinguish the right of either party to collect damages arising from the breach of this Lease by the other party. Tenant shall be liable for rentals accruing up to the end of the Term specified in this Lease notwithstanding the earlier termination of this Lease due to an Event of Default and the reentry of Landlord before the normal expiration of the Term as established herein or pursuant hereto, except that Landlord shall make reasonable and diligent efforts to rerent the Leasehold Premises upon such terms as it sees fit in its reasonable discretion and for a term which may expire either before or after the specified termination date of the Term herein, and Tenant shall pay to Landlord all rent and other sums which would be payable hereunder by Tenant if no such termination and reentry had occurred, less the net proceeds, if any, of any such reletting after deducting Landlord's expenses in connection with such reletting, including but not limited to repossession costs, brokerage commissions, legal expenses, employee costs and expenses, alteration costs and other such reletting preparation expenses, and Tenant shall pay such current damages to Landlord on the days on which such rental

would have been payable hereunder if no such termination and repossession and reentry had occurred.

14.5 Assignment of Subrents. Tenant assigns to Landlord all subrents and other sums falling due from subtenants, licensees and concessionaires (referred to as “Subtenants” in this paragraph 14.5) during any period in which Landlord has the right under this Lease, whether exercised or not, to reenter the Leasehold Premises for Tenant’s default, and Tenant shall not have any right to such sums during that period. Landlord may at Landlord’s election reenter the Leasehold Premises and Improvements with or without process of law, without terminating this Lease, and either, or both, collect these sums or bring action for the recovery of the sums directly from Subtenants. Landlord shall apply all such collected subrents as provided in Section 14.6. Tenant shall nevertheless pay to Landlord on the due dates specified in this Lease the equivalent of all sums required of Tenant under this Lease, plus Landlord’s expenses, less the avails of the sums assigned and actually collected under this Section 14.5. Landlord may proceed to collect either the assigned sums or Tenant’s balances, or both, or any installment or installments of them, either before or after expiration of the Lease Term, but the period of limitations shall not begin to run on Tenant’s payment until the due date of the final installment to which landlord is entitled under this Lease, nor shall it begin to run on the payments of the sums assigned under this Section 14.5 until the due date of the final installment due from the respective Subtenants.

14.6 Application of Sums Collected by Landlord. Landlord shall apply all subrents and proceeds of reletting as follows: first, to the payment of reasonable expenses (including attorneys’ fees and brokers’ commissions or both) paid or incurred by or on behalf of Landlord in recovering possession, placing the Leasehold Premises and Improvements in good condition, and preparing or altering the Leasehold Premises or Improvements for reletting; second, to the reasonable expense of securing new lessees; third, to the fulfillment of Tenant’s covenants to the end of the Lease Term; and fourth, to Tenant’s uses and purposes.

14.7 Reasonable Rental Value Determination. Landlord may at any time after a termination of this Lease pursuant to this Section 13, recover from Tenant the worth at such time (discounted to value at the time of termination) of the excess, if any, of the amount of the rent reserved in this Lease for the balance of the Term (had such termination not occurred) over the then reasonable rental value of the Leasehold Premises for the same period, such “reasonable rental value” being the amount of rental which Landlord can reasonably be expected to obtain as rent for the remaining balance of the Term (to its normal expiration date had such termination not occurred). Upon rerenting of the Leasehold Premises by Landlord, Tenant shall be liable to Landlord for the costs and expenses of rerenting and of such alterations and repairs as may be reasonably incurred by Landlord in readying the Leasehold Premises for such rerenting.

14.8 No Waivers. No failure by any party hereto to insist upon the strict performance of any provision of this Lease or to exercise any right, power or remedy consequent to any breach thereof, and no waiver of any such breach, or the acceptance of full or partial rent during the continuance thereof, shall constitute a waiver of any such breach or of any such provision. No

waiver of any breach shall affect or alter this Lease, which shall continue in full force and effect, or the rights of any party hereto with respect to any other then existing or subsequent breach.

14.9 No Offsets. Tenant shall not assert any breach of an obligation, warranty or duty of Landlord as, and no such breach shall constitute, a defense, offset, excuse or counterclaim to any obligation of Tenant hereunder, but Tenant may, subject to the other provisions of this Lease, pursue independent remedies for any such breach by Landlord.

14.10 Payment by Landlord of Tenant's Defaulted Payments. In case of default on the part of Tenant to pay any money, or do any act to satisfy any of the obligations or covenants which it is required to pay, do, or satisfy under the provisions of this Lease, Landlord may, at its option, after notice to Tenant, pay any or all such sums, or do any or all such acts which require the payment of money, or incur any expense whatsoever to remedy the failure of Tenant to perform any one or more of the covenants herein contained. Tenant shall repay the same to Landlord on demand together with interest at the rate provided in Section 16.14 hereof, such interest to be calculated from the date payment is made by Landlord.

SECTION 15. ARBITRATION

15.1 Arbitration. The disputes described in Sections 5.8.1, 7.1, 7.7, 8.1.3, 8.2, 8.3, 14.2 and 18.3, and no other, shall be subject to arbitration. Such arbitration ("Arbitration") shall be in accordance with the Arbitration Rules for the Real Estate Industry promulgated by the American Arbitration Association as then in effect, each party to appoint one arbitrator and those two arbitrators to appoint a third arbitrator. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof, subject, however, to the provisions of AS 09.43.010 et seq. (the "Alaska Uniform Arbitration Act") which are not in conflict with said Rules; provided, however, if such Association is not then functioning or such Rules are not then in effect, Arbitration shall be conducted in accordance with the requirements of the Alaska Uniform Arbitration Act, or such other provisions of the statutory laws of the State of Washington as may be enacted in lieu of the Alaska Uniform Arbitration Act, one arbitrator to be appointed by each of the parties hereto, and those two arbitrators to promptly appoint a third arbitrator. All such arbitration proceedings shall take place in Anchorage, Alaska. In any such arbitration proceeding, each party shall have full access to the books and records of the other party and the power to call for testimony any employee, agent or officer of any other party and all other rights to discovery afforded under the then applicable Alaska Rules of Civil Procedure or rules or laws applicable to Alaska Superior Court proceedings adopted in lieu thereof, shall be applicable, all of which shall be fully enforceable by the arbitrators or, if they fail to effect such enforcement, by the Superior Court of the State of Alaska at Anchorage, Alaska.

SECTION 16. FORCE MAJEURE

16.1 Force Majeure. If the performance by either of the parties of their respective obligations under this Lease (excluding monetary obligations) is delayed or prevented in whole or in part by any acts of God, fire or other casualty, floods, storms, explosions, accidents, epidemics,

war, civil disorders, strikes or other labor difficulties, shortage or failure of supply of materials, labor, fuel, power, equipment, supplies or transportation, or by any other cause not reasonably within the party's control, whether or not specifically mentioned, the party shall be excused, discharged, and released of performance to the extent such performance or obligation is so limited or prevented by such occurrence without liability of any kind. Provided, however, that if Tenant shall claim Force Majeure as grounds for its failure to meet the Construction Schedule, and such Force Majeure shall result in delays in Construction which when combines with any other delays, whether due to Force Majeure or otherwise, cause Tenant to be more than 365 days behind schedule, then Landlord may terminate this Lease immediately upon the giving of written notice of its decision to do so.

SECTION 17. ADDITIONAL PROVISIONS RELATING TO ARRC GROUND LEASE

17.1 Subject to. Subordinate to Ground Lease. As to ARRC Land, this Lease is subject to, and in all respects be subordinate to the Ground Lease. In the event of a conflict between any provision in the Ground Lease and any right granted Tenant under this Lease with respect to ARRC Land, Tenant's rights hereunder shall be limited, qualified or modified.

17.2 Waiver of Claims Against ARRC as Ground Lessor. Tenant hereby waives any claims, whether in tort, contract, equity, law or otherwise, which it might have, or be entitled to assert against ARRC by reason of ARRC's status as a ground Lessor of the ARRC Land.

SECTION 18. MISCELLANEOUS

18.1 No Partnership. Nothing contained herein or in any instrument relating hereto shall be construed as creating a partnership or joint venture between Landlord and Tenant or between Landlord and any other party, or cause Landlord to be responsible in any way for debts or obligations of Tenant or any other party.

18.2 Time of the Essence. Time is hereby expressly declared to be of the essence of this Lease and of each and every term, covenant, agreement, condition and provision hereof.

18.3 Captions. The captions of this Lease and the table of contents preceding this Lease are for convenience and reference only, and are not a part of this Lease, and in no way amplify, define, limit or describe the scope or intent of this Lease, nor in any way affect this Lease.

18.4 Meaning of Terms. Words of any gender in this Lease shall be held to include any other gender and words in the singular number shall be held to include the plural when the sense requires.

18.5 Lease Construed as a Whole. The language in all parts of this Lease shall in all cases be construed as a whole according to its fair meaning and neither strictly for nor against Landlord or Tenant.

18.6 Severability. If any provision of this Lease or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law; provided, however, that if any provision of this Lease relating to the payment of rents is to any extent found invalid or unenforceable, Landlord and Tenant agree to modify this Lease to provide for payment of rents comparable to the rents provided for herein. Should Landlord and Tenant be unable to agree as to any such modification, such controversy shall be determined by Arbitration in the manner provided in Section 15.

18.7 Effect of Assignment. The term "Landlord" means the person who from time to time holds all of the original Landlord's right, title and interest in and to the Leasehold Premises. Landlord shall have the right to freely assign or, otherwise transfer such right, title and interest and upon notice of such transfer given by the Landlord to the Tenant, the Landlord shall be entirely freed and relieved of all future covenants and obligations of Landlord hereunder except to the extent that the transfer is for purposes of security only; provided that the release shall be effective only upon the assignee or transferee having expressly assumed, by duly recorded documents, all obligations of Landlord hereunder.

18.8 Survival. Each provision of this Lease which may require the payment of money by, to or on behalf of Landlord or Tenant or third parties after the expiration of the Term hereof or its earlier termination shall survive such expiration or earlier termination.

18.9 Memorandum of Lease. The parties agree to execute and acknowledge an appropriate memorandum of this Lease for public recordation purposes, so that public notice of the Term of this Lease hereof and the existence of the rights of Sections 11 and 15 hereof be given.

18.10 Amendment. This Lease may be amended only in writing, signed by both Landlord and Tenant.

18.11 Commissions. Landlord and Tenant mutually agree to save and hold each other harmless from any and all claims or demands, requests by real estate brokers, agents or finders with whom Landlord or Tenant may have dealt in connection with this Lease.

18.12 Notices. All notices, demands, requests, or other writings in this Lease provided to be given or made or sent, or which may be given or made or sent, by either party hereto to the other, or by any mortgagee to either party may be given personally or may be delivered by depositing the same in the United States mails, certified, registered or equivalent, return receipt requested, postage prepaid, properly addressed, and sent to the following addresses:

Landlord: City of Whittier
P.O. Box 608
Whittier, AK 99693
(907) 427-2327
citymanager@whittieralaska.gov

Lessee: Hai Han Ye
11643 Birch Knoll Loop
Anchorage, AK 99515
(907) 301-3356
haihanye@yahoo.com

ARRC: Alaska Railroad Corporation
P.O. Box 107500
Anchorage, Alaska 99510-7500
Attention: Vice President, Real Estates and Facilities

or to such other address as either party may from time to time designate by written notice to the other or to any mortgagee. Notices given by mail as aforesaid shall be deemed received and effective when actually received or on the third business day following such dispatch, whichever occurs first.

18.13 Attorneys' Fees. If any action at law or in equity or under the arbitration provisions of Section 15 is brought to recover any rent or other money due under this Lease, or for or on account of any breach of or to enforce or interpret any of the terms, covenants, agreements or conditions of this Lease, or for the recovery of the possession of the Leasehold Premises, the prevailing party shall be entitled to recover from the other party full and complete reasonable attorney's fees, the amount of which shall be fixed by the court and shall be made a part of any judgment rendered.

18.14 Interest. Any amounts due one party to the other pursuant to the terms of this Lease, including amounts to be reimbursed one to the other, shall bear interest from the due date or the date the right to reimbursement accrues at ten and one-half percent (10.5%) per annum; provided, however, that such rate shall not exceed, in any event, the highest rate of interest which may be charged under applicable law without the creation of liability for penalties or rights of offset or creation of defenses. For purposes of interest calculations, the due date of amounts or the date the right to reimbursement accrues shall be deemed the date that it originally was owing but may have been disputed, as distinguished from the date of final settlement or the making of a judicial or arbitration award.

18.15 Governing Law. This Lease shall be construed according to and governed by the laws of the state of Alaska.

[Remainder of page intentionally left blank; signature page to follow.]

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first set forth above.

Landlord:

Tenant:

CITY OF WHITTIER

Hai Han Ye

By: _____
Mark Lynch, City Manager

By: _____

ACKNOWLEDGMENTS

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on _____, 2016, by Mark Lynch, City Manager of the City of Whittier, an Alaska municipal corporation, on behalf of the City of Whittier.

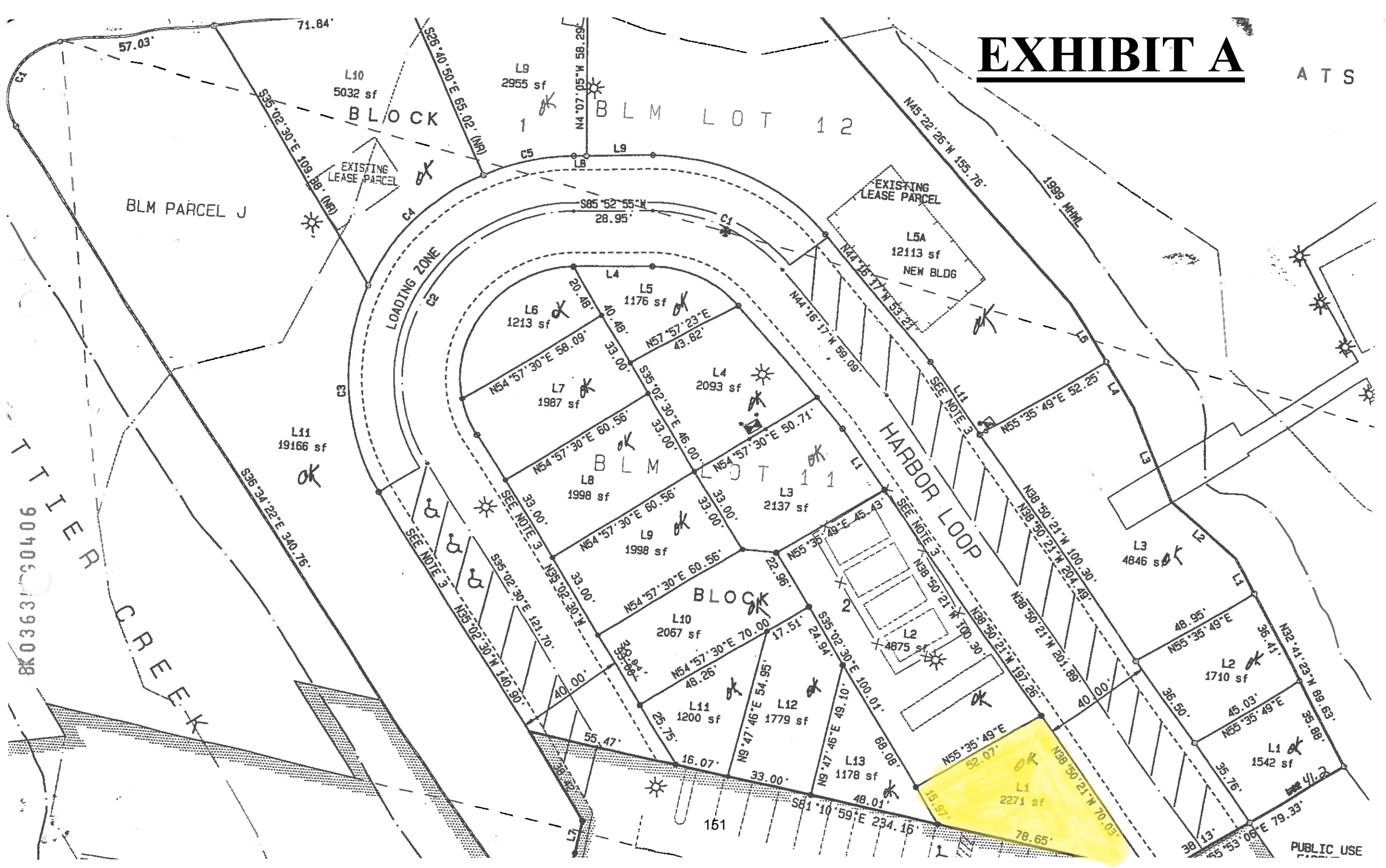
Notary Public in and for Alaska
My Commission Expires: _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on _____, 201_,
by _____, as _____.

Notary Public in and for Alaska
My Commission Expires: _____

A T S



**CITY OF WHITTIER, ALASKA
RESOLUTION #40-2016**

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF WHITTIER, ALASKA, CONFIRMING RESOLUTION #33-2016 AUTHORIZING THE CITY MANAGER TO APPLY FOR AND EXECUTE ANY AND ALL DOCUMENTS PERTAINING TO A LOAN FROM THE ALASKA DRINKING WATER FUND AND THE CITY COUNCIL'S AUTHORIZATION TO BORROW FROM THE ALASKA DRINKING WATER FUND OF AN AGGREGATE AMOUNT NOT TO EXCEED \$1 MILLION

WHEREAS, the City of Whittier, Alaska previously obtained authority from City Council to apply for a loan with the Alaska Department of Environmental Conservation (the "ADEC") from the Alaska Drinking Water Fund; and

WHEREAS, the City has filed its application with the ADEC and has requested to borrow funds up to an aggregate amount not to exceed \$1 Million; and

WHEREAS it is in the City's best interest to reiterate Council's approval of the loan and expressly identify the authorized amount via this resolution now that the application has been submitted,

THEREFORE BE IT RESOLVED by the City Council of the City of Whittier, Alaska:

Section 1. Authorization and Purposes of Loan. For the purpose of providing part of the funds required to pay the cost of upgrading the City of Whittier water system, the City Council hereby confirms that it is authorized to borrow money from the Drinking Water Fund in the form of the Loan in an aggregate principal amount not to exceed \$1,000,000.

Section 2. Obligation of Loan. The obligation to repay the Loan shall be a special obligation of the City. Neither the faith and credit nor the taxing power of the City is pledged to the payment of the principal of or interest on the Loan. The Gross Revenues less the Operating Expenses of the City's water utility are hereby pledged to repayment of the Loan.

Section 3. Loan Agreement. The City hereby is authorized to enter into a loan agreement with DEC for the Loan ("Loan Agreement"). Subject to the limitations provided in Section 2, the City Manager is hereby authorized to determine the principal amount, interest rate, maturity, and other details of the Loan subject to any limitations under federal, state, or local law.

PASSED AND APPROVED by a duly constituted quorum of the Whittier City Council on this 20th day of December, 2016.

Introduction date: 20 December 2016

ATTEST:

Jennifer Rogers
City Clerk

Daniel Blair
Mayor

Ayes:
Nays:
Absent:
Abstain:

NOV 30 2016

DECLARATION OF INTEREST
PRINCE WILLIAM SOUND AQUACULTURE CORP.

Name: DON STEVENS Date: 11/30/16
Address: Box 661
City: WHITTIER State: AK Zip: 99693
Cell Phone: 907 441 0961 Work Phone: NA Email: sgd5125@yahoo.com

Summarize why you are interested in representing Whittier as a PWSAC member:

I HAVE THE TIME & HAVE A WORKING
KNOWLEDGE OF THE HATCHERY SYSTEM
IN THE LATE 80S I HAULED FREIGHT
TO THE HATCHERYS AND STILL KNOW A
FEW PEOPLE IN THE SYSTEM. I HAVE
BEEN THE CITY'S REPRESENTATIVE IN
THE PAST.

Signature: 

DEC 16 2016

DECLARATION OF INTEREST
PRINCE WILLIAM SOUND AQUACULTURE CORP.

Name: Eric Fleming Date: 12/15/16
Address: 100 Kenai St. #501 BT1
City: Whittier State: AK Zip: 99893
Cell Phone: 529-3474 Work Phone: Same Email: mizzturie@hotmail.com

Summarize why you are interested in representing Whittier as a PWSAC member:

I feel I would serve as an asset to
Whittier from the knowledge, history, and experience
I have with PWSAC. I have commercially
fished out of Whittier for over 16 yrs. I
have seen how PWSAC has evolved as an
organization. I now live in Whittier and
I feel I could provide insight into
PWSAC's passed organizational efforts, as
well as current and future objectives.

Signature: 