



# CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS  
330 Harbor Drive  
Sitka, AK  
(907)747-1811

## Meeting Agenda City and Borough Assembly

*Mayor Mim McConnell  
Deputy Mayor Matt Hunter  
Vice-Deputy Mayor Phyllis Hackett, Pete Esquiro, Mike Reif,  
Benjamin Miyasato and Aaron Swanson*

*Municipal Administrator: Mark Gorman  
Municipal Attorney: Robin L. Koutchak  
Municipal Clerk: Colleen Ingman, MMC*

---

Tuesday, April 22, 2014

6:00 PM

Assembly Chambers

---

### WORK SESSION 5:00 PM

- 1      [14-076](#)      Harrigan Centennial Hall - 35% Design, Cost Estimate & Funding

Attachments:    [HCH Assembly Worksession 4-22-14](#)

### REGULAR MEETING

I.      **CALL TO ORDER**

II.     **FLAG SALUTE**

III.    **ROLL CALL**

IV.    **CORRESPONDENCE/AGENDA CHANGES**

- 2      [14-075](#)      Correspondence for April 22, 2014

Attachments:    [Reminders and Calendar](#)  
[Financial Review April 22 2014](#)

V.      **CEREMONIAL MATTERS**

*Certificates for Retiring Employees*

VI.    **SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Municipal Departments, School District, Students and Guests (time limits apply)**

- 3      [14-072](#)      Blue Lake Expansion Project Construction - One Year Later

VII.   **PERSONS TO BE HEARD**

*Public participation on any item off the agenda. Not to exceed 3 minutes for any*

*individual.*

## VIII. REPORTS

### a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other

## IX. CONSENT AGENDA

*All matters under Item IX Consent Agenda are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.*

- A [14-069](#) Approve the minutes of the April 8, 2014 Assembly meeting  
*Attachments:* [Minutes](#)
- B [14-071](#) Reappoint James Kinsman to a term on the Historic Preservation Commission and Appoint Rachel Moreno to the Sitka Convention and Visitor's Bureau  
*Attachments:* [Appointments](#)
- C [14-070](#) Authorize amending a Professional Services Agreement between JWA, Inc. and the CBS for the Jarvis Street Diesel Plant Capacity Addition Project  
*Attachments:* [JWA Agreement](#)

## X. UNFINISHED BUSINESS:

- D [ORD 14-06](#) Authorizing Sublease of space by Island Girl Coffee LLC at the Sitka Rocky Gutierrez Airport Terminal Building  
*Attachments:* [ORD 14-06 Motion](#)  
[ORD 2014-06 Island Girl Lease](#)  
*Second and Final Reading*
- E [ORD 14-09](#) Amending the Sublease with Ostrov Enterprises d/b/a Airport Gift Shop at the Sitka Rocky Gutierrez Airport Terminal Building to modify Lease Space and Square Footage due to the sale of Espresso Stand  
*Attachments:* [ORD 14-09 Motion](#)  
[ORD 2014-09 Gift Shop Lease](#)  
*Second and Final Reading*

## XI. NEW BUSINESS:

### New Business First Reading

- F [RES 14-05](#) Supporting the CBS's application to the Alaska Federal Lands Access Program (FLAP) Grant Program for Preconstruction Planning and Design of the Sitka Seawalk Phase II

**Attachments:** [RES 14-05](#)

*First and Final Reading*

- G**     [RES 14-06](#)     Supporting the CBS's application to the Alaska Federal Lands Access Program (FLAP) Grant Program for \$250,000 for Planning and Design of Phase Six of the Cross Trail Multimodal Pathway

**Attachments:** [RES 14-06](#)

*First and Final Reading*

- H**     [ORD 14-11](#)     Authorizing the sale of Lot 1 South Sitka Sound Seafoods Subdivision to North Pacific Seafoods

**Attachments:** [ORD 14-11](#)

*First Reading*

- I**     [ORD 14-10](#)     Amending SGC Chapter 15.01 entitled "Electric Utility Policies" by adding a New Section 15.01.090 entitled "Rebate Program for Electric Heat Pump Heating Systems"

**Attachments:** [ORD 14-10](#)

*First Reading*

#### **Additional New Business Items**

- J**     [14-074](#)     Approval of the design and bid of all phases of Harrigan Centennial Hall and the proposed funding including applying for additional grant funding from the Rasmussen Foundation

**Attachments:** [Harrigan Centennial Hall](#)

- K**     [14-073](#)     Approve award of a Professional Engineering Services Contract for the Sawmill Cove Industrial Park Dock Project to Moffatt & Nichol not to exceed \$790,114.00

**Attachments:** [Moffatt Nichol](#)

- L**     [14-077](#)     Approve the Police Lieutenant Hire

**Attachments:** [Police Lt Hire](#)

#### **XII. PERSONS TO BE HEARD:**

*Public participation on any item on or off the agenda. Not to exceed 3 minutes for any individual.*

#### **XIII. EXECUTIVE SESSION**

#### **XIV. ADJOURNMENT**

*Colleen Ingman, MMC  
Municipal Clerk  
Publish: 4-18-14*





## Legislation Details

---

**File #:** 14-076      **Version:** 1      **Name:**  
**Type:** Special Report      **Status:** AGENDA READY  
**File created:** 4/17/2014      **In control:** City and Borough Assembly  
**On agenda:** 4/22/2014      **Final action:**  
**Title:** Harrigan Centennial Hall - 35% Design, Cost Estimate & Funding  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [HCH AssemblyWorksession 4-22-14](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

# Harrigan Centennial Hall Renewal Assembly Work Session

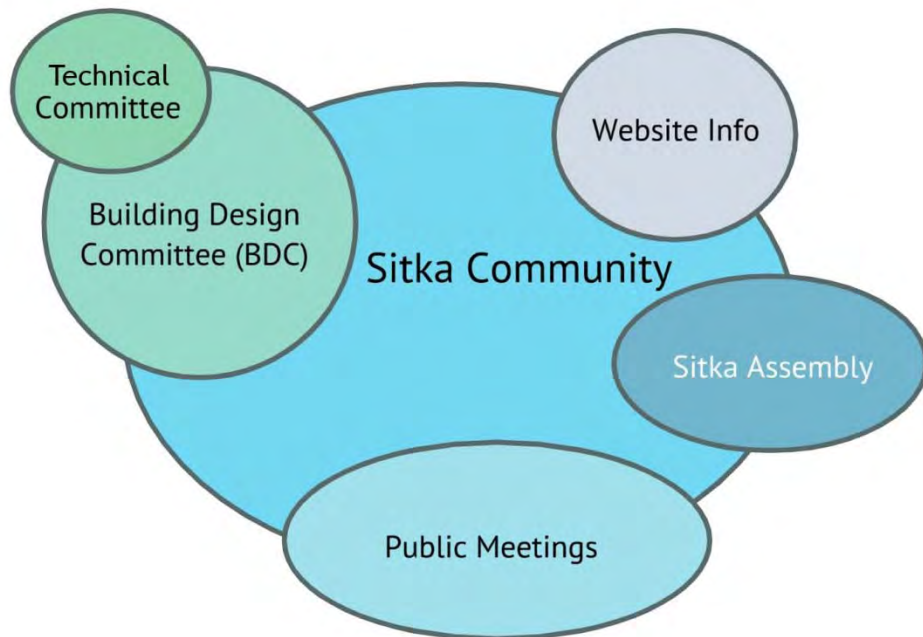
4-22-2014

HCH Project Team w/  
McCool Carlson Green Architects  
John Weir & Garrett Burtner

Conventions visitors  
Dancers **Sitka** stage  
priorities Branding  
information value space Centennial  
Climate-appropriate areas communicating funding businesses costs Concern  
current visitor music decorations consider conveniences  
place Concerned **important** competitive about  
asset deeper **Sea** Archangel able  
additional Address activities design behind side end diversity  
access attract user open small dining close ship attractive  
appealing daily architecture coffers brand Build people make  
days Accentuate basic windows Alaska aspect Museum  
decreasing civic/visitor Campus Walk appropriate  
compete dressing location back construction Concentrate Affordability adds  
design-roof bigger local auditorium like see  
Allow facility room attached spaces  
outside cruise **HCH** articulate Functional  
Affordable Acknowledgement  
sustainable convention  
Cruise Ship Passengers



## A Public Project – Michael Harmon, Director of Facilities



A public building needs broad public input – the project team has met with at least 120 Sitkans so far while designing the renewal

Building Design Committee – diverse user representation – 10 meetings

Public Meetings – 5 meetings

Sitka Assembly – local leadership – 5 reports and work sessions

Focus Groups – public work sessions on detailed topics – 10 meetings

## 35% Design Movie



Play Movie

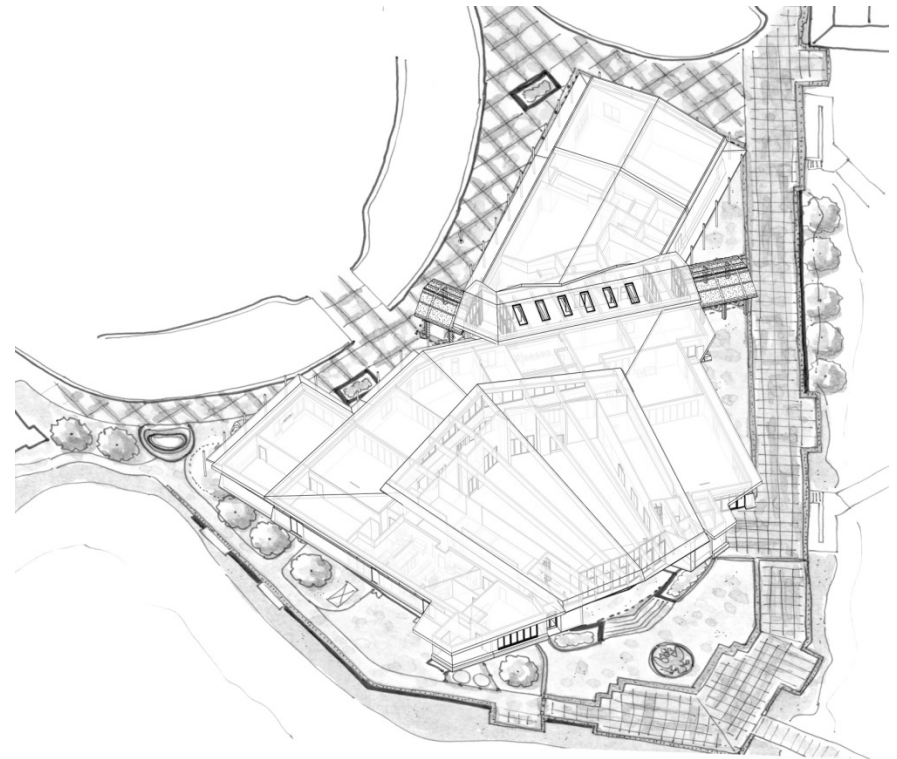


## BDC Recommendation – Maxwell Rule

The full design will maximize project value

Use of available funds while spending power is highest

Additional space means greater economic potential



# Project Benefits – Fred Reeder, SCVB, Ernestine Massey

50 year investment  
in Sitka – funded by  
grants & passenger  
head taxes

Minding the Triple  
Bottom Line

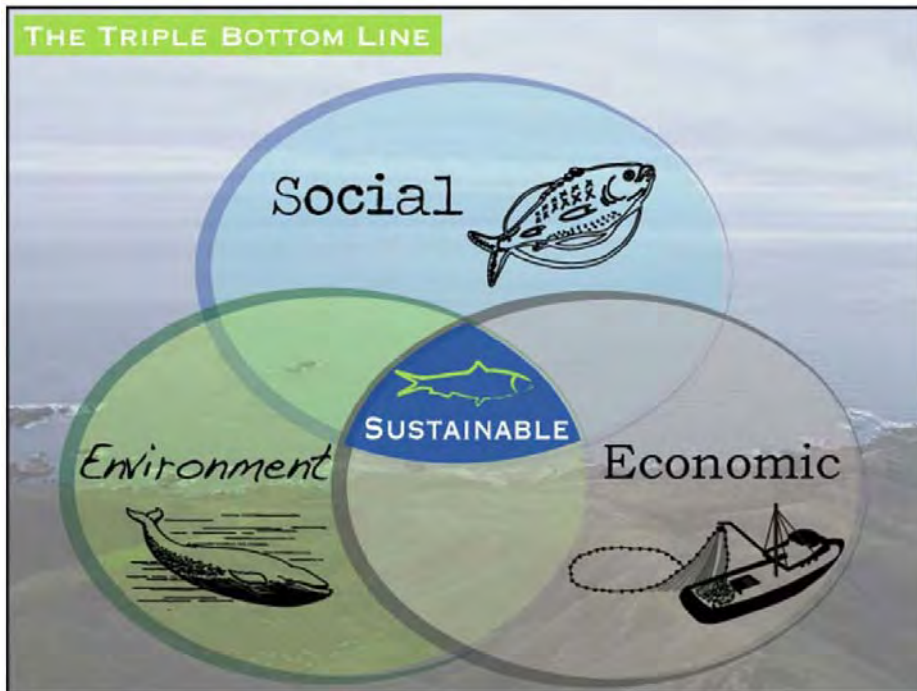
Positive Economic  
Impact

Cultural enrichment



Harrigan Centennial Hall Renewal

# Project Benefits – Fred Reeder, SCVB, Ernestine Massey

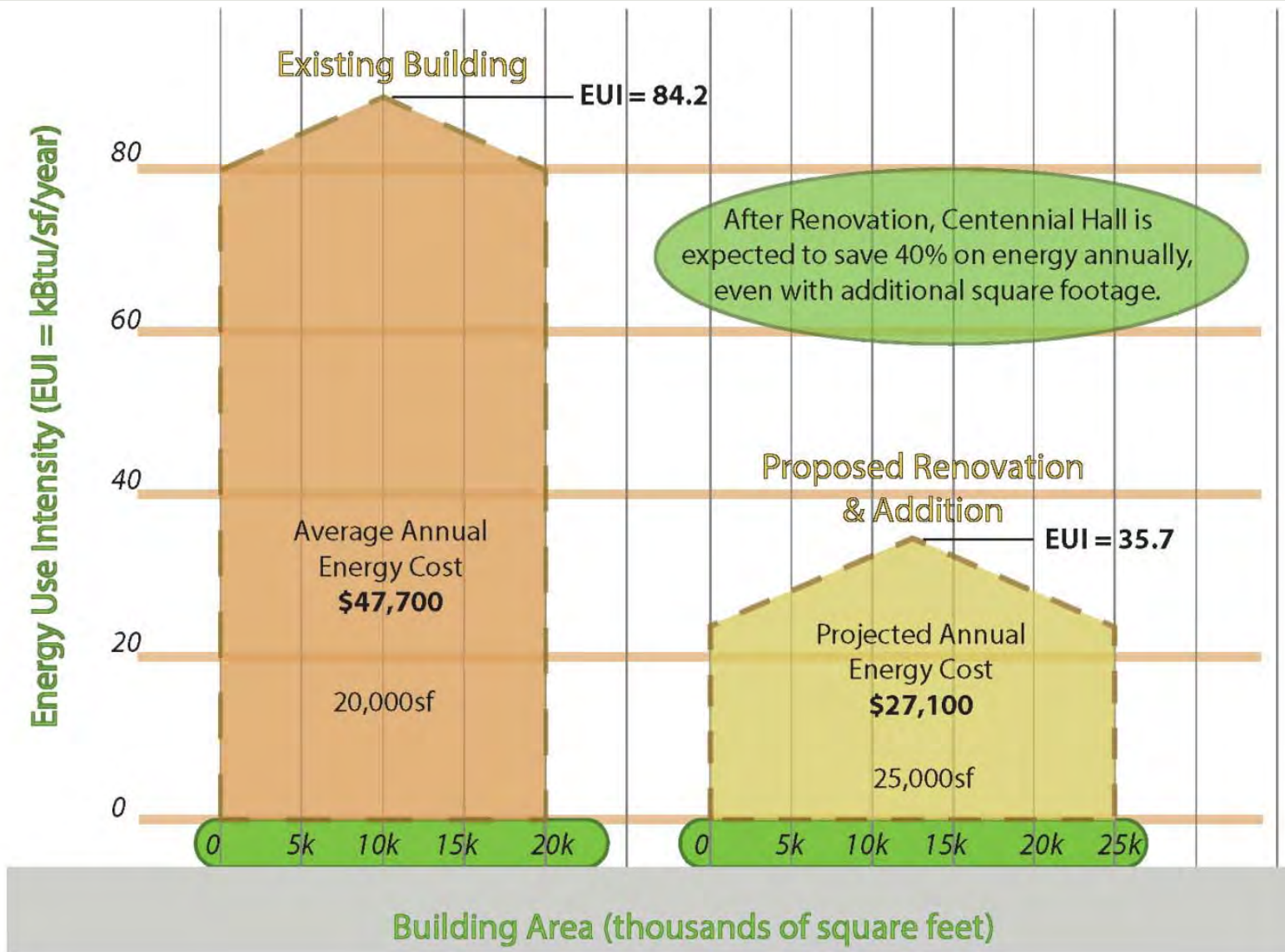


Saving energy for low cost and environmental stewardship

The facility as an economic magnet

Improving a vital public meeting place and cultural center

# Project Benefits – Fred Reeder, SCVB, Ernestine Massey



## Project Benefits – Fred Reeder, SCVB, Ernestine Massey



Creating opportunity for larger conferences and events

Enhancing the experience of visitors

Complementing other local venues



## Project Benefits – Fred Reeder, SCVB, Ernestine Massey

The Historical Museum benefits both locals and visitors

Long-term symbiotic relationship between HCH and the Museum

Improved facility will expand the Museum's programming



## HCH Report – Don Kluting, Building Manager



1200 Events Each Year

Over 100,000 Visitors

Meetings, Conferences, Weddings,  
Graduations

Dancing, Chamber Music, Rock 'n'  
Roll

Museum, Alaska Day, Displays



Harrigan Centennial Hall Renewal

# HCH Report – Don Kluting, Building Manager

## Facility Needs

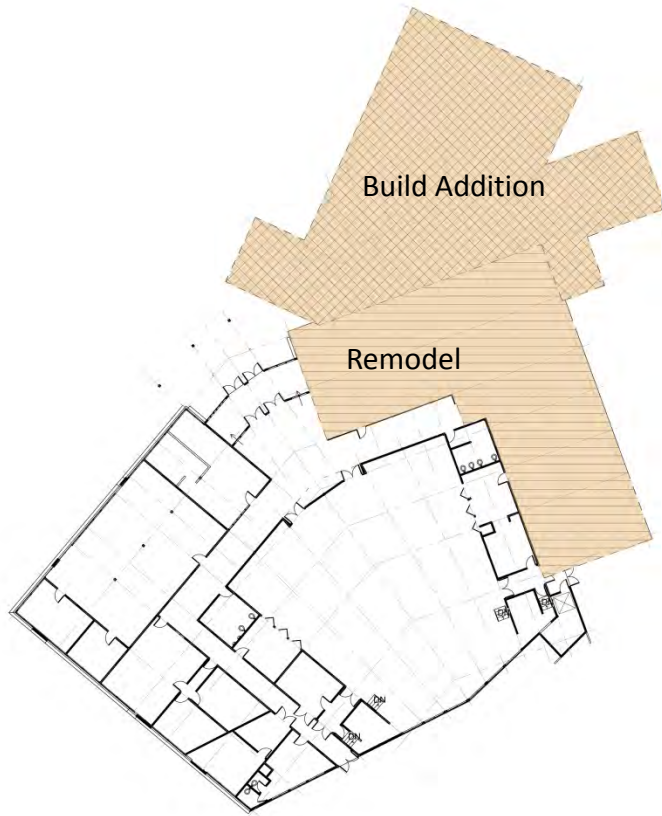
- Increase Meeting Space
- Add Toilet Fixtures
- Improve Visitor Reception
- Enlarge the Kitchen and Replace Equipment
- Improve Acoustics In MPR
- Replace AV Systems
- Renew Interior Finishes
- Increase Building Insulation
- Upgrade Structure to Meet Codes
- Replace Sprinkler, And Plumbing Distribution
- Replace Heating And Ventilation Systems
- Abate Hazardous Materials





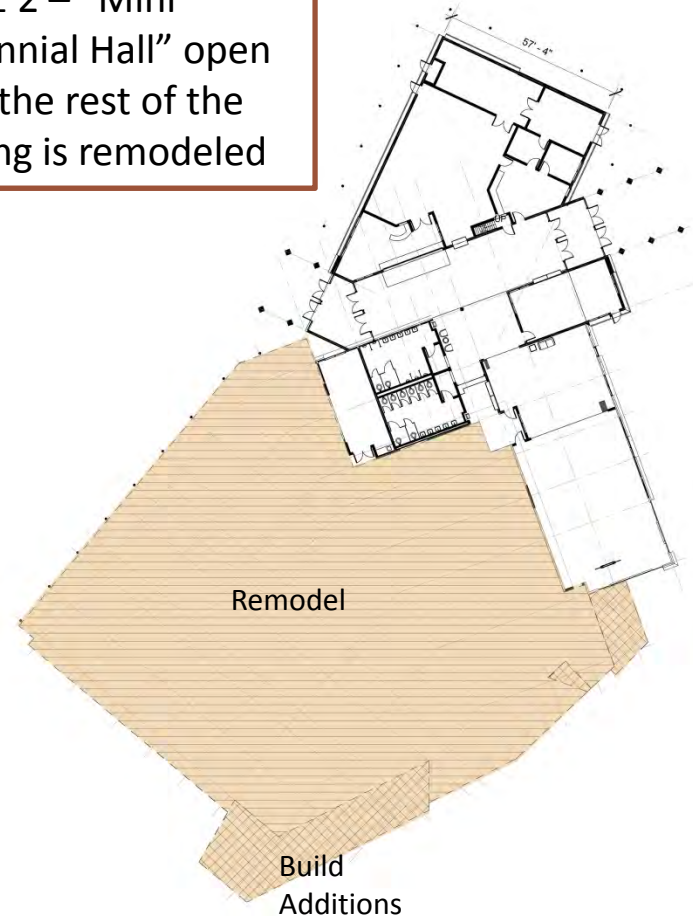
# HCH Report – Don Kluting, Building Manager

## Construction Phasing



PHASE 1 – Auditorium & small meeting rooms remain operational

PHASE 2 – “Mini Centennial Hall” open while the rest of the building is remodeled



Schedule

December 2012 – Facility Assessment

April 2013 - Conceptual Plan & Consensus

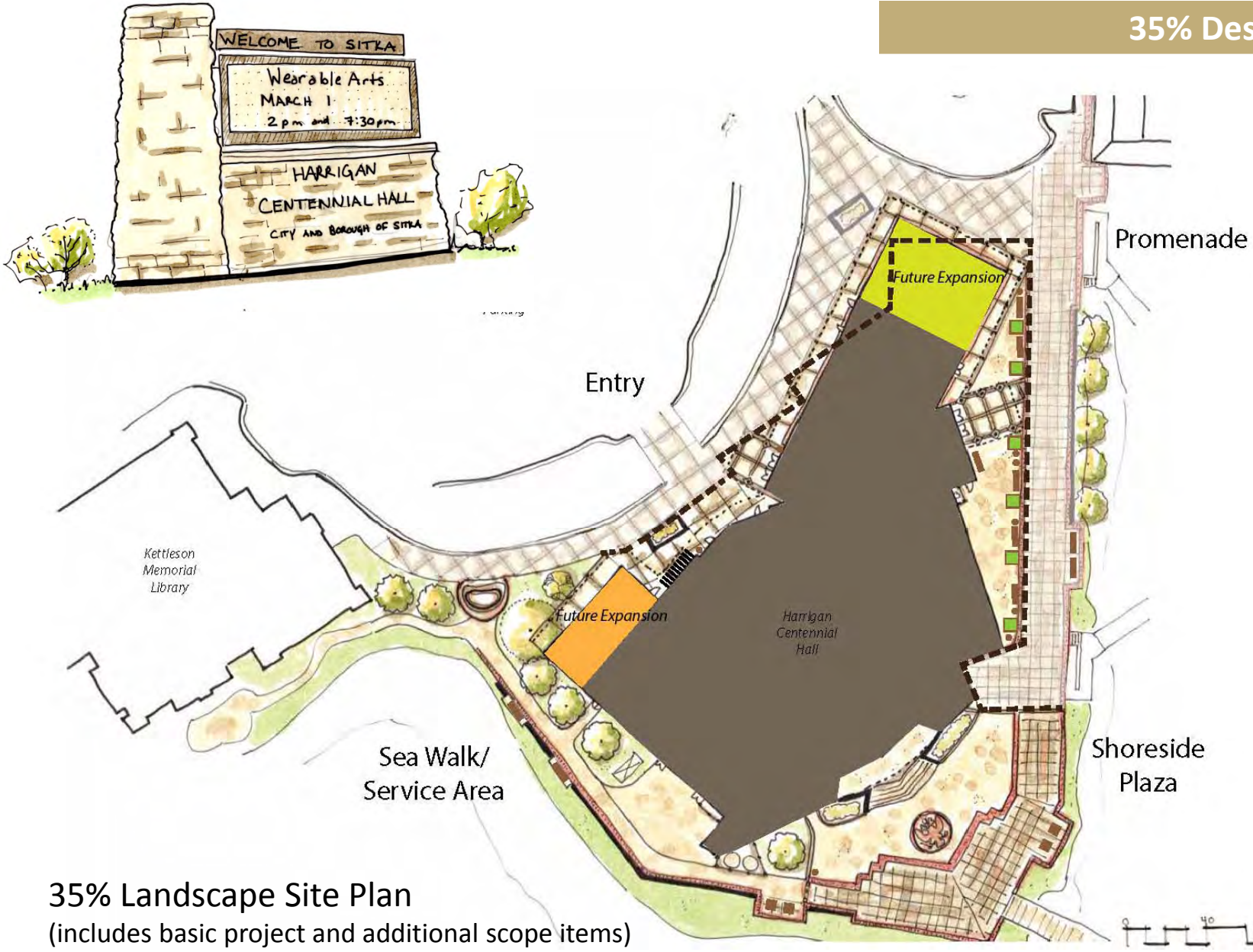
December - April 2014- Schematic Design

May - August 2014 - Design Development

September - December 2014 – Construction Documents

February 2015 – Bidding

2015 – 2016 Construction (Phased)



35% Landscape Site Plan  
(includes basic project and additional scope items)



Harrigan Centennial Hall Renewal



# 35% Design Update

## Department Legend

- ADMINISTRATION
- ASSEMBLY/MEETING
- BUILDING SERVICES
- CIRCULATION
- FOOD SERVICES
- MUSEUM
- STAGE & SUPPORT
- STORAGE
- VISITOR SERVICES



Renovate all areas of existing building

Construct South and East additions for vestibules, meeting and wing space

Construct North Visitor Lobby and Museum addition

Phase 1 Floor Plan

## 35% Design Update

### Department Legend

- ADMINISTRATION
- ASSEMBLY/MEETING
- BUILDING SERVICES
- CIRCULATION
- FOOD SERVICES
- MUSEUM
- STAGE & SUPPORT
- STORAGE
- VISITOR SERVICES



Expand new Museum wing to full program size

Infill portions of Phase 1 Museum addition

Construct west addition for Assembly room and additional storage

Phase 2 Floor Plan



CURRENT DESIGN



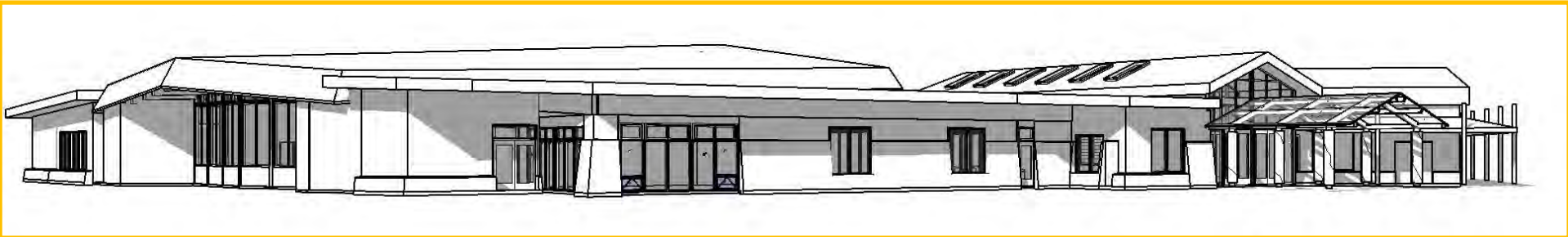
Town Side Exterior Changes



PREVIOUS DESIGN







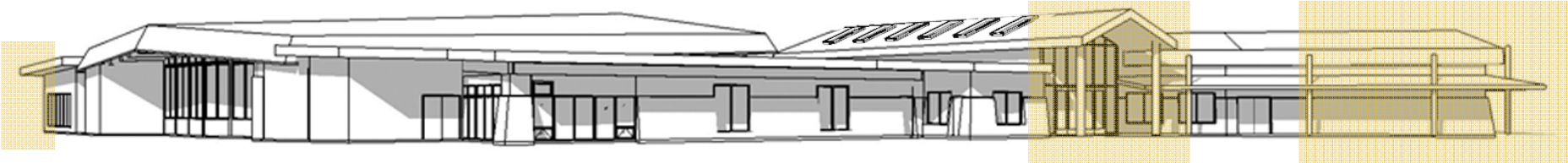
CURRENT DESIGN



Harbor Side Exterior Changes



PREVIOUS DESIGN





PREVIOUS ENTRY DESIGNS



35% Design Update



New Entry on the Crescent Harbor Side

Harrigan Centennial Hall Renewal



**Story Posts Concept**



Approach from Downtown



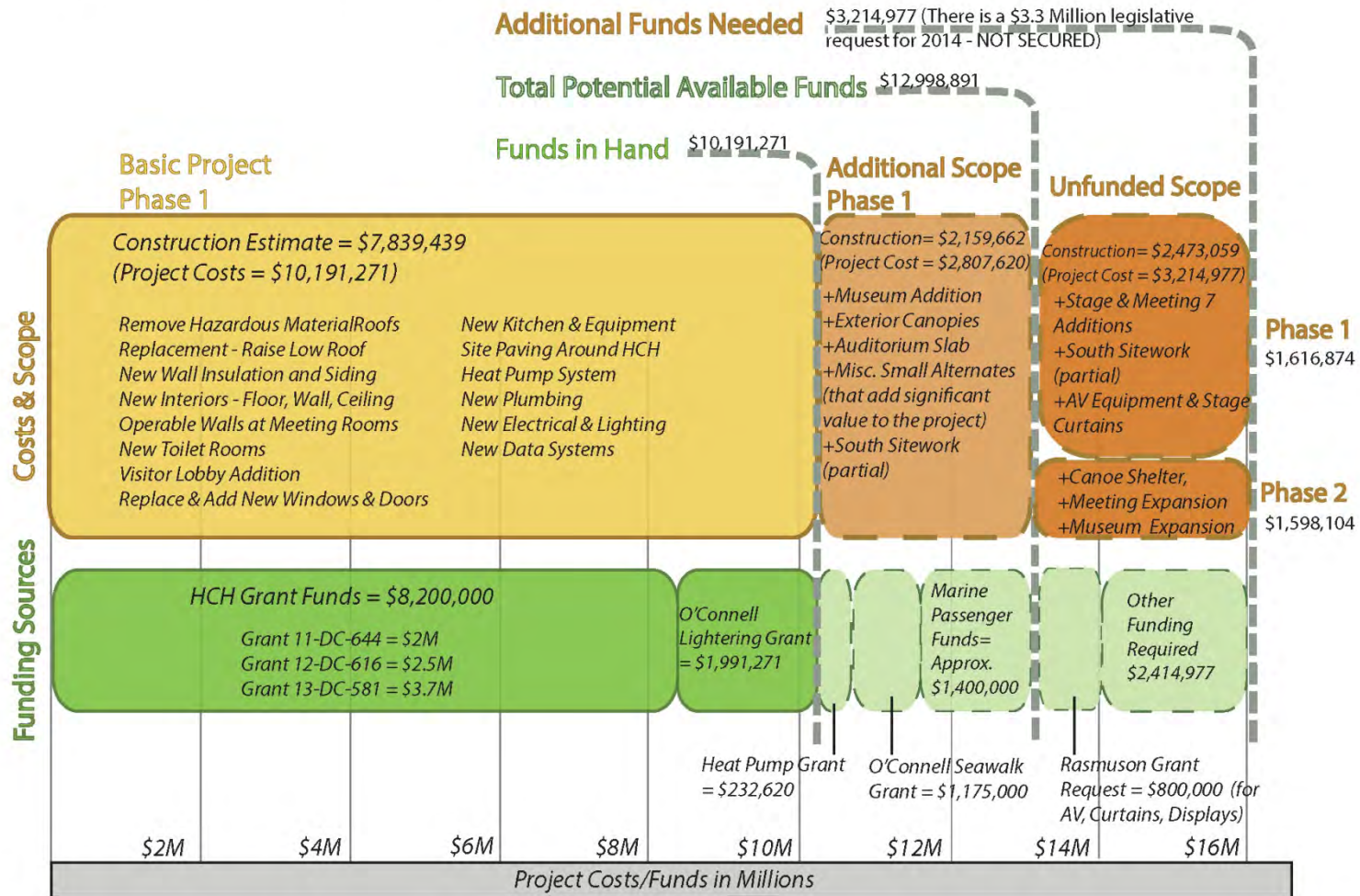
35% Design Update



New Visitor Lobby

Harrigan Centennial Hall Renewal

## Centennial Hall Renewal - Project Budget Diagram - 35% Estimate



Note: Project Costs = Construction Costs + 30%

# Basic Project

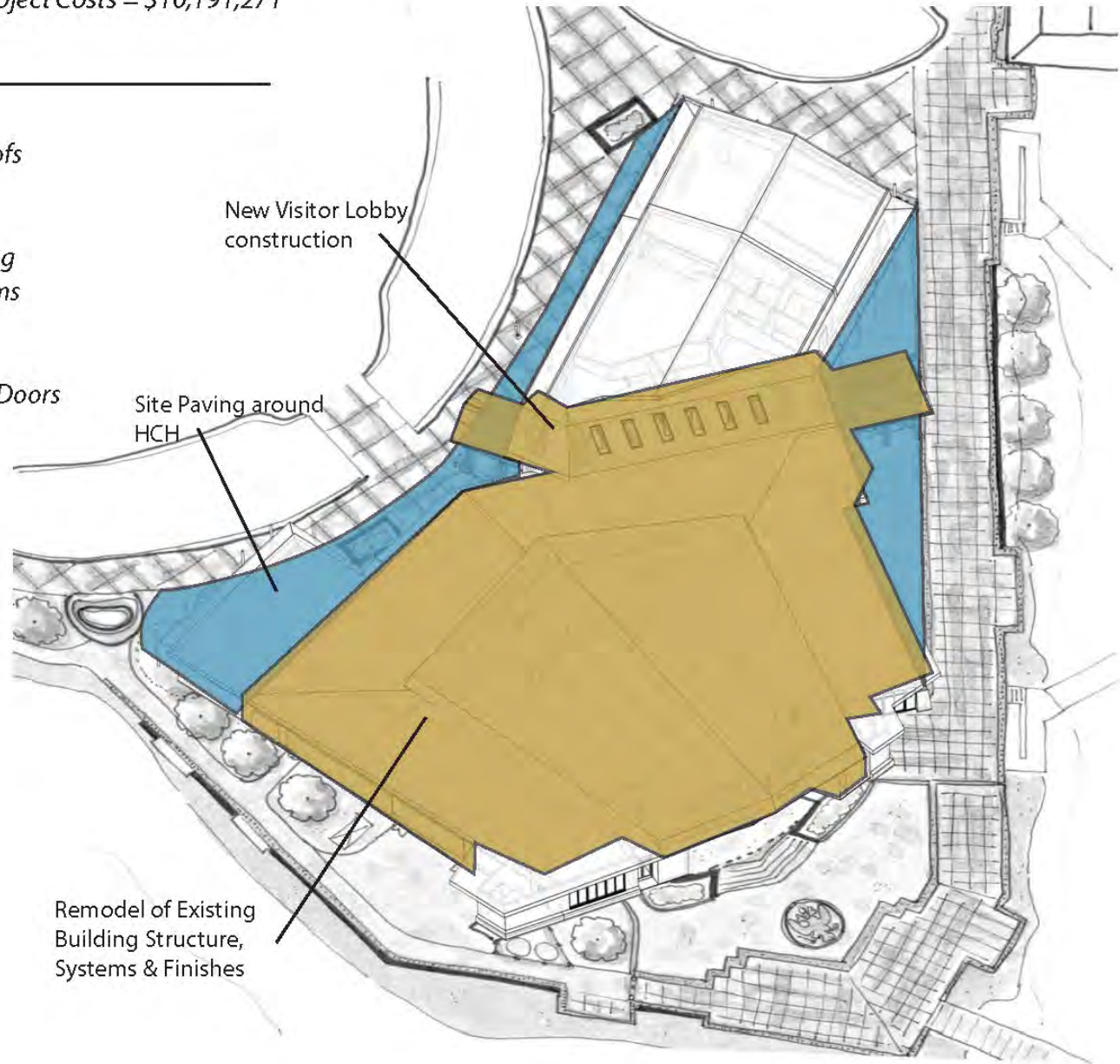
**\*Funds in Hand**

Construction Estimate = \$7,839,439  
Project Costs = \$10,191,271

## Costs and Funding

### Included Scope:

- Remove Hazardous Material Roofs
- Replacement - Raise Low Roof
- New Wall Insulation and Siding
- New Interiors - Floor, Wall, Ceiling
- Operable Walls at Meeting Rooms
- New Toilet Rooms
- Visitor Lobby Addition
- Replace & Add New Windows & Doors
- New Kitchen & Equipment
- Site Paving Around HCH
- Heat Pump System
- New Plumbing
- New Electrical & Lighting
- New Data Systems





**Additional Scope**  
**\*Potential Available Funds**

Construction = \$2,159,662  
Project Cost = \$2,807,620

Included Scope:

- Museum Addition = \$2,148,328
- Exterior Canopies = \$95,599
- Auditorium Slab = \$213,535
- Misc. Small Alternates = \$166,128
- Stage Floor Replacement
- Washer/Dryer
- Window Shades
- Acoustic Panels
- Aluminum Windows
- Large Ceiling Fans
- South Site Work = \$183,970



**Unfunded Scope**  
**\*Additional Funds Needed**

Construction = \$2,473,059  
Project Cost = \$3,214,977

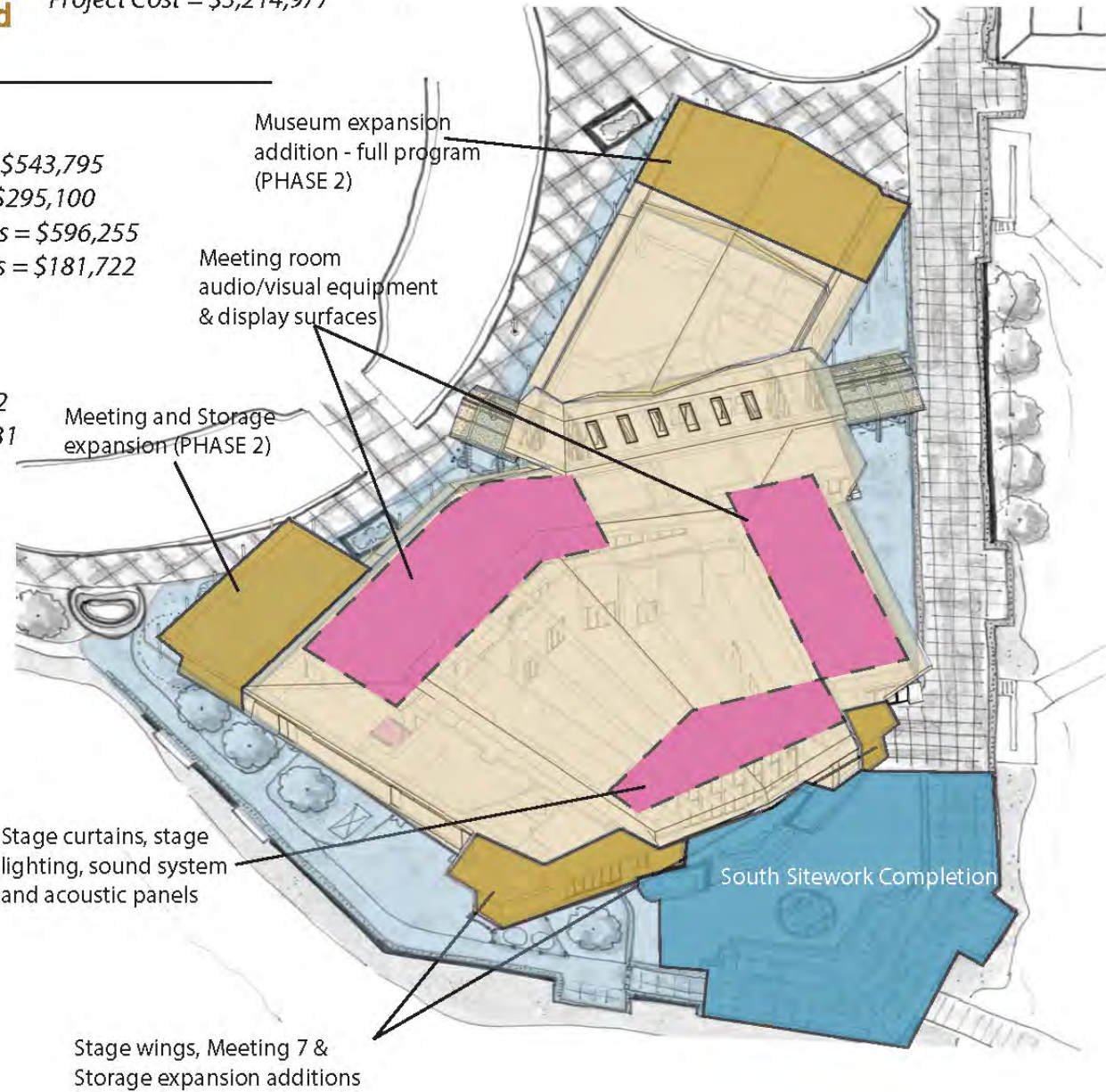
Included Scope:

**PHASE 1** (\$1,616,874)

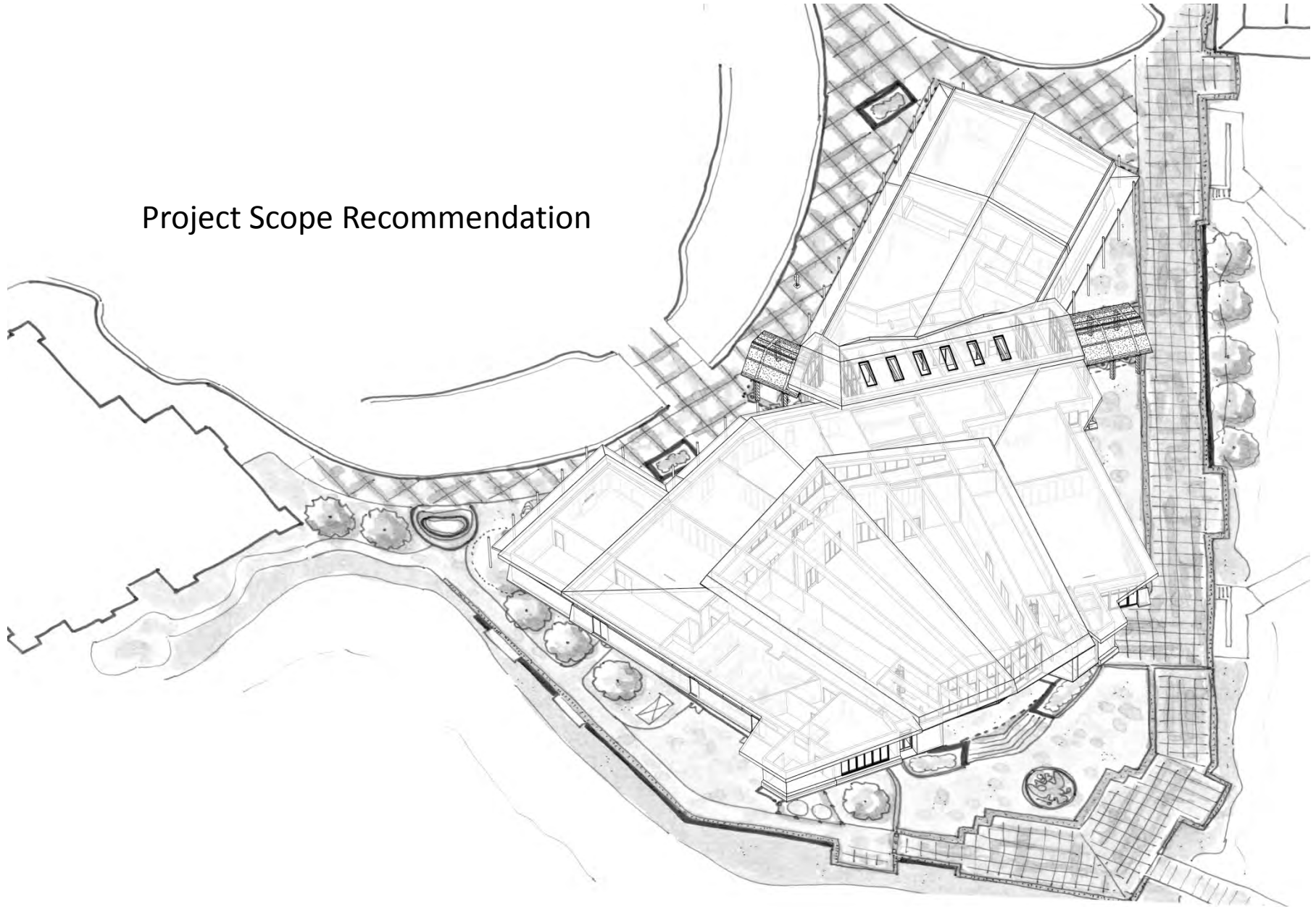
- Stage & Meeting 7 Additions = \$543,795
- South Sitework Completion = \$295,100
- AV Equipment & Stage Curtains = \$596,255
- Visual Display Surfaces & Cases = \$181,722

**PHASE 2** (\$1,598,104)

- Canoe Shelter = \$226,729
- Meeting Expansion = \$481,792
- Museum Expansion = \$889,581



Project Scope Recommendation



The background of the slide is a photograph of the Harrigan Centennial Hall, a large building with a stone wall and a dark roof. The image is overlaid with a semi-transparent green filter. There are five speech bubbles scattered across the scene: one in the upper left, one in the upper right, one in the lower left, one in the lower center, and one in the lower right. A central white rounded rectangle with a thin black border contains the text "Questions & Discussion".

# Questions & Discussion



## Legislation Details

---

File #: 14-075      Version: 1      Name:  
Type: Correspondence      Status: AGENDA READY  
File created: 4/17/2014      In control: City and Borough Assembly  
On agenda: 4/22/2014      Final action:  
Title: Correspondence for April 22, 2014  
Sponsors:  
Indexes:  
Code sections:  
Attachments: [Reminders and Calendar](#)  
[Financial Review April 22 2014](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

# **REMINDERS**

<b><u>DATE</u></b>	<b><u>EVENT</u></b>	<b><u>TIME</u></b>
Tuesday, April 22	Worksession: Harrigan Centennial Hall 35% Design, Cost Estimate, & Funding	5:00 PM
Tuesday, April 22	Regular Meeting	6:00 PM
Wednesday, April 23	Blue Lake Project Tour Meet in SCIP Admin Bldg Lobby	4:30 PM
Thursday, April 24	1 <sup>st</sup> Budget Worksession	6:00 PM
Thursday, May 1	2 <sup>nd</sup> Budget Worksession	6:00 PM
Monday, May 5	Board of Equalization HCH: Rousseau Room	6:00 PM
Thursday, May 8	3 <sup>rd</sup> Budget Worksession	6:00 PM
Tuesday, May 13	Regular Meeting	6:00 PM



# Assembly Calendar

[2013](#)   [Jan](#)   [Feb](#)   [Mar](#)   [Apr](#)   [May](#)   [Jun](#)   [Jul](#)   [Aug](#)   [Sep](#)   [Oct](#)   [Nov](#)   [Dec](#)   [2015](#)  
**April 2014**

Sunday		Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
30	Mar	31	1	Apr	2	3	4
Hackett		Hackett	5:00pm Board of Equalization Training 7:00pm Planning 7:00pm School	6:00pm Police and Fire 7:00pm Library	Esquiro 12:00pm Parks & Rec	Esquiro	
6	7	8	9	10	11	12	
		12:00pm Health Needs and Human Services Commission 5:00pm Worksession: South Benchlands Parcel C 6:00pm Reg Assembly Mtg	6:00pm Historic Preservation 6:00pm Port & Harbors Commission	Hackett 12:00pm LEPC 6:00pm Assembly/School District Budget Worksession - Harrigan Hall	Hackett	Hackett	
13	14	15	16	17	18	19	
Hackett		Hackett	12:00pm Tree/Landscape 5:30pm Administrator and Attorney evaluations 3rd floor conference room 7:00pm Planning 7:00pm School	6:30pm STA			
20	21	22	23	24	25	26	
		5:00pm Worksession: Harrigan Hall 35% Design 6:00pm Regular Assembly Mtg	4:30pm Private Tour: Blue Lake Project Meet at SCIP Admin Lobby	6:00pm 1st Municipal Budget Worksession 6:30pm Hospital Board			
27	28	29	30	1	May	2	3
Esquiro McConnell	Esquiro McConnell	Esquiro McConnell 1:00pm SCVB Board	Esquiro McConnell	Esquiro McConnell 12:00pm Parks & Rec 6:00pm 2nd Municipal Budget worksession	Esquiro	Esquiro	

# Assembly Calendar

[2013](#)   [Jan](#)   [Feb](#)   [Mar](#)   [Apr](#)   [May](#)   [Jun](#)   [Jul](#)   [Aug](#)   [Sep](#)   [Oct](#)   [Nov](#)   [Dec](#)   [2015](#)  
**May 2014**

Sunday		Monday	Tuesday	Wednesday	Thursday		Friday	Saturday
27	Apr	28	29	30	1	May	2	3
Esquiro McConnell		Esquiro McConnell	Esquiro McConnell 1:00pm SCVB Board	Esquiro McConnell	Esquiro McConnell 12:00pm Parks & Rec 6:00pm 2nd Municipal Budget worksession		Esquiro	Esquiro
4		5	6	7	8		9	10
		6:00pm Board of Equalization Hearing	7:00pm Planning 7:00pm School	6:00pm Police and Fire 7:00pm Library	12:00pm LEPC 6:00pm 3rd Municipal Budget worksession			
11		12	13	14	15		16	17
Hunter		Hunter	Hunter	Hunter 6:00pm Historic Preservation 6:00pm Port & Harbors Commission	Hunter		Hunter	
18		19	20	21	22		23	24
			12:00pm Tree/Landscape 12:00pm Health Needs and Human Services Commission 7:00pm Planning 7:00pm School	6:30pm STA	6:30pm Hospital Board			
25		26	27	28	29		30	31
		Memorial Day	1:00pm SCVB Board					Jun



# City and Borough of Sitka

## Financial Review

April 22, 2014

Results as of February 28, 2014 (Major Funds)

And

December 31, 2013 (Minor Funds)

City and Borough of Sitka  
Financial Review  
FY2014 General Fund Budget Execution Projection

Thru February 28, 2013

Planned Deficit Per Budget:	(675,000)
Budget Adjustments	(732,000)

Plus:

Revenues Exceeding Planned Levels	764,000
Unplanned Revenues (SRS)	464,000
Principal and Interest on School Bonds	
Now Paid By 1% sales Tax (Net)	381,000
Outlays less than Planned Levels	<u>224,000</u>

<b>Equals Est. FY14 General Fund Budget Surplus</b>	<b><u>426,000</u></b>
---	-----------------------

City and Borough of Sitka

Financial Review

FY2014 General Fund

Budget Adjustments

Pay Raise For	
Collective Bargained Employees	241,000
Extra Bed Tax to SCVB	46,000
Net Roll-Overs & Misc. Small Adjustments	<u>537,000</u>
<b>Total Net Budget Adjustments</b>	<b><u>732,000</u></b>

City and Borough of Sitka  
Financial Review  
FY2014 General Fund Budget

Major Components of Revenues Exceeding

Planned Levels:

Sales Tax Receipts	763,000
Property Tax Receipts	<u>1,000</u>
Total:	<b>764,000</b>

City and Borough of Sitka  
 Financial Review  
 General Fund Balance  
 February 28, 2014 Versus 2013

	2/28/2014	2/28/2013	Difference
Net Available Cash	5,725,000	6,664,000	(939,000)
Working Capital	9,069,000	10,168,000	(1,099,000)
Unrestricted Fund Balance	9,433,000	8,495,000	(938,000)

Notes:

*\$7,748,100 of cash and fund balance is designated for liquidity and emergency response*

*Net Available Cash equals cash plus investments less liabilities less all designated fund balances*

*Significant timing differences exist between FY14 and FY13 in regards to transfers to capital project funds.*

City and Borough of Sitka

Financial Review

Fund Net Income and Working Capital

FY2014 Interim Results Through February 28, 2014

(\* Minor Funds Through December 31, 2013)

	Account Basis	Working Capital	Account Basis	Working Capital
	Income/(Loss)	EBT GIBS	Income/(Loss)	Working Capital
Electric Fund	14,623,917	25,948,264	8,884,402	34,832,666
Water Fund	280,073	383,164	(427,065)	(43,901)
Wastewater Fund	17,120	3,498,152	2,065,356	5,563,508
Solid Waste Fund	(99,707)	722,896	641,669	1,364,565
Harbor Fund	304,133	2,117,868	5,771,344	7,889,212
Airport Terminal Fund *	24,986	63,034	733,568	796,602
Marine Service Center Fund *	13,456	-	1,333,886	1,333,886
SMC Industrial Park Fund *	27,702	249	851,936	852,185
MIS Fund *	(53,192)	197,938	135,901	333,839
Central Garage Fund *	221,383	274,132	1,638,541	1,912,673
Building Maintenance Fund *	(189,369)	-	2,244,963	2,244,963
CPET Fund *	(9,775)	1,693,692	-	1,693,692

# Comments on Net Losses and Working Capital

- Net losses signify that depreciation expense (the decline in value of infrastructure) exceeds revenue and may signify that infrastructure replacement may eventually need to be funded by bonding and higher user fees.
- Negative undesignated working capital signifies that we have more approved spending for infrastructure than we have fund balance to pay for.
- Net Income/and loss includes grant revenue. This was significant for the Electric Fund and Harbor Fund; Electric Fund grant revenue was \$12.9 million, and Harbor Fund grant revenue was \$1.6 million.
- Both of these situations are being addressed through long-term infrastructure plans, which seek to identify long-term infrastructure needs and determine the correct level of user fees necessary to finance the plan.

# Summary

- FY2014 is progressing according to plan for the General Fund and all major funds.
- A modest General Fund surplus is forecast which, by code, will be considered for transfer into the Public Infrastructure Sinking Fund in FY2015
- Additional planned annual increases in electric rates, water rates, wastewater rates, and harbor moorage rates are still required in order to achieve plan goals in future years. Furthermore, electric and moorage rates must be annually evaluated for bond rate covenant sufficiency.
- The financial position in three Funds, the Water Fund, Solid Waste Fund, and Building Maintenance Fund bear attention and possible action.
  - The financial position of the Water Fund continues to weaken. As of February 28, 2014, the Water Fund had total negative working capital of (\$43.9K) and a negative cash balance, in essence a net borrower from the Central Treasury. This is because project outlays must be made out of fund cash first, then reimbursed through grant reimbursements or State of Alaska loan disbursements.
  - The financial performance of the Solid Waste Fund continues to deteriorate, causing working capital to begin to decline. This is due to rising costs coupled with no user rate increases. It must be noted that most of Solid Waste Fund operations are contracted for, so rising contract costs, which are difficult to control, are accounting for cost increases.
  - The Building Maintenance Fund has seen a steady decline in working capital and fund balance. As this fund is an internal service fund, it derives its revenues from jobbing, and, from investment earnings on the balance of the Southeast Alaska Economic Development Fund. These jobbing revenues and investment earnings have been insufficient to cover operating costs. Raising jobbing rate, however, will place pressure on all other funds.
- Final borrowing of \$18.5 million, in some form, still needs to be accomplished in order to complete project funding for the Blue Lake Hydroelectric Dam Expansion.



# Financial Statements

- You will find attached financial statements for the various significant funds of the City and Borough of Sitka. For the General Fund and for major Enterprise Funds for whom we report monthly results, information is through February, 2014; for minor Enterprise Funds and Internal Service Funds for whom we report quarterly, information is through the 2nd Quarter (December)
- Financial reporting is shown in the custom reporting format designed by the Finance Department, which combines significant elements of the income statement, cash flow and working capital into one single page report. Traditional financial statements are produced monthly and are distributed to the Administrator and appropriate Department Heads.

# Definitions of Key Terms

**Working Capital** - This is essentially what a Fund has to spend. It is defined as current assets less current liabilities, including the current portion of long term debt. Working capital already earmarked for capital expenditures or otherwise restricted is called Designated Working Capital; the remainder is Undesignated Working Capital.

**Depreciation Expense** - This is an estimation of the decline in value of a long lived asset, which is an expense. When a long lived asset is purchased, cash is paid but expense is not recorded; instead, expense is recorded gradually, over the life of the asset, to match its use against revenues earned in the same period. Most importantly, Depreciation Expense **IS NOT** the accumulation of cash to replace an asset; that is called a sinking fund and is part of Working Capital.

**Fund Balance** - This is the net assets of a fund. It is equal to total assets less liabilities. It is important to note that a Fund Balance is usually only partially in cash; the remainder may be made up of long lived assets, receivables, and other assets.

# Definitions of Key Terms

**Net Available Cash** – This is equal to cash and investments, less liabilities and restricted or designated fund balances. This is similar to “cash on the barrelhead”.

**EBI/EBID** – These are accounting terms which measure earnings before certain expenses. EBI is Earnings Before Interest and measures earnings before interest expense. EBID is Earnings Before Interest and Depreciation, and is a rough measure of cash flow from operations.

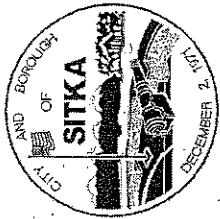
**Enterprise Fund** – A fund which is run, and accounted for, similar to a private business. In such a fund, profit is measured and operations are accounted for on a full accrual basis.

**Internal Service Fund** - A fund which provides services to other funds. Such funds usually have no external source of revenue. Similar to an enterprise fund, profit is measured and operations are accounted for on a full accrual basis.

City and Borough of Sitka  
General Fund  
Income Statement  
For the Twelve-Month Period From July 1, 2013 to June 30, 2014  
(Unaudited)

Revenue:	July 2013	August 2013	September 2013	October 2013	November 2013	December 2013	January 2014	February 2014	March 2014	April 2014	May 2014	June 2014	FY2014 Plan (5/1 - 6/6/14)	Variance To FY2013 YTD	FY2014 Plan (5/1 - 6/6/14)
Property Taxes	6,045,471	19,054	15,377	13,810	10,245	49,408	(418)	7,704	-	-	-	-	4,106,205	169,113	2,053,941
Sales Taxes	1,703,000	956,470	443,269	1,789,020	933,975	261,935	841,478	691,133	-	-	-	-	6,085,574	1,578,839	1,578,839
Bed Taxes	134,518	9,806	14,096	119,921	16,578	17,712	15,016	16,941	-	-	-	-	824,187	17,856	95,009
State Assistance	812,184	6,800	5,992	47,800	7,108	4,074	2,566	3,702	-	-	-	-	1,352,731	(405,105)	1,352,731
Federal Assistance	2,255	2,255	596,874	30,029	7,373	4,734	30,894	-	-	-	-	-	453,377	214,048	214,048
Transfer from Permanent Fund, Etc.	2,039	2,235	2,277	2,246	2,155	357,485	280,196	2,518	-	-	-	-	839,212	(693,317)	839,212
Insurance Billings	-	-	692,895	225,369	225,369	255,140	225,370	225,369	-	-	-	-	1,854,380	(4,868)	1,854,380
Other Operating Revenue	350,550	124,739	303,176	351,854	67,523	337,593	339,110	133,929	-	-	-	-	1,818,798	327,236	1,818,798
<b>Total Revenue:</b>	<b>9,027,832</b>	<b>1,149,759</b>	<b>2,083,355</b>	<b>2,623,489</b>	<b>1,270,326</b>	<b>1,514,626</b>	<b>1,743,318</b>	<b>1,066,776</b>	-	-	-	-	<b>21,746,551</b>	<b>(1,305,230)</b>	<b>16,666,034</b>
Outlays:															
Administrator	45,000	60,891	83,758	60,744	102,216	64,401	59,821	67,443	-	-	-	-	545,014	(76,319)	568,714
Attorney	17,177	18,335	32,094	23,713	34,148	21,519	23,276	21,329	-	-	-	-	193,688	(6,716)	203,486
Clerk	19,604	28,377	30,959	40,786	40,786	25,470	29,617	29,617	-	-	-	-	200,495	(30,721)	249,884
Finance	90,206	119,982	137,798	120,830	174,250	166,376	125,100	152,915	-	-	-	-	1,051,324	(95,883)	1,115,947
Insurance	15,796	17,714	21,027	19,138	29,854	24,758	21,640	19,359	-	-	-	-	147,440	(20,846)	220,084
Planning	12,118	17,416	20,325	20,471	27,907	19,743	18,626	18,332	-	-	-	-	153,138	5,418	170,826
Police	119,199	39,718	133,740	171,641	50,814	33,737	104,248	45,289	-	-	-	-	553,990	(138,796)	594,334
Public Works	241,633	269,017	360,493	414,022	489,654	295,639	324,800	334,436	-	-	-	-	2,331,093	(141,781)	2,359,623
Fire	117,773	151,079	157,597	175,534	146,298	147,477	146,568	147,038	-	-	-	-	1,332,869	(118,916)	1,375,689
Library	214,000	238,268	313,848	282,232	334,679	232,718	263,158	274,688	-	-	-	-	2,048,613	(101,205)	2,632,302
Centennial Building	45,869	54,881	71,420	70,649	80,803	56,258	63,978	61,582	-	-	-	-	501,432	(6,887)	598,666
Victoria Bureau/Clean Center	24,370	25,450	33,291	48,538	44,435	30,322	44,553	16,066	-	-	-	-	261,892	(8,883)	296,604
Debt Service	78,951	1,467	10,664	133,725	4,759	2,692	64,881	7,440	-	-	-	-	252,357	(71,462)	302,640
School Support	460,027	460,027	470,627	460,026	460,026	503,374	460,027	460,027	-	-	-	-	3,739,762	799,706	892,417
Hospital Support	8,594	19,864	6,875	4,077	1,156	-	-	34,604	-	-	-	-	4,111,054	471,232	3,785,203
Fixed Asset Acquisition	124,000	-	653,219	-	-	993,983	813,000	-	-	-	-	-	229,390	210,116	148,975
Transfers To Other Funds	-	-	-	-	-	-	-	-	-	-	-	-	29,304	(26,021)	96,955
<b>Total Cost of Sales:</b>	<b>1,654,827</b>	<b>1,469,476</b>	<b>2,538,747</b>	<b>2,036,665</b>	<b>2,003,554</b>	<b>2,578,556</b>	<b>1,589,973</b>	<b>1,653,725</b>	-	-	-	-	<b>15,443,982</b>	<b>1,152,823</b>	<b>17,917,066</b>
<b>Surplus/(Shortfall) of Revenues Over Outlays</b>	<b>7,373,005</b>	<b>(320,717)</b>	<b>(455,392)</b>	<b>586,824</b>	<b>(733,228)</b>	<b>(1,063,930)</b>	<b>(846,655)</b>	<b>(586,949)</b>	-	-	-	-	<b>6,302,569</b>	<b>(2,468,251)</b>	<b>4,834,568</b>
<b>Other balance sheet changes:</b>	<b>81.89%</b>	<b>-26.60%</b>	<b>-21.86%</b>	<b>22.16%</b>	<b>-57.76%</b>	<b>-70.25%</b>	<b>-51.25%</b>	<b>-57.54%</b>	-	-	-	-	<b>28.80%</b>	<b>9.83%</b>	<b>-7.31%</b>

Unrestricted Fund Liquidity	July 2013	August 2013	September 2013	October 2013	November 2013	December 2013	January 2014	February 2014	March 2014	April 2014	May 2014	June 2014	FY2014 Plan (5/1 - 6/6/14)	Variance To FY2013 YTD	FY2014 Plan (5/1 - 6/6/14)
Beginning Unrestricted Liquidity	9,341,814	10,705,619	10,325,688	9,863,857	10,482,531	10,482,531	9,737,758	9,890,784	9,103,106	8,495,064	8,495,064	8,495,064	8,495,064	(6,587,888)	9,939,503
Surplus/(Shortfall) of Revenues Over Outlays	7,373,005	(320,717)	(455,392)	586,824	(733,228)	(1,063,930)	(846,655)	(586,949)	-	-	-	-	6,302,569	(2,468,251)	4,834,568
Other balance sheet changes	(28,789)	(39,954)	(6,439)	37,650	(11,537)	1,807,008	(877,723)	(674,855)	(674,857)	(674,857)	(674,857)	(674,857)	(8,126,342)	(9,365,564)	9,365,564
<b>Ending Unrestricted Liquidity:</b>	<b>10,705,619</b>	<b>10,325,688</b>	<b>9,863,857</b>	<b>10,482,531</b>	<b>9,737,758</b>	<b>9,418,601</b>	<b>8,889,033</b>	<b>8,308,829</b>	<b>7,728,249</b>	<b>7,820,207</b>	<b>7,820,207</b>	<b>7,820,207</b>	<b>8,115,759</b>	<b>(379,314)</b>	<b>8,495,064</b>
Total Assets:	23,874,619	23,022,359	22,017,512	22,170,981	22,094,753	20,369,845	19,555,176	19,004,051	-	-	-	-	16,516,793	(7,007,866)	17,917,066
Less Advances to Other Funds:	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	-	-	-	-	3,841,814	(6,587,888)	9,939,503
Less Liabilities:	(1,800,734)	(1,323,408)	(775,811)	(548,673)	(1,208,580)	(544,864)	(607,293)	(674,857)	-	-	-	-	3,894,218	(2,408,361)	1,578,839
Less CPLTD (Unreimbursed)	(251,000)	(251,000)	(251,000)	(49,860)	(49,860)	(49,860)	(49,860)	(49,860)	-	-	-	-	1,259,272	(9,365,564)	1,259,272
Subtotal:	21,000,885	21,000,951	20,536,661	21,172,449	20,439,211	19,375,271	18,497,938	17,882,584	-	-	-	-	8,495,064	(379,314)	8,495,064
Less Reserved Amounts:	(832,413)	(832,413)	(832,413)	(832,413)	(832,413)	(832,413)	(832,413)	(832,413)	-	-	-	-	8,495,064	(6,587,888)	9,939,503
Title III Funds:	(520,742)	(520,742)	(520,742)	(520,742)	(520,742)	(520,742)	(520,742)	(520,742)	-	-	-	-	8,495,064	(6,587,888)	9,939,503
E911 Surcharge:	(162,315)	(162,315)	(162,315)	(162,315)	(162,315)	(162,315)	(162,315)	(162,315)	-	-	-	-	8,495,064	(6,587,888)	9,939,503
Liquidity Restriction	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	-	-	-	-	8,495,064	(6,587,888)	9,939,503
Emergency Restriction	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	-	-	-	-	8,495,064	(6,587,888)	9,939,503
Encumbrances:	(1,418,693)	(1,418,693)	(1,418,693)	(1,418,693)	(1,418,693)	(1,418,693)	(1,418,693)	(1,418,693)	-	-	-	-	8,495,064	(6,587,888)	9,939,503
Unrestricted Working Capital:	10,705,619	10,325,688	9,863,857	10,482,531	9,737,758	9,418,601	8,889,033	8,308,829	-	-	-	-	8,495,064	(379,314)	8,495,064



# Income Statement

Through 02/28/14  
Summary Listing

Organization	Organization Description	Budget Amount	Annual Actual Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category	<b>Governmental Funds</b>							
Fund Type	<b>General Fund</b>							
Fund	<b>100 - General Fund</b>							
	<b>REVENUE</b>							
Division	<b>300 - Revenue</b>							
301.	Property Tax	6,159,000.00	7,703.62		6,160,146.09	(1,146.09)	100	6,095,558.27
302	Sales Tax	9,127,900.00	691,133.85		7,664,380.46	1,463,519.54	84	9,093,596.11
303	Bed Tax	337,000.00	16,541.23		324,186.85	12,813.15	96	354,157.76
310	State Revenue	1,939,100.00	1,702.00		887,626.34	1,051,473.66	46	3,158,185.44
315	Federal Revenue	680,031.00	.00		667,424.38	12,606.62	98	1,766,378.39
320	Licenses & Permits	174,000.00	6,852.89		66,350.38	107,649.62	38	177,220.59
330	Services	1,035,687.00	47,517.67		914,879.84	120,807.16	88	1,048,441.87
340	Operating Revenue	606,000.00	100.00		439,039.41	166,960.59	72	791,074.10
360	Uses of Prop & Investment	795,650.00	61,864.59		527,709.53	267,940.47	66	611,856.59
370	Interfund Billings	2,781,431.00	225,369.25		1,849,512.02	931,918.98	66	2,693,859.81
380	Miscellaneous	168,000.00	7,472.65		88,554.89	79,445.11	53	163,555.81
390	Cash Basis Receipts	1,239,000.00	2,517.99		851,210.84	387,789.16	69	1,367,115.46
	<b>Division 300 - Revenue Totals</b>	<b>\$25,042,799.00</b>	<b>\$1,068,775.74</b>	<b>\$20,441,021.03</b>	<b>\$4,601,777.97</b>	<b>\$20,441,021.03</b>	<b>82%</b>	<b>\$27,321,000.20</b>
	<b>REVENUE TOTALS</b>	<b>\$25,042,799.00</b>	<b>\$1,068,775.74</b>	<b>\$20,441,021.03</b>	<b>\$4,601,777.97</b>	<b>\$20,441,021.03</b>	<b>82%</b>	<b>\$27,321,000.20</b>
	<b>EXPENSE</b>							
Division	<b>500 - Administrative</b>							
900	Human Resources	.00	6,650.01		6,650.01	(6,650.01)	+++	.00
001	Administrator & Assembly	854,529.00	67,443.36		545,014.41	309,514.59	64	897,297.01
002	Attorney	305,214.00	21,328.96		193,687.66	111,526.34	63	339,039.02
003	Municipal Clerk	365,908.00	22,617.44		221,216.89	144,591.11	60	342,438.30
004	Finance	1,673,837.00	152,915.29		1,086,908.68	586,928.32	65	1,726,604.06
005	Assessing	329,671.20	19,359.44		168,285.69	161,385.51	51	251,441.39
006	Planning	256,376.00	18,331.94		155,138.02	101,237.98	61	272,142.76
Department	<b>007 - General Office</b>							
801	100 Lincoln St Bldg	328,045.40	16,459.26		250,188.31	77,857.09	76	306,235.70
802	304 Lake St Building	166,983.91	12,778.13		103,308.22	63,675.69	62	165,227.29
	<b>Department 007 - General Office Totals</b>	<b>\$495,029.31</b>	<b>\$29,237.39</b>	<b>\$353,496.53</b>	<b>\$141,532.78</b>	<b>\$353,496.53</b>	<b>71%</b>	<b>\$471,462.99</b>
	<b>Other Expenditures</b>	396,427.00	16,051.30		339,289.07	57,137.93	86	300,829.00
	<b>Division 500 - Administrative Totals</b>	<b>\$4,676,891.51</b>	<b>\$347,285.12</b>	<b>\$3,063,036.95</b>	<b>\$1,613,854.56</b>	<b>\$3,063,036.95</b>	<b>65%</b>	<b>\$4,601,254.53</b>
Division	<b>520 - Public Safety</b>							
Department	<b>021 - Police</b>							
800	Administration	798,278.00	67,646.08		571,279.02	226,998.98	72	846,007.24
803	Patrol	2,221,800.00	162,733.79		1,334,521.14	887,278.86	60	2,168,541.66
804	Services	456,554.00	47,304.11		327,219.58	129,334.42	72	516,183.59



# Income Statement

Through 02/28/14  
Summary Listing

Organization	Organization Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
<b>Fund Category Governmental Funds</b>							
<b>Fund Type General Fund</b>							
<b>Fund 100 - General Fund</b>							
<b>EXPENSE</b>							
<b>Division 520 - Public Safety</b>							
<b>Department 021 - Police</b>							
805	Animal Control	147,370.00	11,075.61	84,173.02	63,196.98	57	156,710.25
806	Jail	504,554.00	43,831.37	342,919.56	161,634.44	68	585,368.77
809	COPS, DARE & SEACAD Prog.	138,069.00	.00	(395.58)	138,464.58	0	75.00
810	Safety Boat	21,102.00	845.29	13,155.35	7,946.65	62	31,235.88
<b>Department 021 - Police Totals</b>		<b>\$4,287,727.00</b>	<b>\$333,436.25</b>	<b>\$2,672,872.09</b>	<b>\$1,614,854.91</b>	<b>62%</b>	<b>\$4,304,122.39</b>
<b>Department 022 - Fire Protection</b>							
800	Administration	607,833.95	34,333.97	342,395.03	265,438.92	56	426,881.51
807	Fire Station	1,046,240.48	83,686.76	583,376.26	462,864.22	56	1,107,310.57
808	Volunteers	42,000.00	3,671.05	66,574.98	(24,574.98)	159	63,457.25
<b>Department 022 - Fire Protection Totals</b>		<b>\$1,696,074.43</b>	<b>\$121,691.78</b>	<b>\$992,346.27</b>	<b>\$703,728.16</b>	<b>59%</b>	<b>\$1,597,649.33</b>
023	Ambulance	310,071.00	23,810.16	181,664.81	128,406.19	59	289,538.71
024	Search and Rescue	52,799.59	1,535.60	18,878.72	33,920.87	36	45,033.04
<b>Division 520 - Public Safety Totals</b>		<b>\$6,346,672.02</b>	<b>\$480,473.79</b>	<b>\$3,865,761.89</b>	<b>\$2,480,910.13</b>	<b>61%</b>	<b>\$6,236,343.47</b>
<b>Division 530 - Public Works</b>							
<b>Administration</b>							
031	Administration	520,946.00	39,990.63	315,187.82	205,758.18	61	516,575.02
<b>Department 032 - Engineering</b>							
<b>Administration</b>							
800	Administration	1,063,468.00	60,721.47	596,982.18	466,485.82	56	942,147.78
<b>Department 032 - Engineering Totals</b>		<b>\$1,063,468.00</b>	<b>\$60,721.47</b>	<b>\$596,982.18</b>	<b>\$466,485.82</b>	<b>56%</b>	<b>\$942,147.78</b>
<b>Department 033 - Streets</b>							
<b>Administration</b>							
800	Administration	637,553.00	55,151.72	331,034.92	306,518.08	52	443,732.99
812	Street Repair	351,894.10	14,395.54	191,007.89	160,886.21	54	406,240.94
813	Drain Maintenance	89,550.35	14,685.00	57,255.77	32,294.58	64	155,220.44
814	Street Cleaning	30,589.00	2,174.25	34,086.38	(3,497.38)	111	44,573.04
815	Snow Removal	389,105.00	27,758.38	152,819.89	236,285.11	39	344,834.65
816	Street Signs	10,000.00	363.43	3,694.68	6,305.32	37	12,114.24
<b>Department 033 - Streets Totals</b>		<b>\$1,508,691.45</b>	<b>\$114,528.32</b>	<b>\$769,899.53</b>	<b>\$738,791.92</b>	<b>51%</b>	<b>\$1,406,716.30</b>
<b>Department 034 - Recreation</b>							
<b>Administration</b>							
800	Administration	265,741.40	31,284.62	266,565.78	(824.38)	100	425,161.76
817	Grounds Maintenance	221,691.00	6,286.36	52,689.73	169,001.27	24	120,101.44
818	Parks & Ballfields	131,539.00	.00	1,215.09	130,323.91	.1	1,215.09
819	Hames Wellness Center	.00	57.56	639.48	(639.48)	+++	633.25
<b>Department 034 - Recreation Totals</b>		<b>\$618,971.40</b>	<b>\$37,628.54</b>	<b>\$321,110.08</b>	<b>\$297,861.32</b>	<b>52%</b>	<b>\$547,111.54</b>
<b>Department 035 - Building Officials</b>							



# Income Statement

Through 02/28/14  
Summary Listing

Organization	Organization Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
800	Administration	236,178.00	20,829.23	146,738.11	89,439.89	62	230,467.45
	Department 035 - Building Officials	\$236,178.00	\$20,829.23	\$146,738.11	\$89,439.89	62%	\$230,467.45
	Division 530 - Public Works	\$3,948,254.85	\$273,698.19	\$2,149,917.72	\$1,798,337.13	54%	\$3,643,018.09
041	Division 540 - Public Service	899,453.63	63,560.62	508,318.20	391,135.43	57	822,296.28
043	Library	445,183.08	16,046.09	270,824.73	174,358.35	61	450,203.03
045	Centennial Building	357,818.00	1,178.28	281,001.79	76,816.21	79	281,836.06
047	Convention & Visitors Bur	96,118.72	6,262.32	42,797.78	53,320.94	45	78,505.36
	Senior Citizens						
	Division 540 - Public Service Totals	\$1,798,573.43	\$87,047.31	\$1,102,942.50	\$695,630.93	61%	\$1,632,840.73
951	Division 550 - Other	62,884.00	.00	.00	62,884.00	0	64,234.00
952	Department 650 - Debt Payments	1,275,675.00	.00	.00	1,275,675.00	0	1,267,012.50
	General						
	School						
	Department 660 - Support Payments	\$1,338,559.00	\$0.00	\$0.00	\$1,338,559.00	0%	\$1,331,246.50
952	School	5,677,521.00	460,626.75	3,739,762.00	1,937,759.00	66	5,839,267.04
953	Hospital	224,801.00	.00	19,864.00	204,937.00	9	281,841.03
670	Department 660 - Support Payments	\$5,902,322.00	\$460,626.75	\$3,759,626.00	\$2,142,696.00	64%	\$6,121,108.07
680	Fixed Assets	145,425.00	34,604.00	55,305.85	90,119.15	38	406,837.09
	Transfer to Other Funds	2,717,119.00	.00	2,550,202.21	166,916.79	94	2,495,181.18
	Division 550 - Other Totals	\$10,103,425.00	\$495,230.75	\$6,365,134.06	\$3,738,290.94	63%	\$10,354,372.84
	EXPENSE TOTALS	\$26,873,816.81	\$1,683,735.16	\$16,546,793.12	\$10,327,023.69	62%	\$26,467,829.66
	Fund 100 - General Fund Totals	25,042,799.00	1,068,775.74	20,441,021.03	4,601,777.97	82%	27,321,000.20
	REVENUE TOTALS	26,873,816.81	1,683,735.16	16,546,793.12	10,327,023.69	62%	26,467,829.66
	EXPENSE TOTALS	(\$1,831,017.81)	(\$614,959.42)	\$3,894,227.91	\$5,725,245.72	(213%)	\$853,170.54
	Fund 100 - General Fund Net Gain (Loss)						
	Fund Type General Fund Totals	25,042,799.00	1,068,775.74	20,441,021.03	4,601,777.97	82%	27,321,000.20
	REVENUE TOTALS	26,873,816.81	1,683,735.16	16,546,793.12	10,327,023.69	62%	26,467,829.66
	EXPENSE TOTALS	(\$1,831,017.81)	(\$614,959.42)	\$3,894,227.91	\$5,725,245.72	(213%)	\$853,170.54
	Fund Type General Fund Net Gain (Loss)						
	Fund Category Governmental Funds Totals	25,042,799.00	1,068,775.74	20,441,021.03	4,601,777.97	82%	27,321,000.20
	REVENUE TOTALS	26,873,816.81	1,683,735.16	16,546,793.12	10,327,023.69	62%	26,467,829.66
	EXPENSE TOTALS	(\$1,831,017.81)	(\$614,959.42)	\$3,894,227.91	\$5,725,245.72	(213%)	\$853,170.54
	Fund Category Governmental Funds Net Gain (Loss)						



# Balance Sheet

Through 02/28/14  
Summary Listing

Fund Category	Current YTD Balance	Prior Year YTD Total	Net Change	Change %
<b>Fund 100 - General Fund</b>				
ASSETS	\$19,004,061.16	\$20,731,336.86	(\$1,727,275.70)	(8.33%)
LIABILITIES	\$671,567.14	\$964,035.77	(\$292,468.63)	(30.34%)
FUND EQUITY Prior to Current Year Changes	\$14,438,266.11	\$13,464,711.57	\$973,554.54	7.23%
Prior Year Fund Equity Adjustment	.00			
Fund Revenues	(20,441,021.03)			
Fund Expenses	16,546,793.12			
FUND EQUITY	\$18,332,494.02	\$13,464,711.57	\$4,867,782.45	36.15%
LIABILITIES AND FUND EQUITY	\$19,004,061.16	\$14,428,747.34	\$4,575,313.82	31.71%
<b>Fund 100 - General Fund Totals</b>	\$0.00	\$6,302,589.52	(\$6,302,589.52)	(100.00%)
<b>Fund Type General Fund Totals</b>	\$0.00	\$6,302,589.52	(\$6,302,589.52)	(100.00%)
<b>Fund Category Governmental Funds Totals</b>	\$0.00	\$6,302,589.52	(\$6,302,589.52)	(100.00%)





Working Capital Designated for Capex, June 30, 2013

6300	Blue Lake Power Plant Improv	61,604
6301	Bleach Plant Conversions	162,580
6310	Green Lake FERC Compliance	74,474
8000	Fesder Improvements	(8,925)
8040	A.M.R.	182,607
9020	Island Improvements	10,205
9040	SCADA System Enhancement	144,575
9044	Automated SCADA Dist	137,216
9052	SWC Rd Upgrade Fesder Express	48,685
9062	Green Lake Power Plant Improv	33,726,905
9063	Jeff Davis Line Upgrade	40,243
9064	Blue Lake Third Turbine/Dam	566,827
9067	Thimbleberry - Blue Lk Tie Line 88kv	96,790
9070	Blue Lake FERC Env'r Mitigation	390,832
9071	Microwave or Optic Fiber	264
9074	Takatz Lake Hydro	-
9075	Blue Lk 88 kv Ring Bus	9,150
9077	Marine St. Sub-Voltage Regulator	40,243
9078	Demand Side Load Management	566,827
9079	PPR to Kramer Line Rise	965,726
9080	Jarvis St Diesel Capacity Incr.	466,675
9081	Jarvis Tank Inspection	95,000
9082	Transmission & 1220 upgrade	76,713
9083	Medwelle Transformer Replacement	50,000
9084	Blue Lake Sub-Plant & Maintenance	103,237
9085	Jarvis Street Improvements	171,225
9086	Marine Street Sub-Plant & Maintenance	33,000
9087	Warehouse Paving	-

37,622,075

Working Capital Designated for Capex, June 30, 2013

New Capex designations of Working Capital in FY14 Budget		
63,010	Green Lake FERC Compliance	180,000
90,717	Jarvis Street Improvements	75,000
80,000	Fesder Improvements	375,000
80,400	SCADA System Enhancement	50,000
90,611	Microwave or Optic Fiber	125,000
90,628	Demand Side Load Management	35,000

840,000

Plus New Bond Issuance Proceeds:

24,473,632

Plus Bond Fund Interest

209,871

Less FY14 working capital outlays for Capex

(12,027,393)

Working Capital Designated for Capex, December 31, 2013

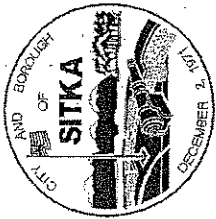
26,301,285



# Income Statement

Through 02/28/14  
Summary Listing

Organization	Organization Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
<b>Fund Category</b>	<b>Proprietary Funds</b>						
<b>Fund Type</b>	<b>Enterprise Funds</b>						
<b>Fund</b>	<b>200 - Electric Fund</b>						
	<b>REVENUE</b>						
Division	<b>300 - Revenue</b>						
310	State Revenue	18,393,000.00	.00	100,000.00	18,293,000.00	1	426,334.79
315	Federal Revenue	616,000.00	51,375.59	458,063.87	157,936.13	74	594,158.08
340	Operating Revenue	14,514,000.00	1,533,612.88	9,209,466.39	5,304,533.61	63	11,801,645.43
350	Non-Operating Revenue	85,000.00	3,756.52	109,078.16	(24,078.16)	128	221,398.23
360	Uses of Prop & Investment	214,000.00	11,135.52	89,918.65	124,081.35	42	(219,850.83)
370	Interfund Billings	.00	.00	.00	.00	+++	66,570.00
380	Miscellaneous	38,000.00	941.31	12,297.12	25,702.88	32	54,509.58
390	Cash Basis Receipts	40,500,000.00	.00	.00	40,500,000.00	0	.00
	<b>Division 300 - Revenue Totals</b>	<b>\$74,360,000.00</b>	<b>\$1,600,821.82</b>	<b>\$9,978,824.19</b>	<b>\$64,381,175.81</b>	<b>13%</b>	<b>\$12,944,765.28</b>
	<b>EXPENSE</b>						
Division	<b>600 - Operations</b>						
601	Administration	2,552,609.00	157,222.89	1,309,466.70	1,243,142.30	51	1,975,492.42
602	Stores	179,173.76	12,128.15	99,224.91	79,948.85	55	155,563.68
	<b>Department 603 - Operations &amp; Maintenance</b>						
850	Green Lake	612,441.36	35,500.89	369,245.10	243,196.86	60	549,982.23
851	Blue Lake	1,267,634.00	106,093.43	999,481.51	268,152.49	79	1,763,077.66
852	Diesel Plant	910,729.61	48,313.94	250,698.87	660,030.74	28	536,754.12
853	Switchyard	30,000.00	.00	3,832.99	26,167.01	13	6,872.53
	<b>Department 603 - Operations &amp; Maintenance Totals</b>	<b>\$2,820,805.57</b>	<b>\$189,908.26</b>	<b>\$1,623,258.47</b>	<b>\$1,197,547.10</b>	<b>58%</b>	<b>\$2,856,686.54</b>
Department	<b>604 - Transmission</b>						
860	Line Maintenance	146,910.00	(42,809.43)	9,436.29	137,473.71	6	(14,262.77)
861	Substation Maintenance	12,500.00	.00	.00	12,500.00	0	4,298.17
	<b>Department 604 - Transmission Totals</b>	<b>\$159,410.00</b>	<b>(\$42,809.43)</b>	<b>\$9,436.29</b>	<b>\$149,973.71</b>	<b>6%</b>	<b>(\$9,964.60)</b>
605	( Distribution	1,776,435.83	151,972.02	854,218.85	922,216.98	48	1,385,494.18
606	Metering	408,690.00	27,055.04	236,616.46	172,073.54	58	362,977.06
635	Jobbing Expenses	150,559.01	45,590.96	400,256.63	(249,697.62)	266	338,171.41
640	Depreciation/Amortization	.00	158,767.28	1,270,138.24	(1,270,138.24)	+++	1,731,705.77
650	Debt Payments	6,262,734.00	328,728.08	4,788,916.21	1,473,817.79	76	1,756,880.31
680	Transfer to Other Funds	58,793,000.00	.00	37,909,872.73	20,883,127.27	64	2,867,877.31
690	Other Financing Sources	.00	.00	.00	.00	+++	(132,334.84)
	<b>Division 600 - Operations Totals</b>	<b>\$73,103,417.17</b>	<b>\$1,028,563.25</b>	<b>\$48,501,405.49</b>	<b>\$24,602,011.68</b>	<b>66%</b>	<b>\$13,288,569.24</b>
	<b>EXPENSE TOTALS</b>	<b>\$73,103,417.17</b>	<b>\$1,028,563.25</b>	<b>\$48,501,405.49</b>	<b>\$24,602,011.68</b>	<b>66%</b>	<b>\$13,288,569.24</b>

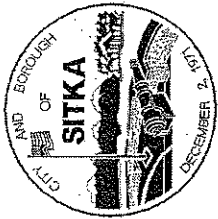


# Income Statement

Through 02/28/14  
Summary Listing

Organization	Organization Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund 200	Electric Fund Totals						
	REVENUE TOTALS	74,360,000.00	1,600,821.82	9,978,824.19	64,381,175.81	13%	12,944,765.28
	EXPENSE TOTALS	73,103,417.17	1,028,563.25	48,501,405.49	24,602,011.68	66%	13,288,669.24
	Net Gain (Loss)	\$1,256,582.83	\$572,258.57	(\$38,522,581.30)	(\$39,779,164.13)	(3,066%)	(\$343,903.96)
Fund 200	Electric Fund						

Fund Category **Proprietary Funds**  
Fund Type **Enterprise Funds**



# Balance Sheet

Through 02/28/14  
Summary Listing

Fund Category	Proprietary Funds	Current YTD Balance	Prior Year YTD Total	Net Change	Change %
Fund Type	Enterprise Funds				
Fund	200 - Electric Fund				
	ASSETS	\$82,667,989.60	\$77,406,002.86	\$5,261,986.74	6.80%
	LIABILITIES	\$95,443,025.93	\$55,045,281.71	\$40,397,744.22	73.39%
	FUND EQUITY Prior to Current Year Changes	\$25,747,544.97	\$25,093,320.62	\$654,224.35	2.61%
	Prior Year Fund Equity Adjustment	.00			
	Fund Revenues	(9,978,824.19)			
	Fund Expenses	48,501,405.49			
	FUND EQUITY	(\$12,775,036.33)	\$25,093,320.62	(\$37,868,356.95)	(150.91%)
	LIABILITIES AND FUND EQUITY	\$82,667,989.60	\$80,138,602.33	\$2,529,387.27	3.16%
	Fund 200 - Electric Fund Totals	\$0.00	(\$2,732,599.47)	\$2,732,599.47	100.00%



# Income Statement

Through 02/28/14  
Summary Listing

Organization	Organization Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category	Proprietary Funds						
Fund Type	Capital Projects Funds						
Fund	710 - Capital Projects-Electric						
REVENUE							
Division	300 - Revenue						
310	State Revenue	40,000,000.00	.00	12,921,472.05	27,078,527.95	32	17,169,455.07
370	Interfund Billings	840,000.00	.00	840,000.00	.00	100	1,869,749.00
390	Cash Basis Receipts	.00	.00	27,133,440.45	(27,133,440.45)	+++	21,040,855.13
	Division 300 - Revenue Totals	\$40,840,000.00	\$0.00	\$40,894,912.50	(\$54,912.50)	100%	\$40,080,059.20
	REVENUE TOTALS	\$40,840,000.00	\$0.00	\$40,894,912.50	(\$54,912.50)	100%	\$40,080,059.20
EXPENSE							
Division	600 - Operations						
630	Operations	43,622,239.87	5,625,491.34	50,064,607.47	(6,442,367.60)	115	40,614,579.63
670	Fixed Assets	.00	.00	.00	.00	+++	(40,614,579.63)
680	Transfer to Other Funds	.00	.00	.00	.00	+++	66,570.00
	Division 600 - Operations Totals	\$43,622,239.87	\$5,625,491.34	\$50,064,607.47	(\$6,442,367.60)	115%	\$66,570.00
	EXPENSE TOTALS	\$43,622,239.87	\$5,625,491.34	\$50,064,607.47	(\$6,442,367.60)	115%	\$66,570.00
Fund	710 - Capital Projects-Electric Totals						
	REVENUE TOTALS	40,840,000.00	.00	40,894,912.50	(54,912.50)	100%	40,080,059.20
	EXPENSE TOTALS	43,622,239.87	5,625,491.34	50,064,607.47	(6,442,367.60)	115%	66,570.00
	Fund 710 - Capital Projects-Electric Net Gain (Loss)	(\$2,782,239.87)	(\$5,625,491.34)	(\$9,169,694.97)	(\$6,387,455.10)	330%	\$40,013,489.20



# Balance Sheet

Through 02/28/14  
Summary Listing

Fund Category	Proprietary Funds	Current YTD Balance	Prior Year YTD Total	Net Change	Change %
Fund Type	Capital Projects Funds				
Fund	710 - Capital Projects-Electric				
	ASSETS				
	LIABILITIES				
	FUND EQUITY Prior to Current Year Changes				
	Prior Year Fund Equity Adjustment				
	Fund Revenues	\$54,173,657.58	\$19,763,876.95	\$34,409,780.63	174.10%
	Fund Expenses	\$2,732,396.66	\$544,075.39	\$2,188,321.27	402.21%
	FUND EQUITY	\$60,610,955.89	\$21,595,595.00	\$39,015,360.89	180.66%
	LIABILITIES AND FUND EQUITY	(40,894,912.50)			
		50,064,607.47			
		\$51,441,260.92	\$21,595,595.00	\$29,845,665.92	138.20%
		\$54,173,657.58	\$22,139,670.39	\$32,033,987.19	144.69%
		\$0.00	(\$2,375,793.44)	\$2,375,793.44	100.00%
	Fund 710 - Capital Projects-Electric Totals				



# Income Statement

Through 02/28/14  
Summary Listing

Organization	Organization Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category	<b>Proprietary Funds</b>						
Fund Type	<b>Capital Projects Funds</b>						
Fund	<b>711 - BL Rev Bonds #1 2010</b>						
REVENUE							
360	Division <b>300 - Revenue</b>	.00	.00	.00	.00	+++	192,852.63
	Uses of Prop & Investment	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$192,852.63
	<b>300 - Revenue Totals</b>	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$192,852.63
	<b>REVENUE TOTALS</b>	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$192,852.63
EXPENSE							
680	Division <b>600 - Operations</b>	.00	.00	.00	.00	+++	18,807,331.62
	Transfer to Other Funds	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$18,807,331.62
	<b>600 - Operations Totals</b>	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$18,807,331.62
	<b>EXPENSE TOTALS</b>	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$18,807,331.62
	<b>Fund 711 - BL Rev Bonds #1 2010 Totals</b>						
	REVENUE TOTALS	.00	.00	.00	.00	+++	192,852.63
	EXPENSE TOTALS	.00	.00	.00	.00	+++	18,807,331.62
	<b>Fund 711 - BL Rev Bonds #1 2010 Net Gain (Loss)</b>	\$0.00	\$0.00	\$0.00	\$0.00	+++	(\$18,614,478.99)





# Balance Sheet

Through 02/28/14  
Summary Listing

Fund Category	Current YTD Balance	Prior Year YTD Total	Net Change	Change %
<b>Proprietary Funds</b>				
<b>Capital Projects Funds</b>				
Fund 711 - BL Rev Bonds #1 2010				
ASSETS				
FUND EQUITY Prior to Current Year Changes	\$0.00	\$17,063,966.44	(\$17,063,966.44)	(100.00%)
Prior Year Fund Equity Adjustment	\$0.00	\$18,614,478.99	(\$18,614,478.99)	(100.00%)
Fund Revenues	.00			
Fund Expenses	.00			
FUND EQUITY	\$0.00	\$18,614,478.99	(\$18,614,478.99)	(100.00%)
LIABILITIES AND FUND EQUITY	\$0.00	\$18,614,478.99	(\$18,614,478.99)	(100.00%)
Fund 711 - BL Rev Bonds #1 2010 Totals	\$0.00	(\$1,550,512.55)	\$1,550,512.55	100.00%



# Income Statement

Through 02/28/14  
Summary Listing

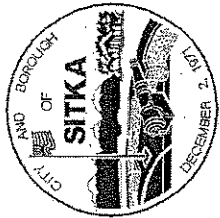
Organization	Organization Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category	<b>Proprietary Funds</b>						
Fund Type	<b>Capital Projects Funds</b>						
Fund	<b>712 - BL Rev Bonds #2</b>						
	REVENUE						
Division	<b>300 - Revenue</b>						
360	Uses of Prop & Investment	.00	7,610.61	191,225.89	(191,225.89)	+++	341,598.12
390	Cash Basis Receipts	.00	.00	37,069,872.73	(37,069,872.73)	+++	.00
	<b>300 - Revenue Totals</b>	\$0.00	\$7,610.61	\$37,261,098.62	(\$37,261,098.62)	+++	\$341,598.12
	<b>REVENUE TOTALS</b>	\$0.00	\$7,610.61	\$37,261,098.62	(\$37,261,098.62)	+++	\$341,598.12
	EXPENSE						
Division	<b>600 - Operations</b>						
630	Operations	.00	.00	2,499.92	(2,499.92)	+++	62,000.00
680	Transfer to Other Funds	.00	.00	27,133,440.45	(27,133,440.45)	+++	2,233,523.51
	<b>600 - Operations Totals</b>	\$0.00	\$0.00	\$27,135,940.37	(\$27,135,940.37)	+++	\$2,295,523.51
	<b>EXPENSE TOTALS</b>	\$0.00	\$0.00	\$27,135,940.37	(\$27,135,940.37)	+++	\$2,295,523.51
Fund	<b>712 - BL Rev Bonds #2 Totals</b>						
	REVENUE TOTALS	.00	7,610.61	37,261,098.62	(37,261,098.62)	+++	341,598.12
	EXPENSE TOTALS	.00	.00	27,135,940.37	(27,135,940.37)	+++	2,295,523.51
Fund	<b>712 - BL Rev Bonds #2 Net Gain (Loss)</b>	\$0.00	\$7,610.61	\$10,125,158.25	\$10,125,158.25	+++	(\$1,953,923.39)



# Balance Sheet

Through 02/28/14  
Summary Listing

Fund Category	Current YTD Balance	Prior Year YTD Total	Net Change	Change %
<b>Proprietary Funds</b>				
<b>Fund Type Capital Projects Funds</b>				
<b>Fund 712 - BL Rev Bonds #2</b>				
ASSETS				
FUND EQUITY Prior to Current Year Changes	\$8,171,232.86	\$0.00	\$8,171,232.86	+++
Prior Year Fund Equity Adjustment	(\$1,953,925.39)	\$0.00	(\$1,953,925.39)	+++
Fund Revenues	.00			
Fund Expenses	(37,261,098.62)			
FUND EQUITY	27,135,940.37			
LIABILITIES AND FUND EQUITY	\$8,171,232.86	\$0.00	\$8,171,232.86	+++
	\$8,171,232.86	\$0.00	\$8,171,232.86	+++
	\$0.00	\$0.00	\$0.00	+++
<b>Fund 712 - BL Rev Bonds #2 Totals</b>				



# Income Statement

Through 02/28/14  
Summary Listing

Organization	Organization Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category	Proprietary Funds						
Fund Type	Capital Projects Funds						
Fund	713 - BL Rev Bonds #3						
	REVENUE						
360	Division 300 - Revenue						
390	Uses of Prop & Investment	.00	10,022.96	20,488.78	(20,488.78)	+++	.00
	Cash Basis Receipts	.00	.00	24,473,641.82	(24,473,641.82)	+++	.00
	Division 300 - Revenue Totals	\$0.00	\$10,022.96	\$24,494,130.60	(\$24,494,130.60)	+++	\$0.00
	REVENUE TOTALS	\$0.00	\$10,022.96	\$24,494,130.60	(\$24,494,130.60)	+++	\$0.00
	EXPENSE						
630	Division 600 - Operations						
	Operations	.00	.00	50,679.79	(50,679.79)	+++	.00
	Division 600 - Operations Totals	\$0.00	\$0.00	\$50,679.79	(\$50,679.79)	+++	\$0.00
	EXPENSE TOTALS	\$0.00	\$0.00	\$50,679.79	(\$50,679.79)	+++	\$0.00
	Fund 713 - BL Rev Bonds #3 Totals						
	REVENUE TOTALS	.00	10,022.96	24,494,130.60	(24,494,130.60)	+++	.00
	EXPENSE TOTALS	.00	.00	50,679.79	(50,679.79)	+++	.00
	Fund 713 - BL Rev Bonds #3 Net Gain (Loss)	\$0.00	\$10,022.96	\$24,443,450.81	\$24,443,450.81	+++	\$0.00



# Balance Sheet

Through 02/28/14  
Summary Listing

	Current YTD Balance	Prior Year YTD Total	Net Change	Change %
<b>Fund Category Proprietary Funds</b>				
<b>Fund Type Capital Projects Funds</b>				
<b>Fund 713 - BL Rev Bonds #3</b>				
ASSETS				
Prior Year Fund Equity Adjustment	\$24,443,450.81	\$0.00	\$24,443,450.81	+++
Fund Revenues	.00			
Fund Expenses	(24,494,130.60)			
FUND EQUITY	50,679.79			
LIABILITIES AND FUND EQUITY	\$24,443,450.81	\$0.00	\$24,443,450.81	+++
	\$24,443,450.81	\$0.00	\$24,443,450.81	+++
	\$0.00	\$0.00	\$0.00	+++

Fund 713 - BL Rev Bonds #3 Totals

City and Borough of Sitka  
Water Utility  
Income Statement  
For The Trailing Twelve-Month Period Ending June 30, 2014  
(Unaudited)

	July 2013	August 2013	September 2013	October 2013	November 2013	December 2013	January 2014	February 2014	March 2014	April 2014	May 2014	June 2014	FY2014 YTD	FY2013 YTD	Variance To FY2013 YTD	FY2014 Plan (\$1,665,794)	Variance To FY2014 Plan
<b>Revenue:</b>																	
Water Sales	127,632	136,141	156,355	145,259	142,810	141,784	142,148	142,671	142,671	142,671	142,671	142,671	1,714,840	980,422	154,418	1,012,667	122,173
Jobbing	366	3,091	4,390	2,204	2,003	65	65	65	65	65	65	65	12,139	16,156	(3,917)	17,333	(5,194)
Other Operating Revenue	143	1,383	1,631	198	452	552	770	770	770	770	770	770	6,056	26,928	(18,872)	10,862	(6,811)
<b>Total Revenue:</b>	127,775	137,950	161,277	146,887	142,810	144,447	145,413	143,906	143,906	143,906	143,906	143,906	1,733,035	1,009,576	593,459	1,040,667	112,368
<b>Cost of Sales:</b>																	
Distribution Treatment	12,773	20,113	24,841	48,232	95,670	26,965	31,850	28,951	28,951	28,951	28,951	28,951	292,025	216,020	76,005	260,898	31,507
Jobbing	10,020	13,789	16,765	20,519	24,904	23,120	7,533	15,703	15,703	15,703	15,703	15,703	122,563	126,723	4,162	167,234	(44,881)
Depreciation	66,232	66,232	66,232	66,232	66,232	66,232	66,232	66,232	66,232	66,232	66,232	66,232	531,855	497,403	34,452	513,856	18,001
<b>Total Cost of Sales:</b>	94,525	100,644	108,338	135,493	145,506	116,817	106,115	111,386	111,386	111,386	111,386	111,386	946,443	840,148	106,295	981,998	113,374
<b>Gross Margin:</b>	33,250	37,276	52,939	24,404	(2,696)	27,630	39,298	31,120	31,120	31,120	31,120	31,120	206,421	253,432	(49,011)	78,679	125,742
26.02%	27.03%	32.61%	16.78%	-20.69%	19.13%	22.86%	21.45%	21.66%	21.66%	21.66%	21.66%	21.66%	17.73%	25.17%	-7.44%	7.56%	10.17%
<b>Selling and Administrative Expenses:</b>	1,029	4,038	73,885	71,849	30,142	33,641	80,020	32,015	32,015	32,015	32,015	32,015	327,720	284,933	42,787	365,861	38,141
Earnings Before Interest (EBI):	31,221	33,238	(21,047)	(47,445)	(72,638)	(6,011)	(40,722)	105	105	105	105	105	(119,289)	(31,501)	(81,798)	(27,183)	163,884
24.43%	24.10%	-13.05%	-31.69%	-50.86%	-4.18%	-28.60%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	-10.69%	-2.88%	-7.81%	-27.60%	16,506%
<b>Non-operating Revenue and Expense:</b>																	
Non-operating revenue:																	
Grant Revenue	1,181	509	(228)	(439)	(477)	4,411	(283)	(540)	(540)	(540)	(540)	(540)	4,134	16,948	(12,814)	16,667	(12,533)
Interest Expense:	(6,230)	(5,310)	(5,330)	(5,330)	(5,330)	(5,330)	(5,330)	(5,330)	(5,330)	(5,330)	(5,330)	(5,330)	(42,650)	(53,858)	11,208	(43,640)	11,208
<b>Total Non-operating Revenue &amp; Expense:</b>	(5,049)	(4,801)	(5,558)	(5,769)	(5,807)	(4,919)	(5,633)	(5,870)	(5,870)	(5,870)	(5,870)	(5,870)	(38,516)	(36,910)	1,606	(27,973)	10,675
<b>Net Income:</b>	25,772	28,439	(26,805)	(52,894)	(78,445)	(10,420)	(46,355)	(5,765)	(5,765)	(5,765)	(5,765)	(5,765)	(160,805)	(68,411)	92,394	(104,856)	178,417
20.11%	20.60%	-16.50%	-36.00%	-54.93%	-7.56%	-32.46%	-4.03%	-4.03%	-4.03%	-4.03%	-4.03%	-4.03%	-9.50%	-6.74%	9.20%	-10.92%	11.92%
<b>Earnings Before Interest and Depreciation (EBID):</b>	97,953	99,970	45,985	19,287	(5,966)	60,721	26,010	66,837	66,837	66,837	66,837	66,837	410,557	468,703	(18,251)	246,673	163,884
76.06%	71.48%	28.33%	13.27%	-4.16%	42.04%	17.88%	46.57%	46.57%	46.57%	46.57%	46.57%	46.57%	35.81%	42.06%	-7.00%	23,707	11.90%
<b>Debt Principal Coverage:</b>																	
Simple Cash Flow (Net Income Plus Depreciation)	93,804	100,541	(20,127)	(64,659)	(117,131)	(5,817)	(20,297)	60,997	60,997	60,997	60,997	60,997	\$ 218,649	\$ 492,583	(216,066)	\$ 662,578	\$ 66,071
Debt Principal	22,007	22,007	22,007	22,007	22,007	22,007	22,007	22,007	22,007	22,007	22,007	22,007	\$ 176,056	\$ 228,864	(52,808)	\$ 176,056	\$ 50,711
Debt Principal Coverage Surplus/Deficit	71,797	78,534	(42,134)	(86,666)	(139,138)	(27,824)	(44,304)	38,990	38,990	38,990	38,990	38,990	\$ 142,593	\$ 263,719	(120,874)	\$ 486,522	\$ 15,360
Debt Principal Coverage Percentage	41%	45%	19%	17%	13%	13%	18%	17%	17%	17%	17%	17%	80%	135%	-55%	277%	13%
<b>Simple Asset Replacement Coverage:</b>																	
Debt Principal Coverage Surplus/Deficit (From Above)	71,797	78,534	(42,134)	(86,666)	(139,138)	(27,824)	(44,304)	38,990	38,990	38,990	38,990	38,990	\$ 142,593	\$ 263,719	(120,874)	\$ 486,522	\$ 15,360
Debt Principal Coverage Surplus/Deficit (From Above)	71,797	78,534	(42,134)	(86,666)	(139,138)	(27,824)	(44,304)	38,990	38,990	38,990	38,990	38,990	\$ 142,593	\$ 263,719	(120,874)	\$ 486,522	\$ 15,360
Cash Accumulated For/Taken From Asset Replacement	5,065	11,841	(48,612)	279,930	(100,452)	(32,972)	(68,342)	(27,772)	(27,772)	(27,772)	(27,772)	(27,772)	\$ 533,855	\$ 497,403	36,452	\$ 533,855	\$ 36,452
<b>Working Capital:</b>																	
Beginning Undesignated Working Capital	(1,043,201)	(897,820)	(597,340)	(576,019)	(577,173)	(653,555)	(498,420)	(477,692)	(477,692)	(477,692)	(477,692)	(477,692)	\$ (1,043,201)	\$ (817,138)	(226,063)	\$ (1,043,201)	\$ 226,063
Net Income Plus Depreciation Less Principal CapEx, Accruals, and other balance sheet changes	78,574	18,120	(348,662)	(347,816)	(347,816)	(347,816)	(347,816)	(347,816)	(347,816)	(347,816)	(347,816)	(347,816)	\$ 218,649	\$ 228,864	(10,215)	\$ 218,649	\$ 10,215
Ending Undesignated Working Capital	(964,627)	(909,700)	(945,952)	(923,835)	(925,089)	(1,001,371)	(846,236)	(825,508)	(825,508)	(825,508)	(825,508)	(825,508)	\$ (825,508)	\$ (588,274)	(237,234)	\$ (825,508)	\$ 237,234
<b>Working Capital Designated for CapEx:</b>																	
Beginning Designated Working Capital	1,558,225	861,917	849,000	857,498	849,489	782,975	564,422	383,164	383,164	383,164	383,164	383,164	\$ 383,164	\$ 1,568,306	(1,574,142)	\$ 383,164	\$ 1,574,142
Current Assets	1,558,818	585,400	571,330	577,508	601,621	582,224	395,262	257,749	257,749	257,749	257,749	257,749	\$ 257,749	\$ 257,749	\$ 0	\$ 257,749	\$ 0
Current Liabilities	(494,324)	(47,822)	(44,330)	(44,330)	(44,330)	(44,330)	(44,330)	(44,330)	(44,330)	(44,330)	(44,330)	(44,330)	\$ (44,330)	\$ (44,330)	\$ 0	\$ (44,330)	\$ 0
CRFD	(254,086)	(254,086)	(254,086)	(254,086)	(254,086)	(254,086)	(254,086)	(254,086)	(254,086)	(254,086)	(254,086)	(254,086)	\$ (254,086)	\$ (254,086)	\$ 0	\$ (254,086)	\$ 0
WCD/Opex	(1,558,225)	(861,817)	(849,000)	(857,498)	(849,489)	(782,975)	(564,422)	(383,164)	(383,164)	(383,164)	(383,164)	(383,164)	\$ (383,164)	\$ (383,164)	\$ 0	\$ (383,164)	\$ 0
Undesignated Working Capital	(964,627)	(909,700)	(945,952)	(923,835)	(925,089)	(1,001,371)	(846,236)	(825,508)	(825,508)	(825,508)	(825,508)	(825,508)	\$ (825,508)	\$ (588,274)	(237,234)	\$ (825,508)	\$ 237,234
Total Working Capital	870,405	274,917	277,981	310,213	315,934	234,955	91,330	(41,901)	(41,901)	(41,901)	(41,901)	(41,901)	\$ (41,901)	\$ (41,901)	\$ 0	\$ (41,901)	\$ 0

Working Capital designated for CapEx, June 30, 2013: 1,720,548

New CapEx designations of Working Capital in FY14 Budget:

- Repair Coaling Harbor Mountain Storage Tank: 15,000
- Design DeArmond Water Main replacements: 50,000

Less FY14 working capital outlays for CapEx: (1,032,523)

Working Capital designated for CapEx, November 30, 2013: 752,973

City and Borough of Sitka  
Water Utility  
Income Statement  
For The Trailing Twelve-Month Period Ending June 30, 2014  
(Unaudited)

3,729,548

Working Capital Designated for Capex, June 30, 2012



# Income Statement

Through 02/28/14  
Summary Listing

Organization	Organization Description	Annual	MTD	YTD	Budget Less	% of	Prior Year
		Budget Amount	Actual Amount	Actual Amount	YTD Actual	Budget	Total Actual
Fund Category	<b>Proprietary Funds</b>						
Fund Type	<b>Enterprise Funds</b>						
Fund	<b>210 - Water Fund</b>						
	REVENUE						
Division	<b>300 - Revenue</b>						
310	State Revenue	.00	.00	.00	.00	+++	28,134.73
340	Operating Revenue	1,545,000.00	170,821.65	1,146,980.25	398,019.75	74	1,546,830.94
350	Non-Operating Revenue	11,000.00	600.00	4,200.00	6,800.00	38	11,400.00
360	Uses of Prop & Investment	25,000.00	(539.93)	4,134.26	20,865.74	17	(25,169.77)
370	Interfund Billings	.00	.00	.00	.00	+++	492,035.91
380	Miscellaneous	5,000.00	170.39	1,858.11	3,141.89	37	99,272.04
390	Cash Basis Receipts	.00	.00	.00	.00	+++	1,033,128.31
	<b>Division 300 - Revenue Totals</b>	<b>\$1,586,000.00</b>	<b>\$171,052.11</b>	<b>\$1,157,172.62</b>	<b>\$428,827.38</b>	<b>73%</b>	<b>\$3,185,632.16</b>
	<b>REVENUE TOTALS</b>	<b>\$1,586,000.00</b>	<b>\$171,052.11</b>	<b>\$1,157,172.62</b>	<b>\$428,827.38</b>	<b>73%</b>	<b>\$3,185,632.16</b>
	EXPENSE						
Division	<b>600 - Operations</b>						
601	Administration	548,794.22	32,015.00	327,718.85	221,075.37	60	772,587.61
605	Distribution	391,347.00	28,951.18	292,404.70	98,942.30	75	366,484.97
610	Treatment	250,850.70	15,703.33	122,353.48	128,497.22	49	209,074.08
635	Jobbing Expenses	.00	.00	2,415.07	(2,415.07)	+++	.00
640	Depreciation/Amortization	.00	66,731.68	533,853.44	(533,853.44)	+++	798,486.43
650	Debt Payments	328,047.00	20,672.23	52,393.48	275,653.52	16	46,312.00
680	Transfer to Other Funds	65,000.00	.00	65,000.00	.00	100	581,155.04
	<b>Division 600 - Operations Totals</b>	<b>\$1,584,038.92</b>	<b>\$164,073.42</b>	<b>\$1,396,139.02</b>	<b>\$187,899.90</b>	<b>88%</b>	<b>\$2,774,110.13</b>
	<b>EXPENSE TOTALS</b>	<b>\$1,584,038.92</b>	<b>\$164,073.42</b>	<b>\$1,396,139.02</b>	<b>\$187,899.90</b>	<b>88%</b>	<b>\$2,774,110.13</b>
Fund	<b>210 - Water Fund Totals</b>						
	REVENUE TOTALS	1,586,000.00	171,052.11	1,157,172.62	428,827.38	73%	3,185,632.16
	EXPENSE TOTALS	1,584,038.92	164,073.42	1,396,139.02	187,899.90	88%	2,774,110.13
	<b>Fund 210 - Water Fund Net Gain (Loss)</b>	<b>\$1,961.08</b>	<b>\$6,978.69</b>	<b>(\$238,966.40)</b>	<b>(\$240,927.48)</b>	<b>(12,185%)</b>	<b>\$411,522.03</b>





# Balance Sheet

Through 02/28/14  
Summary Listing

Fund Category	Proprietary Funds	Current YTD Balance	Prior Year YTD Total	Net Change	Change %
Fund Type	Enterprise Funds				
Fund	210 - Water Fund				
	ASSETS	\$19,642,509.08	\$17,243,752.92	\$2,398,756.16	13.91%
	LIABILITIES	\$5,357,216.72	\$5,524,184.79	(\$166,968.07)	(3.02%)
	FUND EQUITY Prior to Current Year Changes	\$14,524,258.76	\$12,162,756.57	\$2,361,502.19	19.42%
	Prior Year Fund Equity Adjustment	.00			
	Fund Revenues	(1,157,172.62)			
	Fund Expenses	1,396,139.02			
	FUND EQUITY	\$14,285,292.36	\$12,162,756.57	\$2,122,535.79	17.45%
	LIABILITIES AND FUND EQUITY	\$19,642,509.08	\$17,686,941.36	\$1,955,567.72	11.06%
	Fund 210 - Water Fund Totals	\$0.00	(\$443,188.44)	\$443,188.44	100.00%



# Income Statement

Through 02/28/14  
Summary Listing

Organization	Organization Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
<b>Fund Category Proprietary Funds</b>							
<b>Fund Type Capital Projects Funds</b>							
<b>Fund 720 - Capital Projects-Water</b>							
<b>REVENUE</b>							
Division	300 - Revenue						
310	State Revenue	.00	.00	320,363.21	(320,363.21)	+++	345,765.04
315	Federal Revenue	.00	.00	152,730.81	(152,730.81)	+++	216,866.80
370	Interfund Billings	65,000.00	.00	65,000.00	.00	100	581,165.04
<b>Division 300 - Revenue Totals</b>		<b>\$65,000.00</b>	<b>\$0.00</b>	<b>\$538,094.02</b>	<b>(\$473,094.02)</b>	<b>828%</b>	<b>\$1,143,796.88</b>
<b>REVENUE TOTALS</b>		<b>\$65,000.00</b>	<b>\$0.00</b>	<b>\$538,094.02</b>	<b>(\$473,094.02)</b>	<b>828%</b>	<b>\$1,143,796.88</b>
<b>EXPENSE</b>							
Division	600 - Operations						
630	Operations	1,668,455.80	181,257.74	1,875,477.46	(207,021.66)	112	572,193.67
670	Fixed Assets	.00	.00	.00	.00	+++	(568,994.13)
680	Transfer to Other Funds	.00	.00	.00	.00	+++	492,035.91
<b>Division 600 - Operations Totals</b>		<b>\$1,668,455.80</b>	<b>\$181,257.74</b>	<b>\$1,875,477.46</b>	<b>(\$207,021.66)</b>	<b>112%</b>	<b>\$495,235.45</b>
<b>EXPENSE TOTALS</b>		<b>\$1,668,455.80</b>	<b>\$181,257.74</b>	<b>\$1,875,477.46</b>	<b>(\$207,021.66)</b>	<b>112%</b>	<b>\$495,235.45</b>
<b>Fund 720 - Capital Projects-Water Totals</b>							
<b>REVENUE TOTALS</b>		<b>65,000.00</b>	<b>.00</b>	<b>538,094.02</b>	<b>(473,094.02)</b>	<b>828%</b>	<b>1,143,796.88</b>
<b>EXPENSE TOTALS</b>		<b>1,668,455.80</b>	<b>181,257.74</b>	<b>1,875,477.46</b>	<b>(207,021.66)</b>	<b>112%</b>	<b>495,235.45</b>
<b>Fund 720 - Capital Projects-Water Net Gain (Loss)</b>		<b>(\$1,603,455.80)</b>	<b>(\$181,257.74)</b>	<b>(\$1,337,383.44)</b>	<b>\$266,072.36</b>	<b>83%</b>	<b>\$648,561.43</b>



# Balance Sheet

Through 02/28/14  
Summary Listing

Fund Category	Proprietary Funds	Current YTD Balance	Prior Year YTD Total	Net Change	Change %
Fund Type	Capital Projects Funds				
Fund	720 - Capital Projects-Water				
	ASSETS	\$1,945,745.26	\$4,903,370.98	(\$2,957,625.72)	(60.32%)
	LIABILITIES	\$0.00	\$9,225.66	(\$9,225.66)	(100.00%)
	FUND EQUITY Prior to Current Year Changes	\$3,283,128.70	\$4,584,547.43	(\$1,301,418.73)	(28.39%)
	Prior Year Fund Equity Adjustment	.00			
	Fund Revenues	(538,094.02)			
	Fund Expenses	1,875,477.46			
	FUND EQUITY	\$1,945,745.26	\$4,584,547.43	(\$2,638,802.17)	(57.56%)
	LIABILITIES AND FUND EQUITY	\$1,945,745.26	\$4,593,773.09	(\$2,648,027.83)	(57.64%)
	Fund 720 - Capital Projects-Water Totals	\$0.00	\$309,597.89	(\$309,597.89)	(100.00%)

CITY and Borough of Hills  
Wastewater Treatment Utility  
Income Statement

For The Twelve-Month Period From July 1, 2013 to June 30, 2014  
(Unaudited)

	July 2013	August 2013	September 2013	October 2013	November 2013	December 2013	January 2014	February 2014	March 2014	April 2014	May 2014	June 2014
<b>Revenue:</b>												
Wastewater Treatment Services	187,279	208,179	205,010	206,990	205,620	209,627	203,491	204,746				
Jobbing	710	3,702	3,702	3,702	3,702	3,702	3,702	3,702				
Other Operating Revenue	386	1,432	1,432	1,432	1,432	1,432	1,432	1,432				
<b>Total Revenue:</b>	187,575	210,312	210,551	210,552	210,552	210,552	210,552	210,552				
<b>Cost of Sales:</b>												
Collection	24,598	30,451	34,654	36,734	37,623	45,901	52,976	54,271				
Treatment	50,952	51,776	51,050	50,236	51,616	50,915	50,335	50,000				
Jobbing												
Depreciation	133,128	131,528	131,528	131,528	131,528	131,528	131,528	131,528				
<b>Total Cost of Sales:</b>	188,178	203,755	217,232	218,498	220,767	228,344	234,839	239,829				
<b>Gross Margin:</b>	8,397	6,557	8,200	8,200	8,200	8,200	8,200	8,200				
<b>Selling and Administrative Expenses</b>	4,594	3,124	2,894	2,894	2,894	2,894	2,894	2,894				
<b>Earnings Before Interest (EBI):</b>	3,803	3,433	5,306	5,306	5,306	5,306	5,306	5,306				
<b>Earnings Before Interest and Depreciation (EBIDA):</b>	10,157	11,348	13,148	13,148	13,148	13,148	13,148	13,148				
<b>Non-operating Revenue and Expense:</b>	54,154	52,714	52,714	52,714	52,714	52,714	52,714	52,714				
<b>Net Income:</b>	64,311	64,062	65,862	65,862	65,862	65,862	65,862	65,862				
<b>Debt Principal Coverage:</b>	104,578	115,076	130,574	130,574	130,574	130,574	130,574	130,574				
<b>Simple Cash Flow (Net Income Plus Depreciation):</b>	187,279	196,951	196,951	196,951	196,951	196,951	196,951	196,951				
<b>Debt Principal Coverage Surplus/Deficit:</b>	82,721	81,879	63,377	63,377	63,377	63,377	63,377	63,377				
<b>Debt Principal Coverage Percentage:</b>	95%	78%	71%	71%	71%	71%	71%	71%				
<b>Simple Asset Replacement Coverage:</b>	86,703	100,051	114,409	114,409	114,409	114,409	114,409	114,409				
<b>Debt Principal Coverage Surplus/Deficit (from above):</b>	22,528	23,128	23,128	23,128	23,128	23,128	23,128	23,128				
<b>Cash Accumulated For/Used From Asset Replacement:</b>	(54,825)	(31,477)	(116,294)	297,338	(104,346)	(77,153)	(41,735)	(67,818)				

	FY2013 YTD	FY2014 Plan	Variance To FY2013 YTD	FY2014 Plan	Variance To FY2014 Plan
<b>Revenue:</b>					
Wastewater Treatment Services	1,623,002	1,432,667	190,335	1,432,667	190,335
Jobbing	108,005	145,333	(37,328)	145,333	(37,328)
Other Operating Revenue	6,166	10,062	(3,896)	10,062	(3,896)
<b>Total Revenue:</b>	1,737,173	1,588,062	149,111	1,588,062	149,111
<b>Cost of Sales:</b>					
Collection	315,408	269,230	46,178	269,230	46,178
Treatment	407,900	411,342	(4,442)	411,342	(4,442)
Jobbing					
Depreciation	972,224	972,224		972,224	
<b>Total Cost of Sales:</b>	1,695,532	1,652,836	42,696	1,652,836	42,696
<b>Gross Margin:</b>	41,641	(64,774)	106,415	(64,774)	106,415
<b>Selling and Administrative Expenses:</b>	21,857	22,577	(720)	22,577	(720)
<b>Earnings Before Interest (EBI):</b>	20,000	(87,111)	107,111	(87,111)	107,111
<b>Earnings Before Interest and Depreciation (EBIDA):</b>	65,422	30,578	34,844	30,578	34,844
<b>Non-operating Revenue and Expense:</b>	16,636	38,336	(21,700)	38,336	(21,700)
<b>Net Income:</b>	82,058	68,878	13,180	68,878	13,180
<b>Debt Principal Coverage:</b>	152,122	174,152	(22,030)	174,152	(22,030)
<b>Simple Cash Flow (Net Income Plus Depreciation):</b>	352,587	315,578	37,009	315,578	37,009
<b>Debt Principal Coverage Surplus/Deficit:</b>	127,000	175,544	(48,544)	175,544	(48,544)
<b>Debt Principal Coverage Percentage:</b>	93%	93%	0%	93%	0%
<b>Simple Asset Replacement Coverage:</b>	80,944	80,944		80,944	
<b>Debt Principal Coverage Surplus/Deficit (from above):</b>	30,224	30,224		30,224	
<b>Cash Accumulated For/Used From Asset Replacement:</b>	(154,380)	(154,380)		(154,380)	

	FY2013 YTD	FY2014 Plan	Variance To FY2013 YTD	FY2014 Plan	Variance To FY2014 Plan
<b>Revenue:</b>					
Wastewater Treatment Services	1,623,002	1,432,667	190,335	1,432,667	190,335
Jobbing	108,005	145,333	(37,328)	145,333	(37,328)
Other Operating Revenue	6,166	10,062	(3,896)	10,062	(3,896)
<b>Total Revenue:</b>	1,737,173	1,588,062	149,111	1,588,062	149,111
<b>Cost of Sales:</b>					
Collection	315,408	269,230	46,178	269,230	46,178
Treatment	407,900	411,342	(4,442)	411,342	(4,442)
Jobbing					
Depreciation	972,224	972,224		972,224	
<b>Total Cost of Sales:</b>	1,695,532	1,652,836	42,696	1,652,836	42,696
<b>Gross Margin:</b>	41,641	(64,774)	106,415	(64,774)	106,415
<b>Selling and Administrative Expenses:</b>	21,857	22,577	(720)	22,577	(720)
<b>Earnings Before Interest (EBI):</b>	20,000	(87,111)	107,111	(87,111)	107,111
<b>Earnings Before Interest and Depreciation (EBIDA):</b>	65,422	30,578	34,844	30,578	34,844
<b>Non-operating Revenue and Expense:</b>	16,636	38,336	(21,700)	38,336	(21,700)
<b>Net Income:</b>	82,058	68,878	13,180	68,878	13,180
<b>Debt Principal Coverage:</b>	152,122	174,152	(22,030)	174,152	(22,030)
<b>Simple Cash Flow (Net Income Plus Depreciation):</b>	352,587	315,578	37,009	315,578	37,009
<b>Debt Principal Coverage Surplus/Deficit:</b>	127,000	175,544	(48,544)	175,544	(48,544)
<b>Debt Principal Coverage Percentage:</b>	93%	93%	0%	93%	0%
<b>Simple Asset Replacement Coverage:</b>	80,944	80,944		80,944	
<b>Debt Principal Coverage Surplus/Deficit (from above):</b>	30,224	30,224		30,224	
<b>Cash Accumulated For/Used From Asset Replacement:</b>	(154,380)	(154,380)		(154,380)	

	FY2013 YTD	FY2014 Plan	Variance To FY2013 YTD	FY2014 Plan	Variance To FY2014 Plan
<b>Revenue:</b>					
Wastewater Treatment Services	1,623,002	1,432,667	190,335	1,432,667	190,335
Jobbing	108,005	145,333	(37,328)	145,333	(37,328)
Other Operating Revenue	6,166	10,062	(3,896)	10,062	(3,896)
<b>Total Revenue:</b>	1,737,173	1,588,062	149,111	1,588,062	149,111
<b>Cost of Sales:</b>					
Collection	315,408	269,230	46,178	269,230	46,178
Treatment	407,900	411,342	(4,442)	411,342	(4,442)
Jobbing					
Depreciation	972,224	972,224		972,224	
<b>Total Cost of Sales:</b>	1,695,532	1,652,836	42,696	1,652,836	42,696
<b>Gross Margin:</b>	41,641	(64,774)	106,415	(64,774)	106,415
<b>Selling and Administrative Expenses:</b>	21,857	22,577	(720)	22,577	(720)
<b>Earnings Before Interest (EBI):</b>	20,000	(87,111)	107,111	(87,111)	107,111
<b>Earnings Before Interest and Depreciation (EBIDA):</b>	65,422	30,578	34,844	30,578	34,844
<b>Non-operating Revenue and Expense:</b>	16,636	38,336	(21,700)	38,336	(21,700)
<b>Net Income:</b>	82,058	68,878	13,180	68,878	13,180
<b>Debt Principal Coverage:</b>	152,122	174,152	(22,030)	174,152	(22,030)
<b>Simple Cash Flow (Net Income Plus Depreciation):</b>	352,587	315,578	37,009	315,578	37,009
<b>Debt Principal Coverage Surplus/Deficit:</b>	127,000	175,544	(48,544)	175,544	(48,544)
<b>Debt Principal Coverage Percentage:</b>	93%	93%	0%	93%	0%
<b>Simple Asset Replacement Coverage:</b>	80,944	80,944		80,944	
<b>Debt Principal Coverage Surplus/Deficit (from above):</b>	30,224	30,224		30,224	
<b>Cash Accumulated For/Used From Asset Replacement:</b>	(154,380)	(154,380)		(154,380)	

Working Capital Designated for CapEx  
New CapEx designations of Working Capital in FY16 Budget

90558	Replace Lift Station Alarm System	75,000.00
90559	Cathodic Protection-14 Lift Station	30,000.00
90647	Cover Lift Station Replacement	30,000.00
90647	Cover Lift Station	45,000.00
90531	Monetary/Interlock Alarm Design	35,000.00
90534	W. W. Slicker Interlock Alarm Design	35,000.00
90554	RP/FSMC Interlock Alarm Relays	55,211.66
90579	Arrestment Bay Lift Station Replant	55,211.66
90579	SAC Rd Sewer Ph III	3,211,799.00

City and Borough of Sitka  
Wastewater Treatment Utility  
Income Statement  
For the Twelve-Month Period From July 1, 2013 to June 30, 2014  
(Unaudited)

90601	Lake St Lift Station Rebuild	350,000.00
90602	City Sewer Main Replacement	145,642.62
90604	WWTP Air Control System	21,000.00
90605	SE4 Pump Station (Supply Fan)	38,935.02
90603	Berk's Street Sewer	-
90606	Old Street Water/Sewer	-
90676	Boady St Rebuild Lift Station	90,000.00
90697	Japonaki Island Sewer Lift Station	18,500.00
90898	Monastery St Sewer/Water Main	889,771.37
90710	Bramoff Water/WW Main Replacement	60,000.00
90713	Crescent Lift Station Replacement	150,000.00
90715	WWTP AHU retrofit	50,000.00
90732	Hollywood Way WW/WW Replacement	25,000.00
90733	HR Sewer Improvement (DOT)	59,277.77
90734	New Archangel Sewer Main (Mainline-HPR)	25,000.00
	WWTP Executive Building Ren	13,480.92
	Total designated working capital	2,791,994.64

90601	Lake St Lift Station Rebuild	350,000.00
90602	City Sewer Main Replacement	145,642.62
90604	WWTP Air Control System	21,000.00
90605	SE4 Pump Station (Supply Fan)	38,935.02
90603	Berk's Street Sewer	-
90606	Old Street Water/Sewer	-
90676	Boady St Rebuild Lift Station	90,000.00
90697	Japonaki Island Sewer Lift Station	18,500.00
90898	Monastery St Sewer/Water Main	889,771.37
90710	Bramoff Water/WW Main Replacement	60,000.00
90713	Crescent Lift Station Replacement	150,000.00
90715	WWTP AHU retrofit	50,000.00
90732	Hollywood Way WW/WW Replacement	25,000.00
90733	HR Sewer Improvement (DOT)	59,277.77
90734	New Archangel Sewer Main (Mainline-HPR)	25,000.00
	WWTP Executive Building Ren	13,480.92
	Total designated working capital	2,791,994.64



# Income Statement

Through 02/28/14  
Summary Listing

Organization	Organization Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category	<b>Proprietary Funds</b>						
Fund Type	<b>Enterprise Funds</b>						
Fund	<b>220 - Waste Water Treatment</b>						
	REVENUE						
Division	<b>300 - Revenue</b>						
310	State Revenue	.00	.00	.00	.00	+++	84,404.19
340	Operating Revenue	2,337,000.00	244,750.63	1,731,503.26	605,496.74	74	2,398,945.60
350	Non-Operating Revenue	8,000.00	600.00	4,200.00	3,800.00	53	27,495.80
360	Uses of Prop & Investment	86,000.00	10,108.34	65,541.32	20,458.68	76	27,794.53
370	Interfund Billings	.00	.00	.00	.00	+++	87,841.71
380	Miscellaneous	8,000.00	358.34	2,566.73	5,433.27	32	8,527.36
	<b>Division 300 - Revenue Totals</b>	<b>\$2,439,000.00</b>	<b>\$255,817.31</b>	<b>\$1,803,811.31</b>	<b>\$635,188.69</b>	<b>74%</b>	<b>\$2,635,009.19</b>
	REVENUE TOTALS	<b>\$2,439,000.00</b>	<b>\$255,817.31</b>	<b>\$1,803,811.31</b>	<b>\$635,188.69</b>	<b>74%</b>	<b>\$2,635,009.19</b>
	EXPENSE						
Division	<b>600 - Operations</b>						
601	Administration	1,007,270.00	64,069.60	471,252.31	536,017.69	47	766,929.78
607	Collections	619,588.00	54,270.93	315,408.62	304,179.38	51	488,345.66
610	Treatment	702,874.31	25,000.43	407,479.93	295,394.38	58	746,578.21
640	Depreciation/Amortization	.00	121,528.43	972,227.44	(972,227.44)	+++	1,458,341.17
650	Debt Payments	231,594.00	.00	.00	231,594.00	0	98,005.98
670	Fixed Assets	35,000.00	.00	.00	35,000.00	0	.00
680	Transfer to Other Funds	180,000.00	.00	180,000.00	.00	100	150,953.00
	<b>Division 600 - Operations Totals</b>	<b>\$2,776,326.31</b>	<b>\$264,869.39</b>	<b>\$2,346,368.30</b>	<b>\$429,958.01</b>	<b>85%</b>	<b>\$3,709,153.80</b>
	EXPENSE TOTALS	<b>\$2,776,326.31</b>	<b>\$264,869.39</b>	<b>\$2,346,368.30</b>	<b>\$429,958.01</b>	<b>85%</b>	<b>\$3,709,153.80</b>
Fund	<b>220 - Waste Water Treatment Totals</b>						
	REVENUE TOTALS	2,439,000.00	255,817.31	1,803,811.31	635,188.69	74%	2,635,009.19
	EXPENSE TOTALS	2,776,326.31	264,869.39	2,346,368.30	429,958.01	85%	3,709,153.80
	<b>Fund 220 - Waste Water Treatment Net Gain (Loss)</b>	<b>(\$337,326.31)</b>	<b>(\$9,052.08)</b>	<b>(\$542,556.99)</b>	<b>(\$205,230.68)</b>	<b>161%</b>	<b>(\$1,074,144.61)</b>



# Balance Sheet

Through 02/28/14  
Summary Listing

Fund Category	Proprietary Funds	Fund Type	Enterprise Funds	Fund	Description	Current YTD	Prior Year	Change %
						Balance	YTD Total	Net Change
				Fund 220 - Waste Water Treatment	ASSETS			
					LIABILITIES			
					FUND EQUITY Prior to Current Year Changes	\$15,416,146.21	\$14,850,741.90	3.81%
					Prior Year Fund Equity Adjustment	\$5,038,136.65	\$4,614,160.35	9.19%
					Fund Revenues	\$10,920,566.55	\$11,052,118.98	(1.19%)
					Fund Expenses	.00		
					FUND EQUITY	(1,803,811.31)		
					LIABILITIES AND FUND EQUITY	2,346,368.30		
						\$10,378,009.56	\$11,052,118.98	(6.10%)
						\$15,416,146.21	\$15,666,279.33	(1.60%)
					Fund 220 - Waste Water Treatment Totals	\$0.00	(\$815,537.43)	100.00%



# Income Statement

Through 02/28/14  
Summary Listing

Organization	Organization Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
<b>Fund Category Proprietary Funds</b>							
<b>Fund Type Capital Projects Funds</b>							
<b>Fund 730 - Capital Project-Waste Wtr</b>							
<b>REVENUE</b>							
310	Division						
	300 - Revenue						
315	State Revenue	.00	.00	363,604.40	(363,604.40)	+++	418,385.44
370	Federal Revenue	.00	.00	200,895.78	(200,895.78)	+++	665,112.93
	Interfund Billings	180,000.00	.00	180,000.00	.00	100	150,000.00
	<b>Division 300 - Revenue Totals</b>	<b>\$180,000.00</b>	<b>\$0.00</b>	<b>\$744,500.18</b>	<b>(\$564,500.18)</b>	<b>414%</b>	<b>\$1,233,498.37</b>
	<b>REVENUE TOTALS</b>	<b>\$180,000.00</b>	<b>\$0.00</b>	<b>\$744,500.18</b>	<b>(\$564,500.18)</b>	<b>414%</b>	<b>\$1,233,498.37</b>
<b>EXPENSE</b>							
630	Division						
	600 - Operations						
670	Operations	172,361.56	.00	73,340.76	99,020.80	43	821,190.93
680	Fixed Assets	.00	.00	.00	.00	+++	(820,763.23)
	Transfer to Other Funds	.00	.00	.00	.00	+++	122,841.71
	<b>Division 600 - Operations Totals</b>	<b>\$172,361.56</b>	<b>\$0.00</b>	<b>\$73,340.76</b>	<b>\$99,020.80</b>	<b>43%</b>	<b>\$123,269.41</b>
	<b>EXPENSE TOTALS</b>	<b>\$172,361.56</b>	<b>\$0.00</b>	<b>\$73,340.76</b>	<b>\$99,020.80</b>	<b>43%</b>	<b>\$123,269.41</b>
<b>Fund 730 - Capital Project-Waste Wtr Totals</b>							
	<b>REVENUE TOTALS</b>	<b>180,000.00</b>	<b>.00</b>	<b>744,500.18</b>	<b>(564,500.18)</b>	<b>414%</b>	<b>1,233,498.37</b>
	<b>EXPENSE TOTALS</b>	<b>172,361.56</b>	<b>.00</b>	<b>73,340.76</b>	<b>99,020.80</b>	<b>43%</b>	<b>123,269.41</b>
	<b>Fund 730 - Capital Project-Waste Wtr Net Gain (Loss)</b>	<b>\$7,638.44</b>	<b>\$0.00</b>	<b>\$671,159.42</b>	<b>\$663,520.98</b>	<b>8,787%</b>	<b>\$1,110,228.96</b>





# Balance Sheet

Through 02/28/14  
Summary Listing

Fund Category	Current YTD Balance	Prior Year YTD Total	Net Change	Change %
<b>Proprietary Funds</b>				
<b>Capital Projects Funds</b>				
Fund 730 - Capital Project-Waste Wtr				
ASSETS				
FUND EQUITY Prior to Current Year Changes	\$8,118,527.02	\$7,518,656.30	\$599,870.72	7.98%
Prior Year Fund Equity Adjustment	\$7,447,367.60	\$7,279,730.82	\$167,636.78	2.30%
Fund Revenues	.00			
Fund Expenses	(744,500.18)			
FUND EQUITY	73,340.76			
LIABILITIES AND FUND EQUITY	\$8,118,527.02	\$7,279,730.82	\$838,796.20	11.52%
	\$8,118,527.02	\$7,279,730.82	\$838,796.20	11.52%
Fund 730 - Capital Project-Waste Wtr Totals	\$0.00	\$238,925.48	(\$238,925.48)	(100.00%)

City and Borough of Sitka  
Solid Waste Disposal Utility  
Income Statement  
For The Twelve-Month Period From July 1, 2013 to June 30, 2014  
(Unaudited)

	July 2013	August 2013	September 2013	October 2013	November 2013	December 2013	January 2014	February 2014	March 2014	April 2014	May 2014	June 2014	FY2014 YTD	Variance To FY2013 YTD	FY2014 Plan (\$/-66.67%)	Variance To FY2014 Plan																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
<b>Revenue:</b>																	Solid Waste Disposal Services	230,613	232,132	244,049	243,111	232,322	218,320	216,814	230,568					1,848,029	1,778,829	1,871,333	(23,304)	Jobbing				297									297	616	67	(370)	Other Operating Revenue	20,683	8,550	34,654	30,454	35,618	15,510	4,825	6,340					147,044	132,535	160,333	(13,289)	<b>Total Revenue</b>	<b>251,296</b>	<b>241,082</b>	<b>278,703</b>	<b>273,872</b>	<b>267,940</b>	<b>233,830</b>	<b>221,639</b>	<b>236,908</b>					<b>1,995,370</b>	<b>1,911,980</b>	<b>2,032,333</b>	<b>(36,963)</b>	<b>Cost of Sales:</b>																	Contract Waste Hauling	60,586	60,690	61,349	60,620	60,639	62,764	61,040	61,544					489,212	473,574	490,000	(8,788)	Transfer Station	120,660	114,321	111,483	101,436	101,436	95,845	95,845	95,845					820,795	725,220	834,667	13,872	Landfill	5,183	5,053	20,327	18,908	19,935	5,632	5,305	5,305					106,781	106,781	213,411	106,630	Recycling	23,673	35,333	19,086	59,721	50,083	36,522	22,592	43,510					280,090	252,836	272,541	27,255	Jobbing				18,002									18,002	18,002			Depreciation													144,056		144,056		<b>Total Cost of Sales:</b>	<b>210,092</b>	<b>211,414</b>	<b>212,867</b>	<b>230,818</b>	<b>222,107</b>	<b>205,266</b>	<b>189,977</b>	<b>207,201</b>					<b>1,561,957</b>	<b>1,470,632</b>	<b>1,602,319</b>	<b>(40,362)</b>	<b>Gross Margin:</b>	<b>40.3%</b>	<b>39.6%</b>	<b>21.8%</b>	<b>18.3%</b>	<b>18.0%</b>	<b>14.2%</b>	<b>14.7%</b>	<b>19.7%</b>					<b>433,413</b>	<b>440,348</b>	<b>430,014</b>	<b>(6,666)</b>	<b>Selling and Administrative Expenses:</b>	<b>1,797</b>	<b>5,695</b>	<b>89,219</b>	<b>36,327</b>	<b>31,949</b>	<b>31,864</b>	<b>31,437</b>	<b>32,072</b>					<b>251,927</b>	<b>(42,144)</b>	<b>(58,892)</b>	<b>16,748</b>	<b>Earnings Before Interest (EBI):</b>	<b>21,410</b>	<b>2,080</b>	<b>(41,118)</b>	<b>(23,068)</b>	<b>(14,106)</b>	<b>(22,115)</b>	<b>4,060</b>	<b>(19,435)</b>					<b>(102,165)</b>	<b>(42,144)</b>	<b>(64,323)</b>	<b>22,181</b>	<b>Non-operating Revenue and Expense:</b>	<b>8.3%</b>	<b>0.8%</b>	<b>-14.7%</b>	<b>-8.4%</b>	<b>-3.3%</b>	<b>-9.4%</b>	<b>1.2%</b>	<b>-8.3%</b>					<b>7.9%</b>	<b>10.9%</b>	<b>11.7%</b>	<b>-3.2%</b>	Non-operating revenue:	1,942	2,297	2,227	2,130	2,013	4,411	3,500	2,347					19,867	22,718	23,333	(3,466)	Interest Expense:	(2,315)	(2,135)	(2,136)	(2,136)	(2,136)	(2,136)	(2,136)	(2,136)					(17,688)	(19,688)	(18,538)	1,150	<b>Total Non-operating Revenue &amp; Expense:</b>	<b>(374)</b>	<b>161</b>	<b>91</b>	<b>(16)</b>	<b>(122)</b>	<b>2,273</b>	<b>384</b>	<b>211</b>					<b>2,899</b>	<b>3,030</b>	<b>4,805</b>	<b>(1,906)</b>	<b>Net Income:</b>	<b>21,036</b>	<b>2,241</b>	<b>(41,027)</b>	<b>(23,084)</b>	<b>(14,129)</b>	<b>(19,842)</b>	<b>4,444</b>	<b>(19,224)</b>					<b>(99,267)</b>	<b>(39,384)</b>	<b>(60,321)</b>	<b>20,277</b>	<b>Earnings Before Interest and Depreciation (EBID):</b>	<b>36,417</b>	<b>20,087</b>	<b>(23,111)</b>	<b>(5,062)</b>	<b>(6,103)</b>	<b>(4,118)</b>	<b>22,867</b>	<b>(4,282)</b>					<b>41,750</b>	<b>101,642</b>	<b>(58,892)</b>	<b>157,534</b>	<b>Simple Cash Flow (Net Income Plus Depreciation):</b>	<b>39,043</b>	<b>20,248</b>	<b>(23,020)</b>	<b>(9,068)</b>	<b>(8,225)</b>	<b>(11,843)</b>	<b>72,481</b>	<b>(1,277)</b>					<b>66,349</b>	<b>104,671</b>	<b>(60,321)</b>	<b>166,990</b>	Debt Principal Coverage:	9,650	9,650	9,650	9,650	9,650	9,650	9,650	9,650					77,200	77,200	77,200		Debt Principal Coverage Surplus/Deficit:	<b>29,393</b>	<b>10,598</b>	<b>(32,670)</b>	<b>(18,718)</b>	<b>(17,875)</b>	<b>(11,493)</b>	<b>62,831</b>	<b>(19,827)</b>					<b>(12,851)</b>	<b>(27,472)</b>	<b>(137,541)</b>	<b>188,990</b>	<b>Debt Principal Coverage Percentage:</b>	<b>40%</b>	<b>21%</b>	<b>-13%</b>	<b>-5%</b>	<b>-6%</b>	<b>-18%</b>	<b>73%</b>	<b>-1%</b>					<b>13%</b>	<b>-2.8%</b>	<b>-20.1%</b>	<b>27.1%</b>	<b>Debt Principal Coverage Surplus/Deficit (From Above):</b>	<b>29,393</b>	<b>10,598</b>	<b>(32,670)</b>	<b>(18,718)</b>	<b>(17,875)</b>	<b>(11,493)</b>	<b>62,831</b>	<b>(19,827)</b>					<b>(12,851)</b>	<b>(27,472)</b>	<b>(137,541)</b>	<b>188,990</b>	Depreciation:	18,002	18,002	18,002	18,002	18,002	18,002	18,002	18,002					144,056	144,056	144,056		<b>Cash Accumulated For (Taken From) Asset Replacement:</b>	<b>11,386</b>	<b>(7,404)</b>	<b>(14,668)</b>	<b>(1,716)</b>	<b>(9,873)</b>	<b>(3,491)</b>	<b>(5,216)</b>	<b>(28,824)</b>					<b>(16,907)</b>	<b>(16,907)</b>	<b>(60,321)</b>	<b>(43,935)</b>	<b>Working Capital:</b>																	Beginning Unencumbered Working Capital	537,729	661,968	677,948	654,452	643,237	657,141	637,433	642,000					537,729	734,024	(596,293)	(198,565)	Net Income Plus Depreciation (Less Principal)	29,393	10,598	(32,670)	(18,718)	(17,875)	(11,493)	62,831	(19,827)					32,851	27,472	(60,321)	(27,472)	Accruals and Other Balance Sheet Changes	50,846	5,422	9,314	3,509	9,779	11,785	(8,214)	10,536					136,791	163,274	(24,483)	(88,783)	Ending Unencumbered Working Capital	659,968	779,588	754,692	649,237	637,141	657,433	637,000	641,869					727,770	922,770	(281,101)	(153,331)	<b>Working Capital Designated For Capex:</b>	<b>721,896</b>	<b>721,896</b>	<b>721,896</b>	<b>721,896</b>	<b>721,896</b>	<b>721,896</b>	<b>721,896</b>	<b>721,896</b>					<b>721,896</b>	<b>961,704</b>	<b>41,192</b>	<b>(139,808)</b>	Current Assets	1,523,800	1,523,269	1,506,944	1,496,724	1,489,221	1,489,201	1,493,976	1,490,839					1,523,800	1,523,269	1,506,944	(16,856)	Current Liabilities	(23,134)	(14,587)	(14,587)	(14,587)	(14,587)	(14,587)	(14,587)	(14,587)					(23,134)	(23,134)	(23,134)		CPID	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)					(115,798)	(115,798)	(115,798)		W/C-Capex	(721,896)	(721,896)	(721,896)	(721,896)	(721,896)	(721,896)	(721,896)	(721,896)					(721,896)	(721,896)	(721,896)		<b>Unencumbered Working Capital:</b>	<b>661,998</b>	<b>677,948</b>	<b>654,452</b>	<b>649,237</b>	<b>637,141</b>	<b>657,433</b>	<b>637,000</b>	<b>641,869</b>					<b>641,869</b>	<b>922,770</b>	<b>(281,101)</b>	<b>(153,331)</b>	Total Working Capital	1,304,864	1,400,484	1,377,344	1,366,333	1,350,037	1,364,896	1,364,896	1,364,896					1,364,896	1,504,474	(239,509)	(139,613)
Solid Waste Disposal Services	230,613	232,132	244,049	243,111	232,322	218,320	216,814	230,568					1,848,029	1,778,829	1,871,333	(23,304)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Jobbing				297									297	616	67	(370)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Other Operating Revenue	20,683	8,550	34,654	30,454	35,618	15,510	4,825	6,340					147,044	132,535	160,333	(13,289)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
<b>Total Revenue</b>	<b>251,296</b>	<b>241,082</b>	<b>278,703</b>	<b>273,872</b>	<b>267,940</b>	<b>233,830</b>	<b>221,639</b>	<b>236,908</b>					<b>1,995,370</b>	<b>1,911,980</b>	<b>2,032,333</b>	<b>(36,963)</b>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
<b>Cost of Sales:</b>																	Contract Waste Hauling	60,586	60,690	61,349	60,620	60,639	62,764	61,040	61,544					489,212	473,574	490,000	(8,788)	Transfer Station	120,660	114,321	111,483	101,436	101,436	95,845	95,845	95,845					820,795	725,220	834,667	13,872	Landfill	5,183	5,053	20,327	18,908	19,935	5,632	5,305	5,305					106,781	106,781	213,411	106,630	Recycling	23,673	35,333	19,086	59,721	50,083	36,522	22,592	43,510					280,090	252,836	272,541	27,255	Jobbing				18,002									18,002	18,002			Depreciation													144,056		144,056		<b>Total Cost of Sales:</b>	<b>210,092</b>	<b>211,414</b>	<b>212,867</b>	<b>230,818</b>	<b>222,107</b>	<b>205,266</b>	<b>189,977</b>	<b>207,201</b>					<b>1,561,957</b>	<b>1,470,632</b>	<b>1,602,319</b>	<b>(40,362)</b>	<b>Gross Margin:</b>	<b>40.3%</b>	<b>39.6%</b>	<b>21.8%</b>	<b>18.3%</b>	<b>18.0%</b>	<b>14.2%</b>	<b>14.7%</b>	<b>19.7%</b>					<b>433,413</b>	<b>440,348</b>	<b>430,014</b>	<b>(6,666)</b>	<b>Selling and Administrative Expenses:</b>	<b>1,797</b>	<b>5,695</b>	<b>89,219</b>	<b>36,327</b>	<b>31,949</b>	<b>31,864</b>	<b>31,437</b>	<b>32,072</b>					<b>251,927</b>	<b>(42,144)</b>	<b>(58,892)</b>	<b>16,748</b>	<b>Earnings Before Interest (EBI):</b>	<b>21,410</b>	<b>2,080</b>	<b>(41,118)</b>	<b>(23,068)</b>	<b>(14,106)</b>	<b>(22,115)</b>	<b>4,060</b>	<b>(19,435)</b>					<b>(102,165)</b>	<b>(42,144)</b>	<b>(64,323)</b>	<b>22,181</b>	<b>Non-operating Revenue and Expense:</b>	<b>8.3%</b>	<b>0.8%</b>	<b>-14.7%</b>	<b>-8.4%</b>	<b>-3.3%</b>	<b>-9.4%</b>	<b>1.2%</b>	<b>-8.3%</b>					<b>7.9%</b>	<b>10.9%</b>	<b>11.7%</b>	<b>-3.2%</b>	Non-operating revenue:	1,942	2,297	2,227	2,130	2,013	4,411	3,500	2,347					19,867	22,718	23,333	(3,466)	Interest Expense:	(2,315)	(2,135)	(2,136)	(2,136)	(2,136)	(2,136)	(2,136)	(2,136)					(17,688)	(19,688)	(18,538)	1,150	<b>Total Non-operating Revenue &amp; Expense:</b>	<b>(374)</b>	<b>161</b>	<b>91</b>	<b>(16)</b>	<b>(122)</b>	<b>2,273</b>	<b>384</b>	<b>211</b>					<b>2,899</b>	<b>3,030</b>	<b>4,805</b>	<b>(1,906)</b>	<b>Net Income:</b>	<b>21,036</b>	<b>2,241</b>	<b>(41,027)</b>	<b>(23,084)</b>	<b>(14,129)</b>	<b>(19,842)</b>	<b>4,444</b>	<b>(19,224)</b>					<b>(99,267)</b>	<b>(39,384)</b>	<b>(60,321)</b>	<b>20,277</b>	<b>Earnings Before Interest and Depreciation (EBID):</b>	<b>36,417</b>	<b>20,087</b>	<b>(23,111)</b>	<b>(5,062)</b>	<b>(6,103)</b>	<b>(4,118)</b>	<b>22,867</b>	<b>(4,282)</b>					<b>41,750</b>	<b>101,642</b>	<b>(58,892)</b>	<b>157,534</b>	<b>Simple Cash Flow (Net Income Plus Depreciation):</b>	<b>39,043</b>	<b>20,248</b>	<b>(23,020)</b>	<b>(9,068)</b>	<b>(8,225)</b>	<b>(11,843)</b>	<b>72,481</b>	<b>(1,277)</b>					<b>66,349</b>	<b>104,671</b>	<b>(60,321)</b>	<b>166,990</b>	Debt Principal Coverage:	9,650	9,650	9,650	9,650	9,650	9,650	9,650	9,650					77,200	77,200	77,200		Debt Principal Coverage Surplus/Deficit:	<b>29,393</b>	<b>10,598</b>	<b>(32,670)</b>	<b>(18,718)</b>	<b>(17,875)</b>	<b>(11,493)</b>	<b>62,831</b>	<b>(19,827)</b>					<b>(12,851)</b>	<b>(27,472)</b>	<b>(137,541)</b>	<b>188,990</b>	<b>Debt Principal Coverage Percentage:</b>	<b>40%</b>	<b>21%</b>	<b>-13%</b>	<b>-5%</b>	<b>-6%</b>	<b>-18%</b>	<b>73%</b>	<b>-1%</b>					<b>13%</b>	<b>-2.8%</b>	<b>-20.1%</b>	<b>27.1%</b>	<b>Debt Principal Coverage Surplus/Deficit (From Above):</b>	<b>29,393</b>	<b>10,598</b>	<b>(32,670)</b>	<b>(18,718)</b>	<b>(17,875)</b>	<b>(11,493)</b>	<b>62,831</b>	<b>(19,827)</b>					<b>(12,851)</b>	<b>(27,472)</b>	<b>(137,541)</b>	<b>188,990</b>	Depreciation:	18,002	18,002	18,002	18,002	18,002	18,002	18,002	18,002					144,056	144,056	144,056		<b>Cash Accumulated For (Taken From) Asset Replacement:</b>	<b>11,386</b>	<b>(7,404)</b>	<b>(14,668)</b>	<b>(1,716)</b>	<b>(9,873)</b>	<b>(3,491)</b>	<b>(5,216)</b>	<b>(28,824)</b>					<b>(16,907)</b>	<b>(16,907)</b>	<b>(60,321)</b>	<b>(43,935)</b>	<b>Working Capital:</b>																	Beginning Unencumbered Working Capital	537,729	661,968	677,948	654,452	643,237	657,141	637,433	642,000					537,729	734,024	(596,293)	(198,565)	Net Income Plus Depreciation (Less Principal)	29,393	10,598	(32,670)	(18,718)	(17,875)	(11,493)	62,831	(19,827)					32,851	27,472	(60,321)	(27,472)	Accruals and Other Balance Sheet Changes	50,846	5,422	9,314	3,509	9,779	11,785	(8,214)	10,536					136,791	163,274	(24,483)	(88,783)	Ending Unencumbered Working Capital	659,968	779,588	754,692	649,237	637,141	657,433	637,000	641,869					727,770	922,770	(281,101)	(153,331)	<b>Working Capital Designated For Capex:</b>	<b>721,896</b>	<b>721,896</b>	<b>721,896</b>	<b>721,896</b>	<b>721,896</b>	<b>721,896</b>	<b>721,896</b>	<b>721,896</b>					<b>721,896</b>	<b>961,704</b>	<b>41,192</b>	<b>(139,808)</b>	Current Assets	1,523,800	1,523,269	1,506,944	1,496,724	1,489,221	1,489,201	1,493,976	1,490,839					1,523,800	1,523,269	1,506,944	(16,856)	Current Liabilities	(23,134)	(14,587)	(14,587)	(14,587)	(14,587)	(14,587)	(14,587)	(14,587)					(23,134)	(23,134)	(23,134)		CPID	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)					(115,798)	(115,798)	(115,798)		W/C-Capex	(721,896)	(721,896)	(721,896)	(721,896)	(721,896)	(721,896)	(721,896)	(721,896)					(721,896)	(721,896)	(721,896)		<b>Unencumbered Working Capital:</b>	<b>661,998</b>	<b>677,948</b>	<b>654,452</b>	<b>649,237</b>	<b>637,141</b>	<b>657,433</b>	<b>637,000</b>	<b>641,869</b>					<b>641,869</b>	<b>922,770</b>	<b>(281,101)</b>	<b>(153,331)</b>	Total Working Capital	1,304,864	1,400,484	1,377,344	1,366,333	1,350,037	1,364,896	1,364,896	1,364,896					1,364,896	1,504,474	(239,509)	(139,613)																																																																																					
Contract Waste Hauling	60,586	60,690	61,349	60,620	60,639	62,764	61,040	61,544					489,212	473,574	490,000	(8,788)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Transfer Station	120,660	114,321	111,483	101,436	101,436	95,845	95,845	95,845					820,795	725,220	834,667	13,872																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Landfill	5,183	5,053	20,327	18,908	19,935	5,632	5,305	5,305					106,781	106,781	213,411	106,630																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Recycling	23,673	35,333	19,086	59,721	50,083	36,522	22,592	43,510					280,090	252,836	272,541	27,255																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Jobbing				18,002									18,002	18,002																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										
Depreciation													144,056		144,056																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
<b>Total Cost of Sales:</b>	<b>210,092</b>	<b>211,414</b>	<b>212,867</b>	<b>230,818</b>	<b>222,107</b>	<b>205,266</b>	<b>189,977</b>	<b>207,201</b>					<b>1,561,957</b>	<b>1,470,632</b>	<b>1,602,319</b>	<b>(40,362)</b>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
<b>Gross Margin:</b>	<b>40.3%</b>	<b>39.6%</b>	<b>21.8%</b>	<b>18.3%</b>	<b>18.0%</b>	<b>14.2%</b>	<b>14.7%</b>	<b>19.7%</b>					<b>433,413</b>	<b>440,348</b>	<b>430,014</b>	<b>(6,666)</b>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
<b>Selling and Administrative Expenses:</b>	<b>1,797</b>	<b>5,695</b>	<b>89,219</b>	<b>36,327</b>	<b>31,949</b>	<b>31,864</b>	<b>31,437</b>	<b>32,072</b>					<b>251,927</b>	<b>(42,144)</b>	<b>(58,892)</b>	<b>16,748</b>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
<b>Earnings Before Interest (EBI):</b>	<b>21,410</b>	<b>2,080</b>	<b>(41,118)</b>	<b>(23,068)</b>	<b>(14,106)</b>	<b>(22,115)</b>	<b>4,060</b>	<b>(19,435)</b>					<b>(102,165)</b>	<b>(42,144)</b>	<b>(64,323)</b>	<b>22,181</b>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
<b>Non-operating Revenue and Expense:</b>	<b>8.3%</b>	<b>0.8%</b>	<b>-14.7%</b>	<b>-8.4%</b>	<b>-3.3%</b>	<b>-9.4%</b>	<b>1.2%</b>	<b>-8.3%</b>					<b>7.9%</b>	<b>10.9%</b>	<b>11.7%</b>	<b>-3.2%</b>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Non-operating revenue:	1,942	2,297	2,227	2,130	2,013	4,411	3,500	2,347					19,867	22,718	23,333	(3,466)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Interest Expense:	(2,315)	(2,135)	(2,136)	(2,136)	(2,136)	(2,136)	(2,136)	(2,136)					(17,688)	(19,688)	(18,538)	1,150																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
<b>Total Non-operating Revenue &amp; Expense:</b>	<b>(374)</b>	<b>161</b>	<b>91</b>	<b>(16)</b>	<b>(122)</b>	<b>2,273</b>	<b>384</b>	<b>211</b>					<b>2,899</b>	<b>3,030</b>	<b>4,805</b>	<b>(1,906)</b>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
<b>Net Income:</b>	<b>21,036</b>	<b>2,241</b>	<b>(41,027)</b>	<b>(23,084)</b>	<b>(14,129)</b>	<b>(19,842)</b>	<b>4,444</b>	<b>(19,224)</b>					<b>(99,267)</b>	<b>(39,384)</b>	<b>(60,321)</b>	<b>20,277</b>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
<b>Earnings Before Interest and Depreciation (EBID):</b>	<b>36,417</b>	<b>20,087</b>	<b>(23,111)</b>	<b>(5,062)</b>	<b>(6,103)</b>	<b>(4,118)</b>	<b>22,867</b>	<b>(4,282)</b>					<b>41,750</b>	<b>101,642</b>	<b>(58,892)</b>	<b>157,534</b>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
<b>Simple Cash Flow (Net Income Plus Depreciation):</b>	<b>39,043</b>	<b>20,248</b>	<b>(23,020)</b>	<b>(9,068)</b>	<b>(8,225)</b>	<b>(11,843)</b>	<b>72,481</b>	<b>(1,277)</b>					<b>66,349</b>	<b>104,671</b>	<b>(60,321)</b>	<b>166,990</b>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Debt Principal Coverage:	9,650	9,650	9,650	9,650	9,650	9,650	9,650	9,650					77,200	77,200	77,200																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
Debt Principal Coverage Surplus/Deficit:	<b>29,393</b>	<b>10,598</b>	<b>(32,670)</b>	<b>(18,718)</b>	<b>(17,875)</b>	<b>(11,493)</b>	<b>62,831</b>	<b>(19,827)</b>					<b>(12,851)</b>	<b>(27,472)</b>	<b>(137,541)</b>	<b>188,990</b>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
<b>Debt Principal Coverage Percentage:</b>	<b>40%</b>	<b>21%</b>	<b>-13%</b>	<b>-5%</b>	<b>-6%</b>	<b>-18%</b>	<b>73%</b>	<b>-1%</b>					<b>13%</b>	<b>-2.8%</b>	<b>-20.1%</b>	<b>27.1%</b>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
<b>Debt Principal Coverage Surplus/Deficit (From Above):</b>	<b>29,393</b>	<b>10,598</b>	<b>(32,670)</b>	<b>(18,718)</b>	<b>(17,875)</b>	<b>(11,493)</b>	<b>62,831</b>	<b>(19,827)</b>					<b>(12,851)</b>	<b>(27,472)</b>	<b>(137,541)</b>	<b>188,990</b>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Depreciation:	18,002	18,002	18,002	18,002	18,002	18,002	18,002	18,002					144,056	144,056	144,056																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
<b>Cash Accumulated For (Taken From) Asset Replacement:</b>	<b>11,386</b>	<b>(7,404)</b>	<b>(14,668)</b>	<b>(1,716)</b>	<b>(9,873)</b>	<b>(3,491)</b>	<b>(5,216)</b>	<b>(28,824)</b>					<b>(16,907)</b>	<b>(16,907)</b>	<b>(60,321)</b>	<b>(43,935)</b>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
<b>Working Capital:</b>																	Beginning Unencumbered Working Capital	537,729	661,968	677,948	654,452	643,237	657,141	637,433	642,000					537,729	734,024	(596,293)	(198,565)	Net Income Plus Depreciation (Less Principal)	29,393	10,598	(32,670)	(18,718)	(17,875)	(11,493)	62,831	(19,827)					32,851	27,472	(60,321)	(27,472)	Accruals and Other Balance Sheet Changes	50,846	5,422	9,314	3,509	9,779	11,785	(8,214)	10,536					136,791	163,274	(24,483)	(88,783)	Ending Unencumbered Working Capital	659,968	779,588	754,692	649,237	637,141	657,433	637,000	641,869					727,770	922,770	(281,101)	(153,331)	<b>Working Capital Designated For Capex:</b>	<b>721,896</b>	<b>721,896</b>	<b>721,896</b>	<b>721,896</b>	<b>721,896</b>	<b>721,896</b>	<b>721,896</b>	<b>721,896</b>					<b>721,896</b>	<b>961,704</b>	<b>41,192</b>	<b>(139,808)</b>	Current Assets	1,523,800	1,523,269	1,506,944	1,496,724	1,489,221	1,489,201	1,493,976	1,490,839					1,523,800	1,523,269	1,506,944	(16,856)	Current Liabilities	(23,134)	(14,587)	(14,587)	(14,587)	(14,587)	(14,587)	(14,587)	(14,587)					(23,134)	(23,134)	(23,134)		CPID	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)					(115,798)	(115,798)	(115,798)		W/C-Capex	(721,896)	(721,896)	(721,896)	(721,896)	(721,896)	(721,896)	(721,896)	(721,896)					(721,896)	(721,896)	(721,896)		<b>Unencumbered Working Capital:</b>	<b>661,998</b>	<b>677,948</b>	<b>654,452</b>	<b>649,237</b>	<b>637,141</b>	<b>657,433</b>	<b>637,000</b>	<b>641,869</b>					<b>641,869</b>	<b>922,770</b>	<b>(281,101)</b>	<b>(153,331)</b>	Total Working Capital	1,304,864	1,400,484	1,377,344	1,366,333	1,350,037	1,364,896	1,364,896	1,364,896					1,364,896	1,504,474	(239,509)	(139,613)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
Beginning Unencumbered Working Capital	537,729	661,968	677,948	654,452	643,237	657,141	637,433	642,000					537,729	734,024	(596,293)	(198,565)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Net Income Plus Depreciation (Less Principal)	29,393	10,598	(32,670)	(18,718)	(17,875)	(11,493)	62,831	(19,827)					32,851	27,472	(60,321)	(27,472)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Accruals and Other Balance Sheet Changes	50,846	5,422	9,314	3,509	9,779	11,785	(8,214)	10,536					136,791	163,274	(24,483)	(88,783)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Ending Unencumbered Working Capital	659,968	779,588	754,692	649,237	637,141	657,433	637,000	641,869					727,770	922,770	(281,101)	(153,331)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
<b>Working Capital Designated For Capex:</b>	<b>721,896</b>	<b>721,896</b>	<b>721,896</b>	<b>721,896</b>	<b>721,896</b>	<b>721,896</b>	<b>721,896</b>	<b>721,896</b>					<b>721,896</b>	<b>961,704</b>	<b>41,192</b>	<b>(139,808)</b>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Current Assets	1,523,800	1,523,269	1,506,944	1,496,724	1,489,221	1,489,201	1,493,976	1,490,839					1,523,800	1,523,269	1,506,944	(16,856)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Current Liabilities	(23,134)	(14,587)	(14,587)	(14,587)	(14,587)	(14,587)	(14,587)	(14,587)					(23,134)	(23,134)	(23,134)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
CPID	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)					(115,798)	(115,798)	(115,798)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
W/C-Capex	(721,896)	(721,896)	(721,896)	(721,896)	(721,896)	(721,896)	(721,896)	(721,896)					(721,896)	(721,896)	(721,896)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
<b>Unencumbered Working Capital:</b>	<b>661,998</b>	<b>677,948</b>	<b>654,452</b>	<b>649,237</b>	<b>637,141</b>	<b>657,433</b>	<b>637,000</b>	<b>641,869</b>					<b>641,869</b>	<b>922,770</b>	<b>(281,101)</b>	<b>(153,331)</b>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Total Working Capital	1,304,864	1,400,484	1,377,344	1,366,333	1,350,037	1,364,896	1,364,896	1,364,896					1,364,896	1,504,474	(239,509)	(139,613)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								

**Working Capital Designated For Capex, June 30, 2013**  
 Working Capital Designated for Capex, June 30, 2013 671,896.00

**New CapEx Designations of Working Capital in FY14 Budget**  
 Ramp For Sailer 50,000.00

**New Debt Assets**  
 New Debt assets -

**Less FY14 Working Capital Outlays for CapEx**  
 Less FY14 working capital outlays for CapEx -

City and Borough of Sitka  
Solid Waste Disposal Utility  
Income Statement  
For The Twelve-Month Period From July 1, 2013 to June 30, 2014  
(Unaudited)

Working Capital designated for Capex, December 31, 2013

772,856.00



# Income Statement

Through 02/28/14  
Summary Listing

Organization	Organization Description	Annual Budget Amount	Annual Actual Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
<b>Fund Category Proprietary Funds</b>								
<b>Fund Type Enterprise Funds</b>								
<b>Fund 230 - Solid Waste Fund</b>								
<b>REVENUE</b>								
310	Division 300 - Revenue							
340	State Revenue	.00	.00	.00	.00	.00	+++	13,326.98
360	Operating Revenue	3,038,500.00	289,285.26	289,285.26	1,992,331.34	1,046,168.66	66	2,979,695.14
380	Uses of Prop & Investment	35,000.00	2,346.59	2,346.59	19,867.64	15,132.36	57	(15,908.33)
	Miscellaneous	10,000.00	158.11	158.11	3,195.73	6,804.27	32	9,063.05
	<b>Division 300 - Revenue Totals</b>	<b>\$3,083,500.00</b>	<b>\$291,789.96</b>	<b>\$291,789.96</b>	<b>\$2,015,394.71</b>	<b>\$1,068,105.29</b>	<b>65%</b>	<b>\$2,986,176.84</b>
	<b>REVENUE TOTALS</b>	<b>\$3,083,500.00</b>	<b>\$291,789.96</b>	<b>\$291,789.96</b>	<b>\$2,015,394.71</b>	<b>\$1,068,105.29</b>	<b>65%</b>	<b>\$2,986,176.84</b>
<b>EXPENSE</b>								
601	Division 600 - Operations							
620	Administration	1,066,861.00	93,615.60	93,615.60	689,272.07	377,588.93	65	1,156,345.31
621	Transfer Station	1,252,000.00	95,844.96	95,844.96	719,546.71	532,453.29	57	1,177,775.61
622	Landfill	318,414.00	5,364.54	5,364.54	103,159.95	215,254.05	32	192,349.76
623	Scrap Yard	283,923.00	33,121.04	33,121.04	208,702.67	75,220.33	74	368,334.59
640	Dropoff Recycle Center	36,000.00	10,389.38	10,389.38	91,439.16	(55,439.16)	254	152,003.46
650	Depreciation/Amortization	.00	18,006.86	18,006.86	144,054.88	(144,054.88)	+++	216,082.30
670	Debt Payments	143,590.00	1.91	1.91	10.76	143,579.24	0	29,544.52
680	Fixed Assets	500,000.00	.00	.00	.00	500,000.00	0	.00
	Transfer to Other Funds	50,000.00	.00	.00	50,000.00	.00	100	.00
	<b>Division 600 - Operations Totals</b>	<b>\$3,650,788.00</b>	<b>\$256,344.29</b>	<b>\$256,344.29</b>	<b>\$2,006,186.20</b>	<b>\$1,644,601.80</b>	<b>55%</b>	<b>\$3,292,435.55</b>
	<b>EXPENSE TOTALS</b>	<b>\$3,650,788.00</b>	<b>\$256,344.29</b>	<b>\$256,344.29</b>	<b>\$2,006,186.20</b>	<b>\$1,644,601.80</b>	<b>55%</b>	<b>\$3,292,435.55</b>
<b>Fund 230 - Solid Waste Fund Totals</b>								
	<b>REVENUE TOTALS</b>	<b>3,083,500.00</b>	<b>291,789.96</b>	<b>291,789.96</b>	<b>2,015,394.71</b>	<b>1,068,105.29</b>	<b>65%</b>	<b>2,986,176.84</b>
	<b>EXPENSE TOTALS</b>	<b>3,650,788.00</b>	<b>256,344.29</b>	<b>256,344.29</b>	<b>2,006,186.20</b>	<b>1,644,601.80</b>	<b>55%</b>	<b>3,292,435.55</b>
	<b>Fund 230 - Solid Waste Fund Net Gain (Loss)</b>	<b>(\$567,288.00)</b>	<b>\$35,445.67</b>	<b>\$35,445.67</b>	<b>\$9,208.51</b>	<b>\$576,496.51</b>	<b>(2%)</b>	<b>(\$306,258.71)</b>



# Income Statement

Through 02/28/14  
Summary Listing

Organization	Organization Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category	<b>Proprietary Funds</b>						
Fund Type	<b>Capital Projects Funds</b>						
Fund	<b>740 - Capital Project-Solid Wst</b>						
	<b>REVENUE</b>						
370	Division 300 - Revenue	50,000.00	.00	50,000.00	.00	100	.00
	Interfund Billings	\$50,000.00	\$0.00	\$50,000.00	\$0.00	100%	\$0.00
	<b>Division 300 - Revenue Totals</b>						
	<b>REVENUE TOTALS</b>	\$50,000.00	\$0.00	\$50,000.00	\$0.00	100%	\$0.00
	<b>EXPENSE</b>						
630	Division 600 - Operations	50,000.00	1,406.25	1,406.25	48,593.75	3	84,752.96
670	Fixed Assets	.00	.00	.00	.00	+++	(84,752.96)
	<b>Division 600 - Operations Totals</b>						
	<b>EXPENSE TOTALS</b>	\$50,000.00	\$1,406.25	\$1,406.25	\$48,593.75	3%	\$0.00
	<b>EXPENSE TOTALS</b>	\$50,000.00	\$1,406.25	\$1,406.25	\$48,593.75	3%	\$0.00
Fund	<b>740 - Capital Project-Solid Wst Totals</b>						
	<b>REVENUE TOTALS</b>	50,000.00	.00	50,000.00	.00	100%	.00
	<b>EXPENSE TOTALS</b>	50,000.00	1,406.25	1,406.25	48,593.75	3%	.00
Fund	<b>740 - Capital Project-Solid Wst Net Gain (Loss)</b>	\$0.00	(\$1,406.25)	\$48,593.75	\$48,593.75	+++	\$0.00



# Balance Sheet

Through 02/28/14  
Summary Listing

Fund Category	Current YTD Balance	Prior Year YTD Total	Net Change	Change %
<b>Proprietary Funds</b>				
<b>Enterprise Funds</b>				
<b>Fund 230 - Solid Waste Fund</b>				
ASSETS	\$6,501,600.00	\$7,018,232.70	(\$516,632.70)	(7.36%)
LIABILITIES	\$2,325,094.20	\$2,490,986.37	(\$165,892.17)	(6.66%)
FUND EQUITY Prior to Current Year Changes	\$4,167,297.29	\$4,473,556.00	(\$306,258.71)	(6.85%)
Prior Year Fund Equity Adjustment	.00			
Fund Revenues	(2,015,394.71)			
Fund Expenses	2,006,186.20			
FUND-EQUITY	\$4,176,505.80	\$4,473,556.00	(\$297,050.20)	(6.64%)
LIABILITIES AND FUND EQUITY	\$6,501,600.00	\$6,964,542.37	(\$462,942.37)	(6.65%)
<b>Fund 230 - Solid Waste Fund Totals</b>	<b>\$0.00</b>	<b>\$53,690.33</b>	<b>(\$53,690.33)</b>	<b>(100.00%)</b>



# Balance Sheet

Through 02/28/14  
Summary Listing

Fund Category	Current YTD Balance	Prior Year YTD Total	Net Change	Change %
<b>Proprietary Funds</b>				
<b>Capital Projects Funds</b>				
Fund 740 - Capital Project-Solid Wst				
ASSETS				
FUND EQUITY Prior to Current Year Changes	\$820,376.15	\$686,838.02	\$133,538.13	19.44%
Prior Year Fund Equity Adjustment	\$771,782.40	\$771,782.40	\$0.00	0.00%
Fund Revenues	.00			
Fund Expenses	(50,000.00)			
FUND EQUITY	1,406.25			
LIABILITIES AND FUND EQUITY	\$820,376.15	\$771,782.40	\$48,593.75	6.30%
	\$820,376.15	\$771,782.40	\$48,593.75	6.30%
Fund 740 - Capital Project-Solid Wst Totals	\$0.00	(\$84,944.38)	\$84,944.38	100.00%

City and Borough of Sitka  
 Harbour Fund  
 Income Statement  
 For the Twelve-Month Period From July 1, 2013 to June 30, 2014  
 (Unaudited)

	July 2013	August 2013	September 2013	October 2013	November 2013	December 2013	January 2014	February 2014	March 2014	April 2014	May 2014	June 2014	FY2014 YTD	FY2013 YTD	Variance To FY2013 YTD	FY2014 Plan (5% - 66.67%)	Variance To FY2014 Plan
<b>Revenue:</b>																	
Permanent Mortgage	128,355	162,097	128,815	120,782	141,197	122,685	122,096	124,895	-	-	-	-	1,050,452	863,512	186,940	90,452	90,452
Transient Mortgage	63,970	67,402	26,481	26,481	4,211	4,119	5,067	6,796	-	-	-	-	172,514	85,525	86,989	86,989	(47,469)
Lighting Fees	17,967	17,967	20,293	20,293	1,823	1,823	30,102	4,823	-	-	-	-	86,680	37,485	49,195	49,195	37,485
Other Operating Revenue	15,733	20,459	1,268	13,563	1,823	1,823	30,102	4,823	-	-	-	-	86,680	177,485	(90,805)	181,377	(95,232)
<b>Total Revenue:</b>	208,058	267,895	129,623	184,720	149,441	144,635	137,163	136,562	-	-	-	-	1,352,206	1,164,882	187,324	1,444,461	(82,255)
<b>Cost of Sales:</b>																	
Operations	70,141	133,924	168,215	67,680	99,598	63,905	66,644	66,354	-	-	-	-	736,571	614,887	121,684	614,887	121,684
Jobbing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	55,709	55,709	55,710	55,709	55,709	55,709	55,709	55,709	-	-	-	-	465,673	465,673	-	465,673	-
<b>Total Cost of Sales:</b>	125,850	189,633	223,925	123,389	155,307	119,614	122,353	122,063	-	-	-	-	1,192,244	1,076,549	105,695	1,100,560	(78,284)
<b>Gross Margin:</b>	82,208	78,962	94,422	61,340	111,866	24,021	14,910	14,499	-	-	-	-	159,962	84,433	75,529	333,891	(153,929)
Selling and Administrative Expenses	36,514	29,214	72,446	32,214	48,274	17,306	10,866	10,624	-	-	-	-	132,776	72,606	60,170	158,942	(25,166)
<b>Earnings Before Interest (EBI):</b>	45,694	49,748	21,976	29,126	63,592	6,715	3,624	3,875	-	-	-	-	27,186	11,827	15,919	174,949	(147,123)
Non-operating Revenue and Expense:																	
Raw Fish Tax	66,667	66,667	66,667	66,667	66,667	66,667	66,667	66,667	-	-	-	-	533,336	87,296	446,040	533,336	(80,040)
Other Non-Operating Revenue:	30,469	11,154	9,628	10,976	9,195	10,618	10,534	9,152	-	-	-	-	81,716	63,298	18,418	106,133	(24,417)
Bond Fund Interest Revenue:	2,632	3,434	3,434	2,925	3,413	1,099	1,498,722	2,352	-	-	-	-	1,693,708	895	1,692,813	1,693,708	(815)
Interest Expense Bonds:	(13,144)	(13,144)	(13,144)	(13,144)	(13,144)	(13,144)	(13,144)	(13,144)	-	-	-	-	(66,811)	-	(66,811)	(66,811)	-
Interest Expense Loans:	(907)	(907)	(907)	(907)	(907)	(907)	(907)	(907)	-	-	-	-	(404,152)	-	(404,152)	(404,152)	-
<b>Total Non-Operating Revenue &amp; Expense:</b>	85,717	64,339	196,564	66,512	65,254	65,760	65,760	65,760	-	-	-	-	672,416	931,846	(259,430)	672,416	(259,430)
<b>Net Income:</b>	131,411	114,087	115,312	95,638	128,846	17,436	17,436	17,436	-	-	-	-	304,402	89,274	215,128	438,813	(134,411)
Earnings Before Interest and Depreciation (EBIDA):	139,420	110,201	146,016	39,959	73,205	3,354	13,925	8,942	-	-	-	-	121,488	135,490	(13,902)	237,899	(116,411)
Bond Covenant Ratio	8.54	8.30	(8.14)	5.30	2.47	3.60	4.11	3.83	-	-	-	-	9.43%	11.65%	-2.22%	15.90%	-6.47%

**Debt Principal Coverage**

Simple Cash Flow (Net Income Plus Depreciation)	131,378	116,831	115,312	95,777	128,846	17,436	17,436	17,436	-	-	-	-	304,402	89,274	215,128	438,813	(134,411)
Bond Debt Principal	16,583	9,983	9,583	9,583	9,583	9,583	9,583	9,583	-	-	-	-	163,708	895	1,632,813	1,633,708	(815)
Loan Debt Principal	3,779	3,779	3,779	3,779	3,779	3,779	3,779	3,779	-	-	-	-	(404,152)	-	(404,152)	(404,152)	-
Debt Principal Coverage Surplus/Deficit	111,016	103,069	102,950	82,415	115,484	5,074	5,074	5,074	-	-	-	-	136,520	88,594	109,561	320,948	(109,561)
Debt Principal Coverage Percentage	111%	113%	112%	156%	160%	151%	151%	151%	-	-	-	-	146%	4.05%	-2.79%	25.33%	-6.64%

**Simple Asset Replacement Coverage**

Debt Principal Coverage Surplus/Deficit (From Above)	111,016	103,069	102,950	82,415	115,484	5,074	5,074	5,074	-	-	-	-	136,520	88,594	109,561	320,948	(109,561)
Depreciation	55,709	55,709	55,710	55,709	55,709	55,709	55,709	55,709	-	-	-	-	465,673	465,673	-	465,673	-
Cash Accumulated For/Taken From Asset Replacement	64,237	49,740	(74,234)	(18,204)	(82,734)	(85,666)	(45,094)	(50,978)	-	-	-	-	(215,083)	(18,813)	(194,170)	(184,170)	10,000
<b>Working Capital</b>																	
Beginning Undesignated Working Capital	6,224,442	6,056,507	6,026,673	5,704,499	6,033,611	5,972,611	5,792,095	5,869,972	5,771,344	5,771,344	5,771,344	5,771,344	6,224,442	4,659,118	1,565,324	6,224,442	(1,565,324)
Net Income Plus Depreciation Less Principal	115,966	106,849	102,950	95,638	128,846	17,436	17,436	17,436	-	-	-	-	304,402	89,274	215,128	438,813	(134,411)
Accruals and other Balance Sheet Changes	(294,301)	(127,803)	(80,708)	(26,977)	(133,995)	(120,759)	(17,062)	(152,259)	-	-	-	-	(666,088)	65,097	(731,985)	(666,088)	65,097
Ending Undesignated Working Capital	6,036,107	6,024,671	5,704,499	6,024,671	5,972,611	5,792,095	5,869,972	5,771,344	5,771,344	5,771,344	5,771,344	5,771,344	5,771,344	5,149,564	621,780	5,771,344	(621,780)
Working Capital Designated for CapEx	4,930,618	4,886,270	4,890,689	4,011,543	2,611,044	2,159,618	2,254,098	2,117,868	2,117,868	2,117,868	2,117,868	2,117,868	2,117,868	580,558	1,536,510	580,558	1,536,510
Current Assets	11,465,191	11,278,317	11,071,592	10,370,735	10,088,517	8,171,727	9,333,381	8,093,175	8,093,175	8,093,175	8,093,175	8,093,175	8,093,175	6,224,442	1,868,733	6,224,442	(1,868,733)
Current Liabilities	(809,718)	(703,280)	(709,922)	(381,013)	(1,224,714)	(89,666)	(28,973)	(43,615)	(43,615)	(43,615)	(43,615)	(43,615)	(43,615)	445,749	(212,859)	445,749	(212,859)
CF10	(160,348)	(160,348)	(160,348)	(160,348)	(160,348)	(160,348)	(160,348)	(160,348)	-	-	-	-	(666,088)	-	(666,088)	(666,088)	-
WCDCapex	(4,930,618)	(4,886,270)	(4,890,689)	(4,011,543)	(2,611,044)	(2,159,618)	(2,254,098)	(2,117,868)	(2,117,868)	(2,117,868)	(2,117,868)	(2,117,868)	(2,117,868)	5,149,564	621,780	5,149,564	(621,780)
Undesignated Working Capital	6,036,107	6,024,671	5,704,499	6,024,671	5,972,611	5,792,095	5,869,972	5,771,344	5,771,344	5,771,344	5,771,344	5,771,344	5,771,344	5,149,564	621,780	5,771,344	(621,780)
Total Working Capital	10,961,125	10,514,951	10,701,322	10,035,374	8,703,855	7,917,113	9,146,070	7,889,212	7,889,212	7,889,212	7,889,212	7,889,212	7,889,212	5,305,524	2,573,333	5,305,524	(2,573,333)



City and Borough of Sitka  
Harbor Fund

Income Statement  
For The Twelve-Month Period From July 1, 2013 to June 30, 2014  
(Unaudited)

90722 Elaxon Harbor Flotation Upgrades 2,664.00  
90751 Crescent Harbor Water Line 58,909.00  

---

4,387,357

Elaxon Flotation Upgrade-Additl Appropriation 50,000.00  
Transient Dock 500,000.00  
Bond Fund Interest 15,811.00

Total designated working capital

Less P714 working capital outlays for CapEx (2,885,310.00)

Working Capital designated for Capex, December 31, 2013

2,117,868.00



# Income Statement

Through 02/28/14  
Summary Listing

Organization	Organization Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total
<b>Fund Category Proprietary Funds</b>							
<b>Fund Type Enterprise Funds</b>							
<b>Fund 240 - Harbor Fund</b>							
REVENUE							
310	Division						
315	State Revenue	5,050,000.00	.00	.00	5,050,000.00	0	1,318,192.56
340	Federal Revenue	.00	.00	42.89	(42.89)	+++	1,250.25
350	Operating Revenue	2,009,000.00	9,595.06	1,395,963.41	613,036.59	69	1,743,095.64
360	Non-Operating Revenue	145,000.00	2,551.41	42,532.38	102,467.62	29	127,395.95
370	Uses of Prop & Investment	125,000.00	9,152.00	81,727.60	43,272.40	65	28,653.01
380	Interfund Billings	85,000.00	.00	10,894.00	74,106.00	13	32,568.66
390	Miscellaneous	6,000.00	2,319.67	24,960.46	(18,960.46)	416	41,971.11
	Cash Basis Receipts	34,200.00	.00	.00	34,200.00	0	57,859.00
Division 300 - Revenue Totals		\$7,454,200.00	\$23,618.14	\$1,556,120.74	\$5,898,079.26	21%	\$3,350,986.18
REVENUE TOTALS		\$7,454,200.00	\$23,618.14	\$1,556,120.74	\$5,898,079.26	21%	\$3,350,986.18
EXPENSE							
601	Division						
630	Administration	892,808.00	61,266.27	489,577.77	403,230.23	55	652,499.81
640	Operations	986,571.21	66,353.58	736,570.44	250,000.77	75	1,039,710.93
650	Depreciation/Amortization	.00	55,709.32	445,674.56	(445,674.56)	+++	646,328.94
680	Debt Payments	363,330.00	14,641.67	233,474.98	129,855.02	64	70,258.23
690	Transfer to Other Funds	950,000.00	.00	4,819,751.52	(3,869,751.52)	507	280,000.00
	Other Financing Sources	.00	.00	.00	.00	+++	(23,829.29)
Division 600 - Operations Totals		\$3,192,709.21	\$197,970.84	\$6,725,049.27	(\$3,532,340.06)	211%	\$2,664,968.22
EXPENSE TOTALS		\$3,192,709.21	\$197,970.84	\$6,725,049.27	(\$3,532,340.06)	211%	\$2,664,968.22
<b>Fund 240 - Harbor Fund Totals</b>							
REVENUE TOTALS		7,454,200.00	23,618.14	1,556,120.74	5,898,079.26	21%	3,350,986.18
EXPENSE TOTALS		3,192,709.21	197,970.84	6,725,049.27	(3,532,340.06)	211%	2,664,968.22
Fund 240 - Harbor Fund Net Gain (Loss)		\$4,261,490.79	(\$174,352.70)	(\$5,168,928.53)	(\$9,430,419.32)	(121%)	\$686,017.96
<b>Fund Type Enterprise Funds Totals</b>							
REVENUE TOTALS		88,922,700.00	2,343,099.34	16,511,323.57	72,411,376.43	19%	25,102,569.65
EXPENSE TOTALS		84,307,279.61	1,911,821.19	60,975,148.28	23,332,131.33	72%	25,729,336.94



# Income Statement

Through 02/28/14  
Summary Listing

Organization	Organization Description	Annual Budget Amount	Annual Actual Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category	<b>Proprietary Funds</b>							
Fund Type	<b>Enterprise Funds</b>							
	Net Gain (Loss)	\$4,615,420.39	\$431,278.15	(\$44,463,824.71)	(\$49,079,245.10)		(963%)	(\$626,767.29)
Fund Category	<b>Proprietary Funds</b>							
	Totals							
	REVENUE TOTALS	130,907,700.00	2,360,732.91	122,677,724.49	8,229,975.51		94%	68,754,572.57
	EXPENSE TOTALS	130,813,300.19	8,858,558.43	144,646,574.86	(13,833,274.67)		111%	47,549,835.59
Fund Category	<b>Proprietary Funds</b>							
	Net Gain (Loss)	\$94,399.81	(\$6,497,825.52)	(\$21,968,850.37)	(\$22,063,250.18)		(23,272%)	\$21,204,736.98
	Grand Totals							
	REVENUE TOTALS	155,950,499.00	3,429,508.65	143,118,745.52	12,831,753.48		92%	96,075,572.77
	EXPENSE TOTALS	157,687,117.00	10,542,293.59	161,193,367.98	(3,506,250.98)		102%	74,017,665.25
	Grand Total Net Gain (Loss)	(\$1,736,618.00)	(\$7,112,784.94)	(\$18,074,622.46)	(\$16,338,004.46)		1,041%	\$22,057,907.52



# Balance Sheet

Through 02/28/14  
Summary Listing

Fund Category	Proprietary Funds	Current YTD	Prior Year	Net Change	Change %
Fund Type	Enterprise Funds	Balance	YTD Total		
Fund	240 - Harbor Fund				
	ASSETS				
	LIABILITIES	\$19,515,608.21	\$19,355,642.19	\$159,966.02	0.83%
	FUND EQUITY Prior to Current Year Changes	\$5,338,670.79	\$968,623.53	\$4,370,047.26	451.16%
	Prior Year Fund Equity Adjustment	\$19,345,865.95	\$18,574,416.65	\$771,449.30	4.15%
	Fund Revenues	.00			
	Fund Expenses	(1,556,120.74)			
	FUND EQUITY	6,725,049.27			
	LIABILITIES AND FUND EQUITY	\$14,176,937.42	\$18,574,416.65	(\$4,397,479.23)	(23.67%)
		\$19,515,608.21	\$19,543,040.18	(\$27,431.97)	(0.14%)
	Fund 240 - Harbor Fund Totals	\$0.00	(\$187,397.99)	\$187,397.99	100.00%
	Fund Type Enterprise Funds Totals	\$0.00	(\$4,125,033.00)	\$4,125,033.00	100.00%
	Fund Category Proprietary Funds Totals	\$0.00	(\$7,617,961.86)	\$7,617,961.86	100.00%
	Grand Totals	\$0.00	(\$1,315,372.34)	\$1,315,372.34	100.00%



# Income Statement

Through 02/28/14  
Summary Listing

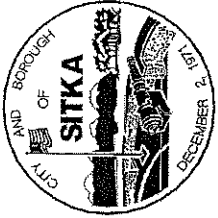
Organization	Organization Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
<b>Fund Category Proprietary Funds</b>							
<b>Fund Type Capital Projects Funds</b>							
<b>Fund 750 - Capital Project-Harbor</b>							
<b>REVENUE</b>							
Division	300 - Revenue						
310	State Revenue	300,000.00	.00	1,633,665.00	(1,333,665.00)	545	.00
370	Interfund Billings	550,000.00	.00	550,000.00	.00	100	180,000.00
390	Cash Basis Receipts	.00	.00	.00	.00	+++	480,197.72
<b>Division 300 - Revenue Totals</b>		<b>\$850,000.00</b>	<b>\$0.00</b>	<b>\$2,183,665.00</b>	<b>(\$1,333,665.00)</b>	<b>257%</b>	<b>\$660,197.72</b>
<b>REVENUE TOTALS</b>		<b>\$850,000.00</b>	<b>\$0.00</b>	<b>\$2,183,665.00</b>	<b>(\$1,333,665.00)</b>	<b>257%</b>	<b>\$660,197.72</b>
<b>EXPENSE</b>							
Division	600 - Operations						
630	Operations	992,963.35	1,138,581.91	4,469,974.48	(3,477,011.13)	450	693,069.31
670	Fixed Assets	.00	.00	.00	.00	+++	(693,069.31)
680	Transfer to Other Funds	.00	.00	.00	.00	+++	32,568.66
<b>Division 600 - Operations Totals</b>		<b>\$992,963.35</b>	<b>\$1,138,581.91</b>	<b>\$4,469,974.48</b>	<b>(\$3,477,011.13)</b>	<b>450%</b>	<b>\$32,568.66</b>
<b>EXPENSE TOTALS</b>		<b>\$992,963.35</b>	<b>\$1,138,581.91</b>	<b>\$4,469,974.48</b>	<b>(\$3,477,011.13)</b>	<b>450%</b>	<b>\$32,568.66</b>
<b>Fund 750 - Capital Project-Harbor Totals</b>							
<b>REVENUE TOTALS</b>		<b>850,000.00</b>	<b>.00</b>	<b>2,183,665.00</b>	<b>(1,333,665.00)</b>	<b>257%</b>	<b>660,197.72</b>
<b>EXPENSE TOTALS</b>		<b>992,963.35</b>	<b>1,138,581.91</b>	<b>4,469,974.48</b>	<b>(3,477,011.13)</b>	<b>450%</b>	<b>32,568.66</b>
<b>Fund 750 - Capital Project-Harbor Net Gain (Loss)</b>		<b>(\$142,963.35)</b>	<b>(\$1,138,581.91)</b>	<b>(\$2,286,309.48)</b>	<b>(\$2,143,346.13)</b>	<b>1,599%</b>	<b>\$627,629.06</b>
<b>Fund Type Capital Projects Funds Totals</b>							
<b>REVENUE TOTALS</b>		<b>41,965,000.00</b>	<b>17,633.57</b>	<b>106,166,400.92</b>	<b>(64,181,400.92)</b>	<b>253%</b>	<b>43,652,002.92</b>
<b>EXPENSE TOTALS</b>		<b>46,506,020.58</b>	<b>6,946,737.24</b>	<b>83,671,426.58</b>	<b>(37,165,406.00)</b>	<b>180%</b>	<b>21,820,498.65</b>
<b>Fund Type Capital Projects Funds Net Gain (Loss)</b>		<b>(\$4,521,020.58)</b>	<b>(\$6,929,103.67)</b>	<b>\$22,494,974.34</b>	<b>\$27,015,994.92</b>	<b>(498%)</b>	<b>\$21,831,504.27</b>



# Balance Sheet

Through 02/28/14  
Summary Listing

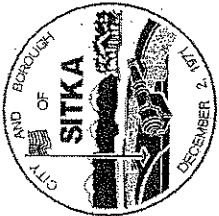
Fund Category	Current YTD Balance	Prior Year YTD Total	Net Change	Change %
<b>Proprietary Funds</b>				
<b>Capital Projects Funds</b>				
<b>Fund 750 - Capital Project-Harbor</b>				
ASSETS				
FUND EQUITY Prior to Current Year Changes	(\$1,129,611.76)	\$584,298.14	(\$1,713,909.90)	(293.33%)
Prior Year Fund Equity Adjustment	\$1,155,697.72	\$614,500.00	\$542,197.72	88.23%
Fund Revenues	.00			
Fund Expenses	(2,183,665.00)			
	4,469,974.48			
<b>FUND EQUITY</b>	<b>(\$1,129,611.76)</b>	<b>\$614,500.00</b>	<b>(\$1,744,111.76)</b>	<b>(283.83%)</b>
<b>LIABILITIES AND FUND EQUITY</b>	<b>(\$1,129,611.76)</b>	<b>\$614,500.00</b>	<b>(\$1,744,111.76)</b>	<b>(283.83%)</b>
<b>Fund 750 - Capital Project-Harbor Totals</b>	<b>\$0.00</b>	<b>(\$30,201.86)</b>	<b>\$30,201.86</b>	<b>100.00%</b>



# Income Statement

Through 02/28/14  
Summary Listing

Organization	Organization Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category	<b>Proprietary Funds</b>						
Fund Type	<b>Capital Projects Funds</b>						
Fund	<b>751 - ANB Harbor Rev Bonds</b>						
	REVENUE						
Division	300 - Revenue						
360	Uses of Prop & Investment	.00	2,352.27	16,812.00	(16,812.00)	+++	122,591.05
390	Cash Basis Receipts	.00	.00	4,269,751.52	(4,269,751.52)	+++	.00
	Division 300 - Revenue Totals	\$0.00	\$2,352.27	\$4,286,563.52	(\$4,286,563.52)	+++	\$122,591.05
	REVENUE TOTALS	\$0.00	\$2,352.27	\$4,286,563.52	(\$4,286,563.52)	+++	\$122,591.05
	EXPENSE						
Division	600 - Operations						
630	Operations	.00	.00	.00	.00	+++	16,000.00
680	Transfer to Other Funds	.00	.00	.00	.00	+++	480,197.72
	Division 600 - Operations Totals	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$496,197.72
	EXPENSE TOTALS	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$496,197.72
Fund	<b>751 - ANB Harbor Rev Bonds Totals</b>						
	REVENUE TOTALS	.00	2,352.27	4,286,563.52	(4,286,563.52)	+++	122,591.05
	EXPENSE TOTALS	.00	.00	.00	.00	+++	496,197.72
Fund	<b>751 - ANB Harbor Rev Bonds Net Gain (Loss)</b>						
	Net Gain (Loss)	\$0.00	\$2,352.27	\$4,286,563.52	(\$4,286,563.52)	+++	(\$373,606.67)
Fund Type	<b>Capital Projects Funds Totals</b>						
	REVENUE TOTALS	.00	2,352.27	4,286,563.52	(4,286,563.52)	+++	122,591.05
	EXPENSE TOTALS	.00	.00	.00	.00	+++	496,197.72
Fund Type	<b>Capital Projects Funds Net Gain (Loss)</b>						
	Net Gain (Loss)	\$0.00	\$2,352.27	\$4,286,563.52	(\$4,286,563.52)	+++	(\$373,606.67)
Fund Category	<b>Proprietary Funds Totals</b>						
	REVENUE TOTALS	.00	2,352.27	4,286,563.52	(4,286,563.52)	+++	122,591.05
	EXPENSE TOTALS	.00	.00	.00	.00	+++	496,197.72
Fund Category	<b>Proprietary Funds Net Gain (Loss)</b>						
	Net Gain (Loss)	\$0.00	\$2,352.27	\$4,286,563.52	(\$4,286,563.52)	+++	(\$373,606.67)
	Grand Totals						
	REVENUE TOTALS	.00	2,352.27	4,286,563.52	(4,286,563.52)	+++	122,591.05
	EXPENSE TOTALS	.00	.00	.00	.00	+++	496,197.72
	Grand Total Net Gain (Loss)	\$0.00	\$2,352.27	\$4,286,563.52	(\$4,286,563.52)	+++	(\$373,606.67)



# Balance Sheet

Through 02/28/14  
Summary Listing

Fund Category	Current YTD Balance	Prior Year YTD Total	Net Change	Change %
<b>Proprietary Funds</b>				
<b>Capital Projects Funds</b>				
<b>Fund 751 - ANB Harbor Rev Bonds</b>				
ASSETS				
FUND EQUITY Prior to Current Year Changes	\$3,912,956.85	\$0.00	\$3,912,956.85	+++
Prior Year Fund Equity Adjustment	(\$373,606.67)	\$0.00	(\$373,606.67)	+++
Fund Revenues	.00			
Fund Expenses	(4,286,563.52)			
FUND EQUITY	.00			
LIABILITIES AND FUND EQUITY				
Fund 751 - ANB Harbor Rev Bonds Totals	\$3,912,956.85	\$0.00	\$3,912,956.85	+++
Fund 751 - ANB Harbor Rev Bonds Totals	\$3,912,956.85	\$0.00	\$3,912,956.85	+++
Fund Type Capital Projects Funds Totals	\$0.00	(\$3,492,928.86)	\$3,492,928.86	+++
Fund Type Capital Projects Funds Totals				100.00%



City and Borough of Sitka

Airport Terminal Fund

Income Statement

For The Twelve-Month Period From July 1, 2013 to June 30, 2014

(Unaudited)

Revenue:	Jul-Sep 2013	Oct-Dec 2013	Jan-Mar 2014	Apr-Jun 2014	FY2014 YTD	FY2013 YTD	FY2014 Plan	Variances To
Leases	120,940.00	60,476.00	-	-	181,020.00	175,544.00	181,634.50	(614.50)
Other Operating Revenue	53,247.00	13,535.00	-	-	76,782.00	119,031.00	136,500.00	(149,718.00)
Total Revenue:	183,791.00	74,011.00	-	-	257,802.00	304,575.00	308,134.50	(50,332.50)
Cost of Sales:	69,543.00	83,322.00	-	-	152,865.00	155,956.00	179,273.50	27,058.50
Operations	44,532.00	44,533.00	-	-	89,065.00	87,091.00	89,065.00	-
Depreciation	-	-	-	-	-	(470.00)	-	470.00
Total Cost of Sales:	114,075.00	127,855.00	-	-	241,930.00	242,447.00	268,988.50	27,058.50
Gross Margin:	69,716.00	(53,844.00)	-	-	15,872.00	62,128.00	39,146.00	(23,274.00)
Selling and Administrative Expenses	37,936.00	(53,844.00)	-	-	15,872.00	62,128.00	39,146.00	(23,274.00)
Earnings Before Interest and Taxes (EBIT):	69,716.00	(53,844.00)	-	-	15,872.00	62,128.00	39,146.00	(23,274.00)
Non-Operating Revenue and Expense:	3,635.00	5,790.00	-	-	9,114.00	5,787.00	6,000.00	3,114.00
Interest and Non-Operating Revenue:	-	-	-	-	-	(470.00)	-	470.00
Total Non-Operating Revenue & Expense:	3,635.00	5,790.00	-	-	9,114.00	5,317.00	6,000.00	3,114.00
Net Income:	79,911.00	(48,054.00)	-	-	24,866.00	67,445.00	45,146.00	(20,160.00)
Earnings Before Interest and Taxes and Depreciation (EBITDA):	114,248.00	(9,311.00)	-	-	104,937.00	149,219.00	128,211.00	(23,274.00)
Depreciation	44,532.00	44,533.00	-	-	89,065.00	87,091.00	89,065.00	-
Debt Principal Coverage Surplus/Deficit	117,883.00	(3,832.00)	-	-	114,051.00	154,550.00	134,211.00	(20,160.00)
Debt Principal Coverage Percentages	100%	100%	100%	100%	100%	100%	100%	0%
Simple Cash Flow (Net Income Plus Depreciation)	117,883.00	(3,832.00)	-	-	114,051.00	154,550.00	134,211.00	(20,160.00)
Debt Principal Coverage Surplus/Deficit	117,883.00	(3,832.00)	-	-	114,051.00	154,550.00	134,211.00	(20,160.00)
Debt Principal Coverage Surplus/Deficit (From Above)	117,883.00	(3,832.00)	-	-	114,051.00	154,550.00	134,211.00	(20,160.00)
Depreciation	44,532.00	44,533.00	-	-	89,065.00	87,091.00	89,065.00	-
Cash Accumulated For/Taken From Asset Replacement	73,351.00	(48,365.00)	-	-	24,986.00	51,795.00	45,146.00	(20,160.00)
Working Capital	619,517.00	737,401.00	733,568.00	733,568.00	619,517.00	353,598.00	619,517.00	(20,160.00)
Beginning Undesignated Working Capital	619,517.00	737,401.00	733,568.00	733,568.00	619,517.00	353,598.00	619,517.00	(20,160.00)
Net Income Plus Depreciation Less Principal Capex, Accruals, and other Balance Sheet Changes	117,883.00	(3,832.00)	-	-	114,051.00	154,550.00	134,211.00	(20,160.00)
Ending Undesignated Working Capital	737,401.00	733,568.00	733,568.00	733,568.00	733,568.00	508,148.00	759,728.00	(26,160.00)
Working Capital Designated for Capex	63,913	63,913	63,913	63,913	63,913	63,913	63,913	(879)
Current Assets	802,883	802,883	802,883	802,883	802,883	802,883	802,883	-
Current Liabilities	(6,281)	(6,281)	(6,281)	(6,281)	(6,281)	(6,281)	(6,281)	-
WC/DeCapex	(63,913)	(63,913)	(63,913)	(63,913)	(63,913)	(63,913)	(63,913)	-
Undesignated Working Capital	737,401	733,568	733,568	733,568	733,568	508,148	759,728	(26,160)
Total Working Capital	801,314	796,602	796,602	796,602	796,602	572,235	823,641	(31,039)

Working Capital designated for Capex, June 30, 2013 63,913.00  
 New Capex designations of Working Capital in FY14 Budget  
 Less FY14 working capital outlays for Capex (879.00)  
 Working Capital designated for Capex, December 31, 2013 63,034.00

July 1, 2013  
 \$63,913 - 90656 - Airport Lighting  
 \$63,913



# Income Statement

Through 12/31/13  
Summary Listing

Organization	Organization Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
<b>Fund Category Proprietary Funds</b>							
<b>Fund Type Enterprise Funds</b>							
<b>Fund 250 - Airport Terminal Building</b>							
<b>REVENUE</b>							
315	Division 300 - Revenue						
340	Federal Revenue	.00	.00	.00	.00	+++	.63
350	Operating Revenue	364,269.00	30,339.93	181,019.58	183,249.42	50	356,959.60
360	Non-Operating Revenue	252,000.00	17.56	76,782.31	175,217.69	30	256,912.83
	Uses of Prop & Investment	12,000.00	3,002.46	9,113.71	2,886.29	76	6,523.11
	Division 300 - Revenue Totals	\$628,269.00	\$33,359.95	\$266,915.60	\$361,353.40	42%	\$620,396.17
	<b>REVENUE TOTALS</b>	\$628,269.00	\$33,359.95	\$266,915.60	\$361,353.40	42%	\$620,396.17
<b>EXPENSE</b>							
630	Division 600 - Operations						
640	Operations	359,847.00	21,818.65	152,865.38	206,981.62	42	383,690.47
650	Depreciation/Amortization	.00	14,844.13	89,064.78	(89,064.78)	+++	178,129.61
680	Debt Payments	.00	.00	.00	.00	+++	939.00
	Transfer to Other Funds	.00	.00	.00	.00	+++	1,147.73
	Division 600 - Operations Totals	\$359,847.00	\$36,662.78	\$241,930.16	\$117,916.84	67%	\$563,906.81
	<b>EXPENSE TOTALS</b>	\$359,847.00	\$36,662.78	\$241,930.16	\$117,916.84	67%	\$563,906.81
<b>Fund 250 - Airport Terminal Building Totals</b>							
	<b>REVENUE TOTALS</b>	628,269.00	33,359.95	266,915.60	361,353.40	42%	620,396.17
	<b>EXPENSE TOTALS</b>	359,847.00	36,662.78	241,930.16	117,916.84	67%	563,906.81
	<b>Fund 250 - Airport Terminal Building Net Gain (Loss)</b>	\$268,422.00	(\$3,302.83)	\$24,985.44	(\$243,436.56)	9%	\$56,489.36



# Balance Sheet

Through 12/31/13  
Summary Listing

Fund Category	Proprietary Funds	Current YTD Balance	Prior Year Total Actual	Net Change	Change %
Fund Type	Enterprise Funds				
Fund	250 - Airport Terminal Building				
	ASSETS	\$3,657,492.26	\$3,642,863.67	\$14,628.59	0.40%
	LIABILITIES	\$6,281.21	\$16,638.06	(\$10,356.85)	(62.25%)
	FUND EQUITY Prior to Current Year Changes	\$3,626,225.61	\$3,626,225.61	\$0.00	0.00%
	Prior Year Fund Equity Adjustment	.00			
	Fund Revenues	(266,915.60)			
	Fund Expenses	241,930.16			
	FUND EQUITY	\$3,651,211.05	\$3,626,225.61	\$24,985.44	0.69%
	LIABILITIES AND FUND EQUITY	\$3,657,492.26	\$3,642,863.67	\$14,628.59	0.40%
	Fund 250 - Airport Terminal Building Totals	\$0.00	\$0.00	\$0.00	+++



# Income Statement

Through 12/31/13  
Summary Listing

Organization	Organization Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category	Proprietary Funds						
Fund Type	Capital Projects Funds						
Fund	760 - Capital Project-Airport T						
	REVENUE						
370	Division 300 - Revenue Interfund Billings	.00	.00	.00	.00	+++	1,147.73
	Division 300 - Revenue Totals	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$1,147.73
	REVENUE TOTALS	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$1,147.73
	EXPENSE						
630	Division 600 - Operations	.00	.00	878.88	(878.88)	+++	1,147.73
670	Operations	.00	.00	.00	.00	+++	(1,147.73)
	Fixed Assets						
	Division 600 - Operations Totals	\$0.00	\$0.00	\$878.88	(\$878.88)	+++	\$0.00
	EXPENSE TOTALS	\$0.00	\$0.00	\$878.88	(\$878.88)	+++	\$0.00
	Fund 760 - Capital Project-Airport T Totals						
	REVENUE TOTALS	.00	.00	.00	.00	+++	1,147.73
	EXPENSE TOTALS	.00	.00	878.88	(878.88)	+++	.00
	Fund 760 - Capital Project-Airport T Net Gain (Loss)	\$0.00	\$0.00	(\$878.88)	(\$878.88)	+++	\$1,147.73



# Balance Sheet

Through 12/31/13  
Summary Listing

Fund Category	Proprietary Funds	Current YTD Balance	Prior Year Total Actual	Net Change	Change %
Fund Type	Capital Projects Funds				
Fund	760 - Capital Project-Airport T				
	ASSETS				
	FUND EQUITY Prior to Current Year Changes	\$76,268.85	\$77,147.73	(\$878.88)	(1.14%)
	Prior Year Fund Equity Adjustment	\$77,147.73	\$77,147.73	\$0.00	0.00%
	Fund Revenues	.00			
	Fund Expenses	.00			
	FUND EQUITY	878.88			
	LIABILITIES AND FUND EQUITY	\$76,268.85	\$77,147.73	(\$878.88)	(1.14%)
	Fund 760 - Capital Project-Airport T Totals	\$0.00	\$0.00	\$0.00	+++

City and Borough of Sitka

Marine Service Center

Income Statement

For The Twelve-Month Period From July 1, 2013 to June 30, 2014

(Unaudited)

	Jul-Sep 2013	Oct-Dec 2013	Jan-Mar 2014	Apr-Jun 2014	FY2014 YTD	FY2013 YTD	FY2013 Variance TO	FY2014 Variance TO
Revenue:								
Leases	58,146	58,146	58,146	58,146	116,292	116,292	(9,590)	116,292
Other Operating Revenue	-	-	-	-	-	-	-	-
Total Revenue:	58,146	58,146	58,146	58,146	116,292	116,292	(9,590)	116,292
Cost of Sales:								
Operations	16,971	23,215	23,215	23,215	40,186	40,186	62,805	22,619
Depreciation	37,597	37,597	37,597	37,597	75,194	75,194	76,494	1,300
Total Cost of Sales:	54,568	60,812	60,812	60,812	115,380	115,380	139,289	23,919
Gross Margin:	3,578	6,159	(2,666)	6,159	912	912	(13,417)	14,379
Selling and Administrative Expenses								
Non-Operating Revenue and Expenses (EBIT):	3,578	6,159	(2,666)	6,159	912	912	(13,417)	14,379
Earnings Before Interest and Taxes (EBIT):	3,578	6,159	(2,666)	6,159	912	912	(13,417)	14,379
Interest and Non-Operating Revenue:	6,096	6,448	6,448	6,448	12,544	12,544	13,170	(626)
Interest Expense:	-	-	-	-	-	-	-	-
Total Non-Operating Revenue & Expense:	6,096	6,448	6,448	6,448	12,544	12,544	13,170	(626)
Net Income:	9,674	12,607	3,792	12,607	25,221	25,221	(2,037)	13,753
Earnings Before Interest and Taxes and Depreciation (EBITDA):	41,175	34,931	60,076	60,076	76,106	76,106	63,077	15,629
Debt Principal Coverage	47,271	41,379	41,379	41,379	88,650	88,650	76,247	12,403
Simple Cash Flow (Net Income Plus Depreciation)	47,271	41,379	41,379	41,379	88,650	88,650	76,247	12,403
Debt Principal Coverage Surplus/Deficit	47,271	41,379	41,379	41,379	88,650	88,650	76,247	12,403
Debt Principal Coverage Percentage	100%	100%	100%	100%	100%	100%	100%	100%
Simple Asset Replacement Coverage	47,271	41,379	41,379	41,379	88,650	88,650	76,247	12,403
Debt Principal Coverage Surplus/Deficit	47,271	41,379	41,379	41,379	88,650	88,650	76,247	12,403
Debt Principal Coverage Percentage	100%	100%	100%	100%	100%	100%	100%	100%
Working Capital								
Beginning Undesignated Working Capital	1,254,664	1,292,508	1,333,886	1,333,886	1,254,664	1,254,664	1,254,664	1,254,664
Capital Acquired, and other Balance Sheet Changes	(9,427)	(1)	(1)	(1)	(9,428)	(9,428)	(9,428)	(9,428)
Ending Undesignated Working Capital	1,292,508	1,333,886	1,333,886	1,333,886	1,333,886	1,333,886	1,333,886	1,333,886
Working Capital Designated for CapEx	82,632	82,632	82,632	82,632	82,632	82,632	82,632	82,632
Current Assets	1,292,508	1,333,886	1,333,886	1,333,886	1,333,886	1,333,886	1,333,886	1,333,886
Current Liabilities	1,292,508	1,333,886	1,333,886	1,333,886	1,333,886	1,333,886	1,333,886	1,333,886
WC/CF CapEx	156,622	156,622	156,622	156,622	156,622	156,622	156,622	156,622
Total Working Capital	1,292,508	1,333,886	1,333,886	1,333,886	1,333,886	1,333,886	1,333,886	1,333,886
Working Capital designated for CapEx, June 30, 2013	1,177,264	1,177,264	1,177,264	1,177,264	1,177,264	1,177,264	1,177,264	1,177,264
New CapEx designations of Working Capital in FY14 Budget	156,622	156,622	156,622	156,622	156,622	156,622	156,622	156,622
Less FY14 working capital outlays for CapEx	73,990	73,990	73,990	73,990	73,990	73,990	73,990	73,990
Working Capital designated for CapEx, December 31, 2013	1,259,896	1,259,896	1,259,896	1,259,896	1,259,896	1,259,896	1,259,896	1,259,896
0.00								
0.00								

JULY 1, 2013



0.00

0.00

FY2014 Plan  
FY2014 Plan  
Variance TO

(S/L - 50%)  
FY2014 Plan  
FY2014 Plan  
Variance TO

FY2013  
YTD  
FY2013  
YTD  
Variance TO

FY2014  
YTD  
FY2014  
YTD  
Variance TO

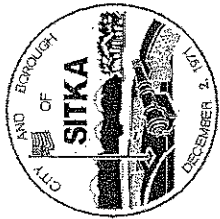
Apr-Jun  
2014  
Jan-Mar  
2014  
Oct-Dec  
2013  
Jul-Sep  
2013  
Variance TO



# Income Statement

Through 12/31/13  
Summary Listing

Organization	Organization Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category	Proprietary Funds						
Fund Type	Enterprise Funds						
Fund	260 - Marine Service Center						
	REVENUE						
	Division 300 - Revenue						
340	Operating Revenue	232,584.00	19,382.00	116,292.00	116,292.00	50	242,174.22
360	Uses of Prop & Investment	26,100.00	2,367.29	12,544.23	13,555.77	48	(3,734.71)
	Division 300 - Revenue Totals	\$258,684.00	\$21,749.29	\$128,836.23	\$129,847.77	50%	\$238,439.51
	REVENUE TOTALS	\$258,684.00	\$21,749.29	\$128,836.23	\$129,847.77	50%	\$238,439.51
	EXPENSE						
	Division 600 - Operations						
630	Operations	200,221.00	11,795.86	40,185.73	160,035.27	20	113,575.82
640	Depreciation/Amortization	.00	12,532.29	75,193.74	(75,193.74)	+++	150,386.27
	Division 600 - Operations Totals	\$200,221.00	\$24,328.15	\$115,379.47	\$84,841.53	58%	\$263,962.09
	EXPENSE TOTALS	\$200,221.00	\$24,328.15	\$115,379.47	\$84,841.53	58%	\$263,962.09
Fund	260 - Marine Service Center Totals						
	REVENUE TOTALS	258,684.00	21,749.29	128,836.23	129,847.77	50%	238,439.51
	EXPENSE TOTALS	200,221.00	24,328.15	115,379.47	84,841.53	58%	263,962.09
Fund	260 - Marine Service Center Net Gain (Loss)	\$58,463.00	(\$2,578.86)	\$13,456.76	(\$45,006.24)	23%	(\$25,522.58)



# Balance Sheet

Through 12/31/13  
Summary Listing

Fund Category	Proprietary Funds	Current YTD Balance	Prior Year Total Actual	Net Change	Change %
Fund Type	Enterprise Funds				
Fund	260 - Marine Service Center				
	ASSETS	\$2,015,598.57	\$2,011,569.78	\$4,028.79	0.20%
	LIABILITIES	\$295.94	\$9,723.91	(\$9,427.97)	(96.96%)
	FUND EQUITY Prior to Current Year Changes	\$2,001,845.87	\$2,001,845.87	\$0.00	0.00%
	Prior Year Fund Equity Adjustment	.00			
	Fund Revenues	(128,636.23)			
	Fund Expenses	115,379.47			
	FUND EQUITY	\$2,015,302.63	\$2,001,845.87	\$13,456.76	0.67%
	LIABILITIES AND FUND EQUITY	\$2,015,598.57	\$2,011,569.78	\$4,028.79	0.20%
	Fund 260 - Marine Service Center Totals	\$0.00	\$0.00	\$0.00	+++





# Income Statement

Through 12/31/13  
Summary Listing

Organization	Organization Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category	Proprietary Funds						
Fund Type	Capital Projects Funds						
Fund	770 - Capital Project-Marine SC						
	EXPENSE						
Division	600 - Operations						
530	Operations	.00	.00	.00	.00	+++	63,275.68
670	Fixed Assets	.00	.00	.00	.00	+++	(63,275.68)
	Division 600 - Operations Totals	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$0.00
	EXPENSE TOTALS	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$0.00
	Fund 770 - Capital Project-Marine SC Totals						
	REVENUE TOTALS	.00	.00	.00	.00	+++	.00
	EXPENSE TOTALS	.00	.00	.00	.00	+++	.00
	Fund 770 - Capital Project-Marine SC Net Gain (Loss)	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$0.00

City and Borough of Sitka  
Sawmill Cove Industrial Park

For The Twelve-Month Period From July 1, 2013 to June 30, 2014

(Unaudited)

	Jul-Sep 2013	Oct-Dec 2013	Jan-Mar 2014	Apr-Jun 2014	FY2014 YTD	FY2013 YTD	Variance To FY2013 YTD	FY2014 Plan (S/L - 50%)	Variance To FY2014 Plan
Revenue:									
Leases	125,676	130,994	31	31	256,699	256,699	0	225,000	31,670
Other Operating Revenue	-	-	-	-	31	6,880	(6,849)	225,000	31
Total Revenue:	125,676	130,994	31	31	256,670	263,579	(6,909)	225,000	31,670
Cost of Sales:									
Operations	42,334	102,272	-	-	146,606	146,883	(2,077)	177,385	(32,779)
Depreciation	66,279	66,779	-	-	133,558	133,611	(53)	133,558	3
Total Cost of Sales:	109,113	169,051	-	-	278,164	280,494	(2,330)	310,943	(32,779)
Gross Margin:	16,563	(38,057)	-	-	(21,494)	(17,915)	3,421	(85,943)	64,449
Selling and Administrative Expenses	13,188%	(29,052)	-	-	(15,628)	(15,628)	0	(85,943)	64,449
Earnings Before Interest (EBI):	16,563	(38,057)	-	-	(21,494)	(17,915)	3,421	(85,943)	64,449
Non-Operating Revenue and Expenses:									
Interest and Non-Operating Revenue:	9,652	9,712	-	-	19,364	4,664	14,500	500	18,864
Grant Revenue:	-	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-
Interest Transfer from SMC Contingency	4,230	4,336	-	-	8,566	9,756	(1,190)	13,500	(4,934)
Interest Expense:	(4,202)	(4,202)	-	-	(8,404)	(4,710)	(3,694)	(4,000)	(4,004)
Total Non-Operating Revenue & Expense:	9,680	9,816	-	-	48,686	9,910	38,776	39,170	526
Net Income:	26,243	959	-	-	27,202	(191,141)	(218,343)	(46,723)	73,975
Earnings Before Interest and Depreciation (EBID):	83,342	28,722	21.93%	#DIV/0!	112,064	(87,440)	199,504	47,615	64,449
Debt Principal Coverage Before Interest and Depreciation (EBID):	80,576	55,292	544.26%	#DIV/0!	135,868	(102,422)	238,290	52,772	83,096
Debt Principal Coverage Surplus/Deficit:	12,446	12,446	-	-	24,892	(7,530)	32,382	65,217	95,434
Simple Cash Flow (Net Income Plus Depreciation)	93,022	67,738	-	-	160,760	(7,530)	168,290	65,217	95,434
Debt Principal Coverage:	747.40%	544.26%	#DIV/0!	#DIV/0!	645.83%	-83.99%	725.22%	524.04%	205.88%
Simple Asset Replacement Coverage:	80,576	55,292	-	-	135,868	(102,422)	238,290	52,772	83,096
Debt Principal Coverage Surplus/Deficit (from Above):	80,576	55,292	-	-	135,868	(102,422)	238,290	52,772	83,096
Depreciation	66,279	66,779	-	-	133,558	19,947	113,611	96,699	36,859
Cash Accumulated For/(Taken From) Asset Replacement	13,797	(11,487)	-	-	2,310	(218,033)	218,343	(43,927)	46,237
Working Capital:									
Beginning Undesignated Working Capital	712,988	805,068	851,936	851,936	712,988	851,936	148,314	712,988	-
Net Income Plus Depreciation Less Principal	80,576	67,738	-	-	148,314	(102,422)	250,736	712,988	-
Cash, Accruals, and other Balance Sheet Changes	11,504	(20,870)	-	-	(9,366)	(75,115)	66,349	52,772	(9,366)
Ending Undesignated Working Capital	805,068	851,936	851,936	851,936	851,936	154,820	697,116	765,760	86,176
Working Capital Designated for Capex	249	249	249	249	249	266,707	(266,458)	-	-
Current Assets	1,104,874	1,154,435	1,154,435	1,154,435	1,104,874	1,154,435	49,561	1,104,874	49,561
Current Liabilities	(250,022)	(252,466)	(252,466)	(252,466)	(250,022)	(252,466)	(2,444)	(250,022)	(2,444)
WCDFCapex	(49,784)	(49,784)	(49,784)	(49,784)	(49,784)	(49,784)	0	(49,784)	0
CPITD	-	-	-	-	-	-	-	-	-
Total Working Capital	805,068	851,936	851,936	851,936	805,068	851,936	46,868	805,068	46,868
Undesignated Working Capital	805,068	851,936	851,936	851,936	805,068	851,936	46,868	805,068	46,868
Total Working Capital	805,068	851,936	851,936	851,936	805,068	851,936	46,868	805,068	46,868
Less FY13 working capital outlays for Capex (Thru 12/31)	-	-	-	-	-	-	-	-	-
Working Capital designated for Capex, December 31, 2013	-	-	-	-	-	-	-	-	-
New Capex designations of Working Capital in FY14 Budget	-	-	-	-	-	-	-	-	-
Working Capital designated for Capex, June 30, 2013	-	-	-	-	-	-	-	-	-
24,238.00									
749.00									

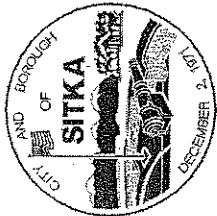
July 1, 2013  
\$24,238 - Boat Building



# Income Statement

Through 12/31/13  
Summary Listing

Organization	Organization Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category	Proprietary Funds						
Fund Type	Enterprise Funds						
Fund	270 - SMC Industrial Complex						
	REVENUE						
Division	300 - Revenue						
315	Federal Revenue	.00	.00	.00	.00	+++	106,502.57
340	Operating Revenue	.00	.00	31.45	(31.45)	+++	.00
360	Uses of Prop & Investment	406,000.00	48,935.22	266,350.72	139,649.28	66	318,885.88
380	Miscellaneous	.00	.00	9,652.00	(9,652.00)	+++	300.06
390	Cash Basis Receipts	27,000.00	1,563.86	8,566.16	18,433.84	32	18,034.11
	Division 300 - Revenue Totals	\$433,000.00	\$50,499.08	\$284,600.33	\$148,399.67	66%	\$443,722.62
	REVENUE TOTALS	\$433,000.00	\$50,499.08	\$284,600.33	\$148,399.67	66%	\$443,722.62
	EXPENSE						
Division	600 - Operations						
630	Operations	354,770.00	19,431.14	144,605.68	210,164.32	41	269,126.24
640	Depreciation/Amortization	.00	22,259.65	133,557.90	(133,557.90)	+++	267,115.60
650	Debt Payments	57,783.00	.00	.00	57,783.00	0	14,561.27
680	Transfer to Other Funds	.00	.00	.00	.00	+++	286,997.05
	Division 600 - Operations Totals	\$412,553.00	\$41,690.79	\$278,163.58	\$134,389.42	67%	\$837,800.16
	EXPENSE TOTALS	\$412,553.00	\$41,690.79	\$278,163.58	\$134,389.42	67%	\$837,800.16
Fund	270 - SMC Industrial Complex Totals						
	REVENUE TOTALS	433,000.00	50,499.08	284,600.33	148,399.67	66%	443,722.62
	EXPENSE TOTALS	412,553.00	41,690.79	278,163.58	134,389.42	67%	837,800.16
	Fund 270 - SMC Industrial Complex Net Gain (Loss)	\$20,447.00	\$8,808.29	\$6,436.75	(\$14,010.25)	31%	(\$394,077.54)
Fund Type	Enterprise Funds Totals						
	REVENUE TOTALS	1,319,953.00	105,608.32	680,352.16	639,600.84	52%	1,302,558.30
	EXPENSE TOTALS	972,621.00	102,681.72	635,473.21	337,147.79	65%	1,665,669.06
	Fund Type Enterprise Funds Net Gain (Loss)	\$347,332.00	\$2,926.60	\$44,878.95	(\$302,453.05)	13%	(\$363,110.76)



# Balance Sheet

Through 12/31/13  
Summary Listing

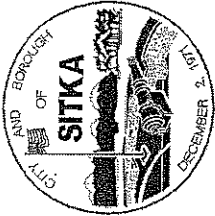
Fund Category	Fund Type	Fund	Current YTD Balance	Prior Year		Net Change	Change %
				Total	Actual		
<b>Proprietary Funds</b>							
<b>Enterprise Funds</b>							
		<b>Fund 270 - SMC Industrial Complex</b>					
		ASSETS					
		LIABILITIES	\$13,795,182.90	\$13,788,917.96	\$6,264.94	0.05%	
		FUND EQUITY Prior to Current Year Changes	\$1,430,331.30	\$1,430,503.11	(\$171.81)	(0.01)%	
		Prior Year Fund Equity Adjustment	\$12,358,414.85	\$12,358,414.85	\$0.00	0.00%	
		Fund Revenues	.00				
		Fund Expenses	(284,600.33)				
			278,163.58				
		<b>FUND EQUITY</b>	\$12,364,851.60	\$12,358,414.85	\$6,436.75	0.05%	
		<b>LIABILITIES AND FUND EQUITY</b>	\$13,795,182.90	\$13,788,917.96	\$6,264.94	0.05%	
		<b>Fund 270 - SMC Industrial Complex Totals</b>	\$0.00	\$0.00	\$0.00	+++	
		<b>Fund Type Enterprise Funds Totals</b>	\$0.00	\$0.00	\$0.00	+++	



# Income Statement

Through 12/31/13  
Summary Listing

Organization	Organization Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category	<b>Proprietary Funds</b>						
Fund Type	<b>Capital Projects Funds</b>						
Fund	<b>780 - Capital Project-SMCIS</b>						
	REVENUE						
Division	<b>300 - Revenue</b>						
310	State Revenue	.00	5,597.56	29,170.41	(29,170.41)	+++	64.65
370	Interfund Billings	.00	.00	.00	.00	+++	225,000.00
	<b>300 - Revenue Totals</b>	\$0.00	\$5,597.56	\$29,170.41	(\$29,170.41)	+++	\$225,064.65
	<b>REVENUE TOTALS</b>	\$0.00	\$5,597.56	\$29,170.41	(\$29,170.41)	+++	\$225,064.65
	EXPENSE						
Division	<b>600 - Operations</b>						
630	Operations	7,603.80	10,946.84	53,158.67	(45,554.87)	699	200,826.88
670	Fixed Assets	.00	.00	.00	.00	+++	(200,826.88)
	<b>600 - Operations Totals</b>	\$7,603.80	\$10,946.84	\$53,158.67	(\$45,554.87)	699%	\$0.00
	<b>EXPENSE TOTALS</b>	\$7,603.80	\$10,946.84	\$53,158.67	(\$45,554.87)	699%	\$0.00
Fund	<b>780 - Capital Project-SMCIS Totals</b>						
	REVENUE TOTALS	.00	5,597.56	29,170.41	(29,170.41)	+++	225,064.65
	EXPENSE TOTALS	7,603.80	10,946.84	53,158.67	(45,554.87)	699%	.00
Fund	<b>780 - Capital Project-SMCIS Net Gain (Loss)</b>	(\$7,603.80)	(\$5,349.28)	(\$23,988.26)	(\$16,384.46)	315%	\$225,064.65
Fund Type	<b>Capital Projects Funds Totals</b>						
	REVENUE TOTALS	.00	5,597.56	29,170.41	(29,170.41)	+++	225,064.65
	EXPENSE TOTALS	7,603.80	10,946.84	53,158.67	(45,554.87)	699%	.00
Fund Type	<b>Capital Projects Funds Net Gain (Loss)</b>	(\$7,603.80)	(\$5,349.28)	(\$23,988.26)	(\$16,384.46)	315%	\$225,064.65
Fund Category	<b>Proprietary Funds Totals</b>						
	REVENUE TOTALS	.00	5,597.56	29,170.41	(29,170.41)	+++	225,064.65
	EXPENSE TOTALS	7,603.80	10,946.84	53,158.67	(45,554.87)	699%	.00
Fund Category	<b>Proprietary Funds Net Gain (Loss)</b>	(\$7,603.80)	(\$5,349.28)	(\$23,988.26)	(\$16,384.46)	315%	\$225,064.65
	Grand Totals						
	REVENUE TOTALS	.00	5,597.56	29,170.41	(29,170.41)	+++	225,064.65
	EXPENSE TOTALS	7,603.80	10,946.84	53,158.67	(45,554.87)	699%	.00
	<b>Grand Total Net Gain (Loss)</b>	(\$7,603.80)	(\$5,349.28)	(\$23,988.26)	(\$16,384.46)	315%	\$225,064.65

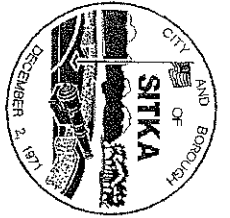


# Balance Sheet

Through 12/31/13  
Summary Listing

Fund Category	Current YTD Balance	Prior Year Total Actual	Net Change	Change %
<b>Proprietary Funds</b>				
<b>Capital Projects Funds</b>				
Fund 780 - Capital Project-SMCIS				
ASSETS	\$200,066.03	\$225,064.65	(\$24,998.62)	(11.11%)
LIABILITIES	(\$1,010.36)	\$0.00	(\$1,010.36)	+++
FUND EQUITY Prior to Current Year Changes	\$225,064.65	\$225,064.65	\$0.00	0.00%
Prior Year Fund Equity Adjustment	.00			
Fund Revenues	(29,170.41)			
Fund Expenses	53,158.67			
FUND EQUITY	\$201,076.39	\$225,064.65	(\$23,988.26)	(10.66%)
LIABILITIES AND FUND EQUITY	\$200,066.03	\$225,064.65	(\$24,998.62)	(11.11%)
<b>Fund 780 - Capital Project-SMCIS Totals</b>	\$0.00	\$0.00	\$0.00	+++
<b>Fund Type Capital Projects Funds Totals</b>	\$0.00	\$0.00	\$0.00	+++



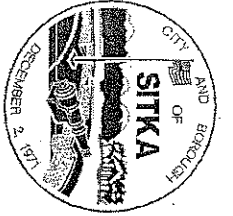


# Income Statement

Through 12/31/13  
Summary Listing

Organization	Organization Description	Budget Amount	Annual	MTD	Actual Amount	YTD	Budget Less	YTD Actual	% of Budget	Prior Year Total Actual
Fund Category	Proprietary Funds									
Fund Type	Internal Service Funds									
Fund	300 - Data Processing Fund									
	REVENUE									
Division	300 - Revenue									
310	State Revenue									
340	Operating Revenue		778,022.00		64,834.66	389,007.96	389,014.04		50	772,862.88
360	Uses of Prop & Investment		4,000.00		754.56	4,328.14	(328.14)		108	5,385.62
370	Interfund Billings		105,000.00		.00	.00	105,000.00		0	.00
380	Miscellaneous		.00		.00	235.70	(235.70)		+++	.00
390	Cash Basis Receipts		.00		.00	.00	.00		+++	238,000.00
	Division	300 - Revenue Totals	\$987,022.00		\$65,589.22	\$393,571.80	\$493,450.20		44%	\$1,045,864.00
		REVENUE TOTALS	\$987,022.00		\$65,589.22	\$393,571.80	\$493,450.20		44%	\$1,045,864.00
	EXPENSE									
Division	600 - Operations									
630	Operations		759,606.00		91,211.90	410,015.44	349,590.56		54	709,640.95
640	Depreciation/Amortization		.00		7,462.70	44,776.20	(44,776.20)		+++	89,552.33
650	Debt Payments		51,960.00		.00	.00	51,960.00		0	.00
670	Fixed Assets		262,310.00		31,048.34	64,374.01	197,935.99		25	.00
	Division	600 - Operations Totals	\$1,073,876.00		\$129,722.94	\$519,165.65	\$554,710.35		48%	\$799,193.28
		EXPENSE TOTALS	\$1,073,876.00		\$129,722.94	\$519,165.65	\$554,710.35		48%	\$799,193.28
	Fund	300 - Data Processing Fund Totals	887,022.00		65,589.22	393,571.80	493,450.20		44%	1,045,864.00
		REVENUE TOTALS	1,073,876.00		129,722.94	519,165.65	554,710.35		48%	799,193.28
		EXPENSE TOTALS	(\$186,854.00)		(\$64,133.72)	(\$125,593.85)	\$61,260.15		67%	\$246,670.72





# Balance Sheet

Through 12/31/13  
Summary Listing

	Current YTD Balance	Prior Year Total Actual	Net Change	Change %
Fund Category <b>Proprietary Funds</b>				
Fund Type <b>Internal Service Funds</b>				
Fund <b>300 - Data Processing Fund</b>				
ASSETS				
LIABILITIES				
FUND EQUITY Prior to Current Year Changes	\$816,907.26	\$1,034,822.00	(\$217,914.74)	(21.06%)
Prior Year Fund Equity Adjustment	\$260,431.60	\$352,752.49	(\$92,320.89)	(26.17%)
Fund Revenues	\$682,069.51	\$682,069.51	\$0.00	0.00%
Fund Expenses	.00	*		
FUND EQUITY	(393,571.89)	519,165.65		
LIABILITIES AND FUND EQUITY	\$556,475.66	\$682,069.51	(\$125,593.85)	(18.41%)
Fund <b>300 - Data Processing Fund Totals</b>	\$816,907.26	\$1,034,822.00	(\$217,914.74)	(21.06%)
	\$0.00	\$0.00	\$0.00	+++

City and Borough of Sitka

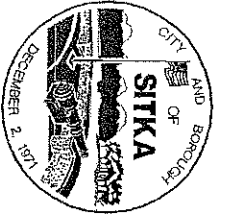
Central Garage Fund

Income Statement

For The Twelve-Month Period from July 1, 2013 to June 30, 2014

[Unaudited]

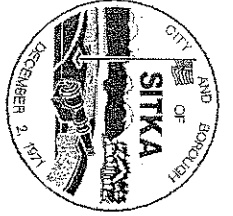
	Jul-Sep 2013	Oct-Dec 2013	Jan-Mar 2014	Apr-Jun 2014	FY2014 YTD	FY2013 YTD	FY2013 Variance To	FY2014 Plan Variance To
Revenues:								
Vehicle Billings	357,646	340,9	-	-	724,137	423,690	300,447	(201,742)
Other Operating Revenue	-	-	-	-	-	-	-	(13,341)
Total Revenues:	357,646	340,9	-	-	724,137	423,690	300,447	(201,742)
Cost of Sales:								
Cost of Sales:	76,679	119,843	-	-	198,522	200,786	2,264	77,176
Depreciation	93,410	93,410	-	-	186,820	159,824	(26,996)	186,820
Total Cost of Sales:	172,089	213,253	-	-	385,342	360,610	24,732	462,518
Gross Margin:	189,966	149,238	47.04%	#DIV/0!	342,204	63,080	279,124	(137,907)
Selling and Administrative Expenses	33,515	110,950	-	-	143,875	153,569	9,694	160,512
Earnings Before Interest [EBI]:	156,451	32,878	9.22%	#DIV/0!	198,329	(90,489)	288,818	(121,271)
Non-operating Revenue and Expense:								
Interest Expense:	24,110	(5,000)	-	-	33,054	(11,250)	3,272	19,250
Total Non-operating Revenue & Expense:	19,110	3,944	-	-	23,054	18,532	4,522	9,250
Net Income:	184,561	36,822	10.33%	#DIV/0!	221,383	(71,957)	293,340	(107,467)
Earnings Before Interest and Depreciation (EBIDA):	258,861	128,288	35.43%	#DIV/0!	385,149	69,335	315,814	506,420
Debt Principal Coverage Percentage:	2223.77%	1041.86%	#DIV/0!	#DIV/0!	-	100%	100%	100%
Debt Principal Coverage Surplus/Deficit:	255,473	117,732	-	-	383,203	62,867	320,336	(107,467)
Simple Cash Flow (Net Income Plus Depreciation):	277,971	130,232	-	-	408,203	87,867	320,336	(107,467)
Debt Principal:	12,500	25,000	-	-	25,000	25,000	-	25,000
Debt Principal Coverage Surplus/Deficit:	265,471	105,232	-	-	383,203	62,867	320,336	(107,467)
Debt Principal Coverage Surplus/Deficit (from Above):	265,471	117,732	-	-	383,203	62,867	320,336	(107,467)
Depreciation	93,410	93,410	-	-	186,820	159,824	26,996	186,820
Cash Accumulated For/(Taken From) Asset Replacement	172,061	24,322	-	-	196,383	(96,957)	293,340	303,850
Working Capital:								
Beginning Undesignated Working Capital	1,485,108	1,479,385	1,638,541	1,638,541	1,485,108	1,638,541	153,433	504,458
Net Income Plus Depreciation Less Principal	277,971	130,232	-	-	408,203	87,867	320,336	(107,467)
Cash, Accruals, and other Balance Sheet Changes	(283,694)	28,924	-	-	(254,770)	(278,251)	23,481	(254,770)
Ending Undesignated Working Capital	1,479,385	1,638,541	1,638,541	1,638,541	1,638,541	1,638,541	790,266	1,486,370
Working Capital Designated for Capex	313,931	274,132	274,132	274,132	274,132	389,895	(115,763)	274,132
Current Assets	1,842,403	1,950,308	1,950,308	1,950,308	1,842,403	1,950,308	107,905	504,458
Current Liabilities	913	12,365	12,365	12,365	913	12,365	11,452	504,458
CPLO	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	-	(107,467)
WCD Capex	(313,931)	(274,132)	(274,132)	(274,132)	(313,931)	(389,895)	76,964	(254,770)
Undesignated Working Capital	1,479,385	1,638,541	1,638,541	1,638,541	1,479,385	1,638,541	159,156	1,486,370
Total Working Capital	1,793,316	1,912,673	1,912,673	1,912,673	1,793,316	1,912,673	119,357	1,486,370



# Income Statement

Through 12/31/13  
Summary Listing

Organization	Organization Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category	Proprietary Funds						
Fund Type	Internal Service Funds						
Fund	310 - Central Garage Fund						
REVENUE							
DIVISION	300 - Revenue						
310	State Revenue	.00	.00	.00	.00	+++	16,288.53
340	Operating Revenue	1,851,757.00	99,702.00	724,137.00	1,127,620.00	39	1,622,543.15
360	Uses of Prop & Investment	63,500.00	3,292.26	33,054.44	30,445.56	52	26,606.29
380	Miscellaneous	.00	.00	3,408.99	(3,408.99)	+++	21,466.01
390	Cash Basis Receipts	.00	.00	.00	.00	+++	1,059.00
	Division 300 - Revenue Totals	\$1,915,257.00	\$102,994.26	\$760,600.43	\$1,154,656.57	40%	\$1,687,962.98
	REVENUE TOTALS	\$1,915,257.00	\$102,994.26	\$760,600.43	\$1,154,656.57	40%	\$1,687,962.98
EXPENSE							
DIVISION	600 - Operations						
601	Administration	321,022.99	25,647.22	143,875.13	177,147.86	45	364,023.97
630	Operations	551,394.80	35,753.00	198,522.07	352,872.73	36	482,170.99
640	Depreciation/Amortization	.00	31,136.73	186,820.38	(186,820.38)	+++	372,887.80
650	Debt Payments	70,000.00	.00	.00	70,000.00	0	22,500.00
670	Fixed Assets	225,000.00	11,651.96	50,217.93	174,782.07	22	.00
	Division 600 - Operations Totals	\$1,167,417.79	\$104,188.91	\$579,435.51	\$587,982.28	50%	\$1,241,582.76
	EXPENSE TOTALS	\$1,167,417.79	\$104,188.91	\$579,435.51	\$587,982.28	50%	\$1,241,582.76
Fund	310 - Central Garage Fund Totals	1,915,257.00	102,994.26	760,600.43	1,154,656.57	40%	1,687,962.98
	REVENUE TOTALS	1,167,417.79	104,188.91	579,435.51	587,982.28	50%	1,241,582.76
	EXPENSE TOTALS	\$747,839.21	(\$1,194.65)	\$181,164.92	(\$566,674.29)	24%	\$446,380.22
Fund	310 - Central Garage Fund Net Gain (Loss)						



# Balance Sheet

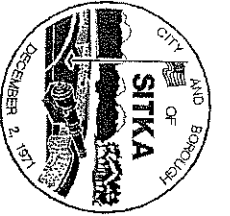
Through 12/31/13  
Summary Listing

Fund Category	Proprietary Funds	Current YTD	Prior Year	Net Change	Change %
Fund Type	Internal Service Funds	Balance	Total Actual		
Fund	310 - Central Garage Fund				
	ASSETS				
	LIABILITIES	\$5,232,871.66	\$5,103,613.02	\$129,258.64	2.53%
	FUND EQUITY Prior to Current Year Changes	\$412,364.55	\$464,270.83	(\$51,906.28)	(11.18%)
	Prior Year Fund Equity Adjustment	\$4,639,342.19	\$4,639,342.19	\$0.00	0.00%
	Fund Revenues	.00			
	Fund Expenses	(760,500.43)			
	FUND EQUITY	579,435.51			
	LIABILITIES AND FUND EQUITY	\$4,820,507.11	\$4,639,342.19	\$181,164.92	3.90%
	Fund	\$5,232,871.66	\$5,103,613.02	\$129,258.64	2.53%
	Fund 310 - Central Garage Fund Totals	\$0.00	\$0.00	\$0.00	+++

City and Borough of Sitka  
Building Maintenance Fund  
Income Statement

For The Twelve-Month Period From July 1, 2013 to June 30, 2014  
(Rounded)

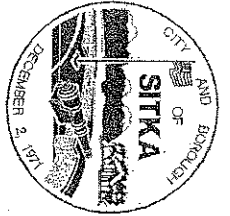
	Jul-Sep 2013	Oct-Dec 2013	Jan-Mar 2014	Apr-Jun 2014	FY2014 YTD	FY2013 YTD	FY2013 Variance To	FY2014 Plan Variance To
Revenue:								
Building Maintenance Charges	-	-	-	-	119,768	78,901	40,867	(97,019)
Total Revenue:	-	-	-	-	119,768	78,901	40,867	(97,019)
Cost of Sales:								
Operations	159,048	157,887	624	-	316,935	272,624	(43,301)	437,313
Depreciation	624	624	-	-	1,249	-	1,249	-
Total Cost of Sales:	159,672	158,512	624	-	318,184	272,899	(43,301)	438,562
Gross Margin:	(159,672)	(158,512)	(38,744)	#DIV/0!	(198,416)	(193,998)	(2,434)	(221,775)
Selling and Administrative Expenses	23,191	28,326	-	-	51,517	67,387	15,870	160,512
Earnings Before Interest (EBI):	(182,863)	(187,070)	(56,009)	#DIV/0!	(249,933)	(263,869)	13,936	(382,287)
Non-operating Revenue and Expenses:								
Interest Expense:	-	-	-	-	60,564	74,757	(14,193)	80,500
Total Non-operating Revenue & Expense:	11,398	49,166	-	-	60,564	74,757	(14,193)	80,500
Net Income:	(171,465)	(137,904)	(56,009)	#DIV/0!	(189,369)	(189,612)	233	(301,787)
Earnings Before Interest and Depreciation (EBID):	(182,239)	(166,449)	(56,449)	#DIV/0!	(248,684)	(262,120)	13,436	(381,038)
Debt Principal Coverage:								
Simple Cash Flow (Net Income Plus Depreciation)	(170,841)	(127,279)	-	-	(188,120)	(187,363)	757	(300,538)
Debt Principal Coverage Surplus/Deficit	(170,841)	(127,279)	-	-	(188,120)	(187,363)	757	(300,538)
Debt Principal Coverage Percentage	100%	100%	100%	100%	100%	100%	100%	0%
Simple Asset Replacement Coverage								
Debt Principal Coverage Surplus/Deficit (From Above)	(170,841)	(127,279)	624	-	(188,120)	(187,363)	757	(300,538)
Depreciation	624	624	-	-	1,249	1,249	-	-
Cash Accumulated For/(Taken From) Asset Replacement	(171,465)	(127,904)	-	-	(189,369)	(188,612)	757	(301,787)
Working Capital:								
Beginning Understated Working Capital	2,433,084	2,433,084	2,433,084	2,433,084	2,433,084	2,793,499	(360,415)	2,433,084
Net Income Plus Depreciation Less Principal	(170,841)	(127,279)	-	-	(188,120)	(187,363)	757	(300,538)
Capex, Accruals, and other Balance Sheet Changes	19,157	19,157	-	-	1,249	1,249	-	-
Ending Understated Working Capital	2,281,400	2,281,400	2,281,400	2,281,400	2,244,963	2,606,185	(361,172)	2,244,963
Working Capital Designated for CapEx	-	-	-	-	-	-	-	-
Current Assets	2,316,269	2,261,677	2,261,677	2,261,677	2,244,963	2,606,185	(361,172)	2,244,963
Current Liabilities	(14,869)	(16,714)	(16,714)	(16,714)	(16,714)	(16,714)	-	-
WCD/CAPEX - CP LTD	-	-	-	-	-	-	-	-
Working Capital	2,281,400	2,244,963	2,244,963	2,244,963	2,244,963	2,606,185	(361,172)	2,244,963



# Income Statement

Through 12/31/13  
Summary Listing

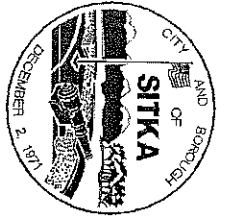
Organization	Organization Description	Budget Amount	Actual Amount	MTD	Actual Amount	YTD	Budget Less	% of	Prior Year
							YTD Actual	Budget	Total Actual
Fund Category	Proprietary Funds								
Fund Type	Internal Service Funds								
Fund	320 - Building Maintenance Fund								
	REVENUE								
Division	300 - Revenue								
310	State Revenue	.00	.00	.00	.00	.00	.00	+++	26,653.92
340	Operating Revenue	433,573.00	.00	.00	118,352.87	315,220.13	315,220.13	27	455,224.34
360	Uses of Prop & Investment	64,000.00	4,010.54	4,010.54	22,718.59	41,281.41	41,281.41	35	(32,462.76)
370	Interfund Billings	.00	1,415.00	1,415.00	1,415.00	(1,415.00)	(1,415.00)	+++	.00
390	Cash Basis Receipts	97,000.00	6,766.56	6,766.56	37,844.88	59,155.12	59,155.12	39	87,347.45
	REVENUE TOTALS	\$594,573.00	\$12,192.10	\$12,192.10	\$180,331.34	\$414,241.66	\$414,241.66	30%	\$536,762.95
	EXPENSE								
Division	600 - Operations								
601	Administration	107,550.00	10,306.88	10,306.88	51,517.16	56,032.84	56,032.84	48	159,950.02
630	Operations	874,625.12	39,626.77	39,626.77	316,935.27	557,689.85	557,689.85	36	659,216.77
640	Depreciation/Amortization	.00	208.12	208.12	1,248.72	(1,248.72)	(1,248.72)	+++	2,497.41
680	Transfer to Other Funds	.00	.00	.00	.00	.00	.00	+++	78,000.00
	EXPENSE TOTALS	\$982,175.12	\$50,141.77	\$50,141.77	\$369,701.15	\$612,473.97	\$612,473.97	38%	\$899,674.20
Fund	320 - Building Maintenance Fund								
	REVENUE TOTALS	594,573.00	12,192.10	12,192.10	180,331.34	414,241.66	414,241.66	30%	536,762.95
	EXPENSE TOTALS	982,175.12	50,141.77	50,141.77	369,701.15	612,473.97	612,473.97	38%	899,674.20
	Fund Net Gain (Loss)	(\$387,602.12)	(\$37,949.67)	(\$37,949.67)	(\$189,369.83)	\$198,232.31	\$198,232.31	49%	(\$362,911.25)
Fund Type	Internal Service Funds								
	REVENUE TOTALS	3,396,852.00	180,775.58	180,775.58	1,334,503.57	2,062,348.43	2,062,348.43	39%	3,270,589.93
	EXPENSE TOTALS	3,223,468.91	294,053.62	294,053.62	1,468,302.31	1,755,166.60	1,755,166.60	46%	2,940,450.24
	Fund Net Gain (Loss)	\$173,383.09	(\$103,278.04)	(\$103,278.04)	(\$133,798.74)	(\$307,181.83)	(\$307,181.83)	(77%)	\$330,139.69
Fund Category	Proprietary Funds								
	REVENUE TOTALS	4,716,805.00	291,981.46	291,981.46	2,044,026.14	2,672,778.86	2,672,778.86	43%	4,799,360.61
	EXPENSE TOTALS	4,203,693.71	397,682.18	397,682.18	2,157,813.07	2,045,880.64	2,045,880.64	51%	4,606,119.30
	Fund Net Gain (Loss)	\$513,111.29	(\$105,700.72)	(\$105,700.72)	(\$113,786.93)	(\$626,898.22)	(\$626,898.22)	(22%)	\$193,241.31



# Balance Sheet

Through 12/31/13  
Summary Listing

Fund Category	Proprietary Funds	Current YTD	Prior Year	Net Change	Change %
Fund Type	Internal Service Funds	Balance	Total Actual		
Fund	320 - Building Maintenance Fund				
	ASSETS	\$2,223,856.40	\$2,492,151.32	(\$268,294.92)	(8.76%)
	LIABILITIES	\$16,714.28	\$45,639.39	(\$28,925.11)	(63.38%)
	FUND EQUITY Prior to Current Year Changes	\$2,446,511.93	\$2,446,511.93	\$0.00	0.00%
	Prior Year Fund Equity Adjustment	.00			
	Fund Revenues	(180,331.34)			
	Fund Expenses	369,701.15			
	FUND EQUITY	\$2,257,142.12	\$2,446,511.93	(\$189,369.81)	(7.74%)
	LIABILITIES AND FUND EQUITY	\$2,223,856.40	\$2,492,151.32	(\$268,294.92)	(8.76%)
Fund	320 - Building Maintenance Fund Totals	\$0.00	\$0.00	\$0.00	+++
Fund Type	Internal Service Funds Totals	\$0.00	\$0.00	\$0.00	+++
Fund Category	Proprietary Funds Totals	\$0.00	\$0.00	\$0.00	+++

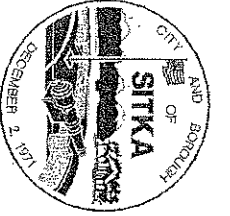


# Income Statement

Through 12/31/13  
Summary Listing

Organization	Organization Description	Budget Amount	Actual Amount	MTD	Actual Amount	YTD	Budget Less	YTD Actual	% of Budget	Prior Year Total Actual
Fund Category	Fiduciary Funds									
Fund Type	Trust and Agency Funds									
Fund	400 - Permanent Fund									
	REVENUE									
360	Division 300 - Revenue	300,000.00	182,164.96		344,387.87		(44,387.87)		115%	2,691,208.71
	Uses of Prop & Investment								+++	60,465.44
390	Cash Basis Receipts	.00	.00		.00		.00		+++	
	Division 300 - Revenue Totals	\$300,000.00	\$182,164.96		\$344,387.87		(\$44,387.87)		115%	\$2,751,674.15
	REVENUE TOTALS	\$300,000.00	\$182,164.96		\$344,387.87		(\$44,387.87)		115%	\$2,751,674.15
	EXPENSE									
601	Division 600 - Operations									
	Administration									
680	Transfer to Other Funds	.00	.00		.00		.00		+++	935.00
	Division 600 - Operations Totals	1,110,000.00	555,000.00		555,000.00		555,000.00		50	1,101,525.00
	EXPENSE TOTALS	\$1,110,000.00	\$555,000.00		\$555,000.00		\$555,000.00		50%	\$1,102,460.00
	Fund 400 - Permanent Fund Net Gain (Loss)	\$1,110,000.00	\$555,000.00		\$555,000.00		\$555,000.00		50%	\$1,102,460.00
	Fund Type Trust and Agency Funds Totals	300,000.00	182,164.96		344,387.87		(44,387.87)		115%	2,751,674.15
	REVENUE TOTALS	300,000.00	182,164.96		344,387.87		(44,387.87)		115%	2,751,674.15
	EXPENSE TOTALS	1,110,000.00	555,000.00		555,000.00		555,000.00		50%	1,102,460.00
	Fund Type Trust and Agency Funds Net Gain (Loss)	(\$810,000.00)	(\$372,835.04)		(\$210,612.13)		\$599,387.87		26%	\$1,649,214.15
	Fund Category Fiduciary Funds Totals	300,000.00	182,164.96		344,387.87		(44,387.87)		115%	2,751,674.15
	REVENUE TOTALS	300,000.00	182,164.96		344,387.87		(44,387.87)		115%	2,751,674.15
	EXPENSE TOTALS	1,110,000.00	555,000.00		555,000.00		555,000.00		50%	1,102,460.00
	Fund Category Fiduciary Funds Net Gain (Loss)	(\$810,000.00)	(\$372,835.04)		(\$210,612.13)		\$599,387.87		26%	\$1,649,214.15
	Grand Totals									
	REVENUE TOTALS	5,016,805.00	474,146.42		2,388,414.01		2,628,390.99		48%	7,551,034.76
	EXPENSE TOTALS	5,313,693.71	952,682.18		2,712,813.07		2,600,880.64		51%	5,708,579.30
	Grand Total Net Gain (Loss)	(\$296,888.71)	(\$478,535.76)		(\$324,399.06)		(\$27,510.35)		109%	\$1,842,455.46





# Balance Sheet

Through 12/31/13  
Summary Listing

Fund Category	Fiduciary Funds	Current YTD	Prior Year	Net Change	Change %
Fund Type	Trust and Agency Funds	Balance	Total Actual		
Fund	400 - Permanent Fund				
<b>ASSETS</b>					
	FUND EQUITY Prior to Current Year Changes	\$20,003,169.32	\$20,213,781.45	(\$210,612.13)	(1.04%)
	Prior Year Fund Equity Adjustment	\$20,213,781.45	\$20,213,781.45	\$0.00	0.00%
	Fund Revenues	.00			
	Fund Expenses	(344,387.87)			
	FUND EQUITY	555,000.00			
<b>LIABILITIES AND FUND EQUITY</b>					
	Fund 400 - Permanent Fund Totals	\$20,003,169.32	\$20,213,781.45	(\$210,612.13)	(1.04%)
	Fund Type, Trust and Agency Funds Totals	\$20,003,169.32	\$20,213,781.45	(\$210,612.13)	(1.04%)
	Fund Category, Fiduciary Funds Totals	\$0.00	\$0.00	\$0.00	+++
	Grand Totals	\$0.00	\$0.00	\$0.00	+++



## Legislation Details

---

File #: 14-072      Version: 1      Name:  
Type: Special Report      Status: AGENDA READY  
File created: 4/16/2014      In control: City and Borough Assembly  
On agenda: 4/22/2014      Final action:  
Title: Blue Lake Expansion Project Construction - One Year Later  
Sponsors:  
Indexes:  
Code sections:  
Attachments:

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------



## Legislation Details

---

File #: 14-069      Version: 1      Name:  
Type: Minutes      Status: AGENDA READY  
File created: 4/16/2014      In control: City and Borough Assembly  
On agenda: 4/22/2014      Final action:  
Title: Approve the minutes of the April 8, 2014 Assembly meeting  
Sponsors:  
Indexes:  
Code sections:  
Attachments: [Minutes](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

If this is pulled from the consent agenda the following motion would be in order:

## **POSSIBLE MOTION**

---

**I MOVE TO** approve the minutes of the  
April 22, 2014 Assembly meeting.



# CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS  
330 Harbor Drive  
Sitka, AK  
(907)747-1811

## Minutes - Draft

### City and Borough Assembly

*Mayor Mim McConnell*

*Deputy Mayor Matt Hunter*

*Vice-Deputy Mayor Phyllis Hackett, Pete Esquiro, Mike Reif,  
Benjamin Miyasato and Aaron Swanson*

*Municipal Administrator: Mark Gorman*

*Municipal Attorney: Robin L. Koutchak*

*Municipal Clerk: Colleen Ingman, MMC*

---

Tuesday, April 8, 2014

6:00 PM

Assembly Chambers

---

#### **WORKSESSION 5:00 - 5:50 PM**

Sound Development LLC gave a presentation to the Assembly on their plan for Tract C of the South Benchlands.

#### **REGULAR MEETING**

##### **I. CALL TO ORDER**

##### **II. FLAG SALUTE**

##### **III. ROLL CALL**

**Present:** 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

##### **IV. CORRESPONDENCE/AGENDA CHANGES**

None.

##### **1. 14-065 Reminders and Correspondence for April 8, 2014**

##### **V. CEREMONIAL MATTERS**

Mayor read and presented a proclamation on National Public Health Week.

##### **2. 14-066 National Public Health Week Proclamation**

##### **VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Municipal Departments, School District, Students and Guests (time limits apply)**

Benjamin Miyasato, vice chair of Sitka Tribe of Alaska announced the new general manager, Lawrence SpotteBird, would start Monday, April 14.

**VII. PERSONS TO BE HEARD**

Dr. William E. Davis spoke to the Greater Sitka Legacy Fund. He described it as a fund where one could leave a lasting remembrance to Sitka. Davis, expressing his gratitude, said the Fund received \$50,000 from the Rasmuson Foundation and provided an overview of other donations received to date.

Patrick Williams and Ellen Bailey passed out information on County Health Rankings for Sitka announcing Sitka was number two in the State with the goal to be number one.

**VIII. REPORTS****a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other**

Mayor - Attended the Choose Respect March; participated in a seafood chowder cook off; hosted a table at the Chamber Dinner honoring the USCG. Mentioned that Captain Edward Sandlin will be moving in June. Jesuit volunteers hosted a dinner for her where she learned about their pursuit and they learned about city and tribal governments. Attended an "Art Place" site on behalf of Alaska Arts Southeast informing that they had applied for a grant. Met with staff, Mike Reif and Hugh Bevan to discuss roads where a town hall meeting was proposed on the topic. Talked with Sitka Historical Society Executive Director Hal Spackman about Assembly members that might want to attend the Historical Society benefit function this Thursday. For anyone interested a table will be reserved, but members need to notify Hal.

Administrator spoke to a petition received by neighbors from the Shelikof Way neighborhood regarding a possible B&B violation; suggested a clarification ordinance may be needed at a future date. Noted the Tourism Summit had been downgraded. The hope was to get a couple Assembly members to work with the Sitka Convention and Visitor's Bureau to revisit their role etc. Received a proposal for a commercial pig farm. It was the City's conclusion that it was not a compatible use for the proposed location. He continued to receive concerns from the owners of Stereo North on the Community Ride location and held a meeting this week to discuss options. He added, there was an exhaustive community process that led to the current location. With regard to the Alaska Energy Authority (AEA) Loan - the good news was there should be language coming out of the Senate Finance Committee authorizing the loan, bad news, there was no appropriation. There was a current program that may not actualize, and in that event funding may come available. With regard to the Local Purchase Ordinance, the quote system would be ready to go live this week and local businesses would be able to apply. The State Capital Budget was released this week and there was \$3.3 Million Head Tax money identified for Sitka. This was new money that would tie to the city's priority list for head tax funding. Late last week the position of Police Lieutenant was offered to Jeffery Ankerfelt of Minnesota. The City had two very strong candidates for this position. Gorman added he met with Pacific High Government Class.

Attorney - Advised that she and Pete Esquiro (in his role as Tribal Court Judge) traveled to Anchorage to present on Sitka's Minor Consuming Infractions. Sitka's program is admired statewide. In Sitka, instead of arraigning them on their first offense they are given an opportunity to go through the Tribal Youth Diversion program. The program, started in 2005, teaches them about alcohol, self worth, etc. Koutchak noted the program was available to all youth.

Liaisons - Hackett attended the Health Needs and Community Services Commission and urged people to take a look at the data on the county health network ([www.countyhealthrankings.org](http://www.countyhealthrankings.org)). The Commission will give the Assembly an update at the next meeting. Reif attended the Chamber of Commerce Annual Banquet sat with and praised USCG Captain Edward Sandlin. Met with a number of city staff to discuss how we can get our roads to sustainability.

Other - Speaking to the Electric Department Report Reif asked about critical path items identified - wondering if we were close. Utility Director, Chris Brewton, responded this was delayed a couple days. He clarified the City was not expecting to use any diesel this spring. Brewton added, the Electric Department would be encouraging electrical and water conservation in the future during some major projects.

## IX. CONSENT AGENDA

**A 14-061** Approve the minutes of the March 25, 2014 Assembly meeting

**A motion was made by Hunter to adopt the CONSENT AGENDA consisting of Items A & B. The motion PASSED on the following vote.**

**Yes:** 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

**B 14-062** Approve close out and fund transfer for Capital Project #90647 (Jarvis Tank Inspection)

**This item was APPROVED ON THE CONSENT AGENDA.**

## X. UNFINISHED BUSINESS:

**C ORD 14-02** Amending Sitka General Code at Chapter 9.20 entitled "Smoking in Public Places and Places of Employment" to modify Section 9.20.035 regarding prohibition of children in places where smoking is permitted

Ryan Kaufman voiced his support of what he viewed as clarifying the language of the 2005 vote.

Davis Tjosmsland suggested the Assembly was going too far. He felt it was up to parents etc. He alleged the Assembly was micromanaging things parents should do.

Margaret Peterson, American Legion representative spoke against this. She said that it was going to stop a three hour kids Christmas party held once a year with several attendees. She wondered if passing this would mean that the Pioneers Home and local hotels would have to get rid of their smoking rooms. Peterson encouraged a vote of the people not just that of the Assembly. She believed the Assembly was overstepping their grounds.

Hackett spoke to a former Assembly member, Al Duncan, and his belief as to the intent of the ordinance: it was to keep children out of smokey environments. She spoke to the Elks Lodge going smoke free. She supports.

Reif personally does not know what the intent of the voters was back in 2005, he can

only speculate. He believed if the question was put before voters today they would support it.

Hunter was still conflicted. The language as written was unclear and therefore, very easy for people to make their own interpretation. He felt there should be a clarifying vote by the people as it had been ten years. Third-hand smoke was bad but not as bad as second-hand smoke and that data did not exist back in 2005. He would not support this ordinance for these reasons, yet he was very sensitive to the personal responsibility issue.

Hackett pointed out there were a lot of laws that were public safety issues the Assembly enforced without a vote of the people.

**The motion had been previously proposed until all seven Assembly members were present. The motion was renewed and PASSED by the following vote.**

**Yes:** 6 - McConnell, Hackett, Esquiro, Reif, Swanson, and Miyasato

**No:** 1 - Hunter

**D ORD 14-07**

Amending SGC Title 13 entitled "Port and Harbors" by Repealing and Reenacting certain sections to substantially update the laws governing the conduct and use of Sitka Municipal Harbor Facilities by adopting clear requirements for vessel maintenance and care and procedures for impounding nuisance vessels

Hackett thanked the Attorney and Harbormaster for their work.

Reif queried Harbormaster Stan Eliason and Port and Harbors Commissioner Stan Johnson on a few clerical edits. He expressed concern with contacting harbor users by certified mail. He believed that would be challenging for harbor users and suggested using text or email as harbor users were often out of town. Municipal Attorney Koutchak explained this was a procedural due process element that required certified mail. The law took a dim view of people being out of town and not having post office boxes. The other method was personal service.

A lengthy discussion took place on the absence of a penalty for leaving fuel burning appliances unattended. It was noted the Harbormaster could give verbal warnings and issue warning letters but the City didn't have the staff power to enforce. The USCG has the authority, the City does not. Koutchak stressed the rules needed to be there and could be enforced through warnings.

Commissioner Stan Johnson agreed on giving the harbormaster the leeway. As he recalled, part of the conversation had to do with the issue of soot and suggested the language include the word "unsafe."

**A motion was made that this Ordinance be PASSED ON SECOND READING. An amendment was made by Reif to add the word "unsafe." Both motions PASSED by the following vote.**

**Yes:** 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato



- E     ORD 14-08**     Revising Chapter 4.09 of the SGC, at Subsection 4.09.110 entitled "Residence Construction Tax Refund" to extend the time period for applying for the refund to two years after the issuance of the building permit, and, to clarify that only one refund per building permit will be issued
- Reif mentioned he had formerly recused himself on first reading but after speaking with the Municipal Attorney was advised he really did not need to. That being said, he would participate in the discussion but refrain from voting on the ordinance.
- A motion was made by Hunter that this Ordinance be PASSED ON SECOND READING. The motion PASSED by the following vote.**
- Yes:** 6 - McConnell, Hunter, Hackett, Esquiro, Swanson, and Miyasato
- Recused:** 1 - Reif

**XI.   NEW BUSINESS:**

**New Business First Reading**

- F     ORD 14-06**     Authorizing Sublease of space by Island Girl Coffee LLC at the Sitka Rocky Gutierrez Airport Terminal Building
- A motion was made by Hunter that this Ordinance be PASSED ON FIRST READING. The motion PASSED by the following vote.**
- Yes:** 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato
- G     ORD 14-09**     Amending the Sublease with Ostrov Enterprises d/b/a Airport Gift Shop at the Sitka Rocky Gutierrez Airport Terminal Building to modify Lease Space and Square Footage due to the sale of Espresso Stand
- A motion was made by Swanson that this Ordinance be PASSED ON FIRST READING. The motion PASSED by the following vote.**
- Yes:** 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

**Additional New Business Items**

- H     14-064**     Approve an amendment to the Sitka Coastal management Plan Enforceable Policy 1.4 to delete Picnic Cove as a permitted personal use floathouse site
- John DeLong, a float house owner, stated he and his son were currently putting together a float house with the idea of placing it in Picnic Cove. His son gathered some signatures on a petition of folks that want to continue to allow float houses in the Cove.
- Ward Eldridge voiced concern with affordable housing and unintended consequences.
- Scott Saline had float houses in the past and spoke to the Coastal Management Plan and his dissatisfaction with it. He would like to see the item postponed.

Brian Timmer found out about this agenda item a day ago and looked up the Coastal Management Plan speaking to Section 1.04 which grandfathered in the existing float house, of which his father owned. Timmer indicated new applicants still had to be approved. He felt there was plenty of space and didn't think the existing float house was obstructing the public access.

Jeff Wheeler was the previous owner of the other float in the bay. He relayed that all the good anchorage was in the middle of Picnic Cove. He didn't think the Assembly was getting all the facts.

Rob Miller, an avid hunter, fisherman, and subsistence gatherer, spoke to safe havens being taken away from people. Miller said he did not support the agenda item and did not feel there was a conflict of use between float houses and the public.

Mike Mayo told of a story when he was in Picnic Cove and ran across a man in a simple row boat. The float house served as a safe haven for the man and he favored keeping it there.

Government Relations/Coastal Management Director, Marlene Campbell, offered some history. The Coastal Management Program died in 2011 and funding ceased. The Assembly did adopt the enforceable policies. Department of Natural Resources owns them. Campbell stated DNR was currently receiving a number of inquiries and interest from the heirs of the former float house owner. DNR still recognized Sitka's Coastal Management Plan. Campbell noted there were no legal float houses in Picnic Cove. Other sites were much larger and could accommodate a number of float houses. Campbell continued to say there had been a lot of public concern for the Cove being too small to accommodate both float houses and recreational users. Bringing the agenda item forward was simply an attempt to see whether the City wanted to close the site because it had been problematic in years past. DNR was just waiting to hear whether Sitka wants to comment.

Mayor wondered if there was additional float house space in existing sites.

Miyasato mentioned that some people felt unsafe and unwelcome in Picnic Cove. The Mayor felt that situation had been rectified. Hackett wondered if the float house could be removed in the future or did it need to be done now. Campbell said past Regional Directors had always deferred to Sitka to set policy but ultimately it was DNR's decision as they were the ones to issue the permits. Hackett was torn and thought it a shame to get rid of a living off the grid opportunity. She also spoke strongly of public use.

One of the Mayor's concerns was whether the recreational boaters passing through were able to anchor up there. Miyasato was conflicted too, speaking to anchorage. The float house owners needed to recognize there was going to be public use in the Cove. Hackett would like to have the issue monitored and be informed if complaints were received.

**A motion was made by Hackett to amend the policy. The motion FAILED on the following vote.**

**No:** 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

I 14-063

Approve a blanket waiver of the \$100 penalty non-filing fee for 2014 property taxes

Ann Lowe spoke in support of the waiver.

A motion by Hunter to approve a blanket waiver of the \$100 penalty non-filing fee for 2014 property taxes. The motion PASSED on the following vote.

Yes: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

**XII. PERSONS TO BE HEARD:**

None.

**XIII. EXECUTIVE SESSION**

None.

**XIV. ADJOURNMENT**

With no further business and no objections the Assembly ADJOURNED at 8:37 PM.

ATTEST: \_\_\_\_\_  
Colleen Ingman, MMC  
Municipal Clerk



## Legislation Details

---

File #: 14-071      Version: 1      Name:

Type: Appointment      Status: AGENDA READY

File created: 4/16/2014      In control: City and Borough Assembly

On agenda: 4/22/2014      Final action:

Title: Reappoint James Kinsman to a term on the Historic Preservation Commission and Appoint Rachel Moreno to the Sitka Convention and Visitor's Bureau

Sponsors:

Indexes:

Code sections:

Attachments: [Appointments](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

If this item is pulled from the consent agenda the following motion would be in order:

**POSSIBLE MOTION**

**I MOVE TO** reappoint: 1) James Kinsman to a term on the Historic Preservation Commission and appoint 2) Rachel Moreno to a term on the Sitka Convention and Visitors Bureau



**Application for Appointment to Boards, Committees, and Commissions  
City and Borough of Sitka**

Board/Commission/Committee: Historic Preservation Commission  
 Name: James Kinsman Daytime Phone: 747-4223  
 Address: 114 Wolff Drive Evening Phone: 966-3335  
 Email Address: jkinsman@fs.fed.us Fax Number: —  
 Length of Residence in Sitka: Six years Registered to vote in Sitka?  Yes  No  
 Employer: USES

Organizations you belong to or participate in:  
Alaska Anthropology Association

Explain your main reason for applying:

*I feel that the work that the Commission does is important to support the historic built environment of Sitka*

What background, experience or credentials will you bring to the board, commission, or committee membership?

*Degree in Anthropology / Archaeology  
 Experience in Historic preservation*

Please attach a letter of interest, outline, or resume which includes your education, work, and volunteer experience that will enhance your membership.

→ (To be considered, your application must be complete AND be accompanied by one of the above supporting documents.)

Date: 4-9-2014 Signature: *James J Kinsman*

Your complete application and resume should be returned to the Municipal Clerk's Office by noon on the Wednesday prior to an advertised Assembly meeting. Applications received after the deadline will be considered but will not be included in the Assembly packets for review prior to appointment.

Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed?  Yes  No

Return to:  
 Sara Peterson, Deputy Clerk  
 100 Lincoln Street  
 Fax: 907-747-7403  
 Email: sara@cityofsitka.com

Dear Madam Clerk,

I am interested in continuing as a member of the Sitka Historic Preservation Commission. I have held off from re-applying for this position to allow for other interested parties to have an opportunity and encouraged the representative for the commission to advertize the vacancy. I have heard many people complain about the boards and commissions that support the City government being a minority making decisions that affect the majority. It is for this reason that I held of re-applying there by allowing the opportunity for others to apply. The Commission plays an important role in this community as recognized by Historic Preservation Fund Certified Local Government grants that have been leveraged by the many organizations that own historic properties in Sitka. Recognizing this I would like to be considered to fulfill the remainder this next term on the Historic Preservation Commission.

Sincerely, Jay Kinsman



**Application for Appointment to Boards, Committees, and Commissions  
City and Borough of Sitka**

Board/Commission/Committee: CVB Sitka Convention & Visitors Bureau Board  
 Name: Rachel Moreno Daytime Phone: 738-6595  
 Address: 1710 Edgemoor Dr. Evening Phone: \_\_\_\_\_  
 Email Address: morenorachel95@yahoo.com Fax Number: \_\_\_\_\_  
 Length of Residence in Sitka: 25 years Registered to vote in Sitka?  Yes  No  
 Employer: Alaska SafeTech Industries - Owner

Organizations you belong to or participate in:  
Sitka Tribe of Alaska - Tribal Council, Sec.  
Alaska Native American Indian Tourism Assoc. BOD

Explain your main reason for applying: Appointed by STA. Very interested and involved in tourism locally, nationally & internationally.

What background, experience or credentials will you bring to the board, commission, or committee membership?  
BOD-ALASKA, former tour operator for STA. Heavily involved in economic devel.

Please attach a letter of interest, outline, or resume which includes your education, work, and volunteer experience that will enhance your membership.

→ (To be considered, your application must be complete AND be accompanied by one of the above supporting documents.)

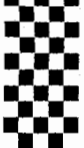
Date: 4-16-14 Signature: Rachel Moreno

Your complete application and resume should be returned to the Municipal Clerk's Office by noon on the Wednesday prior to an advertised Assembly meeting. Applications received after the deadline will be considered but will not be included in the Assembly packets for review prior to appointment.

Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed?  Yes  No

Return to:  
 Sara Peterson, Deputy Clerk  
 100 Lincoln Street  
 Fax: 907-747-7403  
 Email: sara@cityofsitka.com





To: Sitka Assembly Members  
From: Rachel Moreno, Sitka Tribal Councilwoman  
Date: April 16, 2014  
Re: CVB Seat

Dear Assembly Members,

I am writing to submit my application and experience for the seat on the Convention & Visitors Bureau Board. I was voted to represent the Sitka Tribe of Alaska for this position at our retreat in February 2014. My Experience in business spans over 30 years in the areas of retail, wholesale and start-up business development.

When I lived in Denver from 1985-1989, I worked as the Public Information Specialist and Economic Development Specialist. In this position, I assisted tribal businesses and those interested in starting a business do market research, business plans and attain financing.

In 1992, my husband Ron Waldron and I started R & R Ergonomics, an office furniture business in Juneau. We attained SBA 8-A certification for this business and sold to state, federal as well as private buyers.

In 2007, we formed Waldron Inc., LLC and under this business started Alaska SafeTech Industries. We have completed and sold nine townhomes on De Groff and Monastery Street and now do business with the State of Alaska for the Weatherization Program.

I was elected to the Sitka Tribe of Alaska Tribal Council in 2009 and now have the position of Secretary.

I was elected to the Board of Directors for the Alaska Native American Indian Tourism Association Board of Directors in 2010 and hold the position of Vice President.

My interest in tourism stems from my experience as a tour operator for the Sitka Tribe of Alaska and my work now is global. I would greatly appreciate the opportunity to sit on the CVB Board and will commit my time and talent in this position.

Please feel free to contact me with any questions at 907-738-6595.

Best Regards



Rachel Moreno, Sitka Tribe of Alaska Tribal Councilwoman

AIANTA, Vice President



## SITKA CONVENTION & VISITORS BUREAU

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
MARY STENSVOLD Box 1042	747-4210 w 747-6734 kruzov@yahoo.com	5/12/09 8/24/10 9/24/13	8/14/10 8/24/13 9/24/16	Chair
EVY KINNEAR 1720 Edgecumbe Dr	747-3032 h 738-3032 c evy@fortressofthebear.org	1/14/14	1/14/17	Vice-Chair
ANGELA MCGRAW PO BOX 234	752-3102 c 744-3080 h angelamcgraw@rocketmail.com	2/22/11 2/25/14	2/22/14 2/25/17	
LINDA SPEERSTRA 210 Crabapple Drive	747-8316 moonspeer@gci.net	3/8/11 3/26/13	3/23/13 3/26/16	
TAD KISAKA PO Box 6398	738-2737 c 747-4640 h tad@flyfishsitka.com	4/9/13	4/9/16	
Mim McConnell 215 Smith St. Apt. G	747-2860 h 738-2888 c assemblymcconnell@cityofsitka.com			Assembly Liaison

7 members 3-year terms

Established by Ordinance 80- 431  
Last Tuesday of each month, 1pm, Harrigan Hall  
The schedule is revised for the summer months

Tonia Rioux, Director  
Box 1226  
747-5940 w 747-3739 f  
[director@sitka.org](mailto:director@sitka.org)

Revised: March 3, 2014



## Legislation Details

---

File #: 14-070      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 4/16/2014      In control: City and Borough Assembly

On agenda: 4/22/2014      Final action:

Title: Authorize amending a Professional Services Agreement between JWA, Inc. and the CBS for the Jarvis Street Diesel Plant Capacity Addition Project

Sponsors:

Indexes:

Code sections:

Attachments: [JWA Agreement](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Should this item be pulled from the consent agenda  
Then the following motion would be in order:

## **POSSIBLE MOTION**

**I MOVE TO authorize the Municipal Administrator to amend and execute Professional Services Agreement with JWA, Inc. not to exceed \$100,000 for the Jarvis Street Diesel Plant Capacity Addition Project.**

# Memorandum

April 10, 2014

To: Mark Gorman, Municipal Administrator  
From: Christopher Brewton, Utility Director  
Subject: **Professional Services Agreement – JWA, Inc. – Amendment #1**

**Request:**

This is to request Assembly approval to authorize the Municipal Administrator to amend a Professional Services Agreement (PSA) between JWA, Inc. (Project Director) and the City and Borough of Sitka (CBS) for the Jarvis Street Diesel Plant Capacity Addition (Project). The revised PSA is attached.

The construction management services provided by JWA, Inc. have been exemplary in moving the Jarvis Diesel Capacity Project towards completion. Presently, all major pieces of equipment have been installed, including; turbine-generator, inlet air structures, exhaust stack, auxiliary skid, electric equipment room (EER), generator step up transformer, 69kV circuit breaker & substation A-Frame steel, fuel tank foundations, and underground utilities. It is imperative to maintain this technical expertise to assist the Electric Department in final completion of the project.

Major milestones remaining are;

- Installation of fuel tanks and associated piping
- Installation of new 75' transmission pole, line switches, & connections
- Design & installation of water supply system to turbine
- Testing & commissioning of all new substation equipment
- Interconnection & testing of all turbine-generator components
- Testing & commissioning of turbine-generator for unrestricted operations
- Emissions testing per ADEC/EPA Title V Permit
- On-site Solar operations/maintenance training for Electric Department staff

**Funding:**

Sufficient funding is available in the Jarvis Diesel Plant Capacity Addition project to fund this work.

**Recommended Motion:**

I MOVE to authorize the Municipal Administrator to amend a Professional Services Agreement with JWA, Inc. in a NTE amount of \$100,000 for the Jarvis Street Diesel Plant Capacity Addition Project, and execute the Agreement on behalf of the Assembly of the City & Borough of Sitka.

**Jarvis Street Diesel Capacity Addition**  
**JWA, Inc. (JWA)**  
**Professional Services Agreement Appendix**  
**To be attached to CBS's standard agreement**  
**April 10, 2014**

**Appendix (A) Scope of Work**

The CBS intends to install new diesel-fueled generation capacity at the existing Jarvis Street Diesel Plant. In that the Principal of JWA, Inc. is familiar with Sitka's electric system, and has extensive demonstrated experience in the design and construction of fossil-fueled generation, the CBS is contracting the services of JWA, Inc. as Project Director to assist Sitka with overseeing the engineering, procurement, and construction of this project. The scope of the engineering required to complete Jarvis Diesel Capacity Addition is outlined under Diesel Capacity-Scope of Work Appendix (A1). This work will be performed by a general engineering firm selected by the CBS.

JWA, Inc.'s scope for the design/engineering phase is to assist and advise the CBS in:

- Defining the tasks required to design project,
- Developing task order invitations,
- Determine specific engineering analysis, design, and certifications required for project,
- Assist department staff in acquiring necessary services to complete engineering design & preparation of relevant bid documents,
- Reviewing the work products,
- Make recommendations to the CBS as requested that will achieve the goal of producing a well engineered cost efficient end product.

JWA, Inc.'s scope for the construction phase is to assist and advise the CBS in:

- Managing construction contracts,
- Reviewing submittals,
- Construction site inspections,
- Developing project operations manuals and related materials,
- Testing & commissioning of new generation.

**Appendix (A1) Diesel-Fueled Capacity Increase - Scope of Work**

JWA, Inc. will prepare general engineering contract(s) for design, procurement, construction, construction support services, and final commissioning for the Jarvis Street Diesel Capacity Addition Project. The CBS anticipates the following specific task orders will be issued for the engineering services. In each case the CBS will outline the task

scope, and issue a Task Order Invitation for each task. JWA, Inc. will prepare a detailed task scope and estimate of the man-hours, required information or data from the CBS necessary to complete the task, milestones and cost to perform the task as dictated by the Task Order Invitation. The task order will be issued only after approval of the engineering consultant's detailed scope and budget for each task order.

1. Task 1 (Design development):
  - a) Review of existing information
  - b) Geotechnical investigation and site survey
  - c) Project arrangement with feasibility level drawings
  - d) Design criteria for the project features
  - e) Feasibility level cost estimate
  - f) Permitting and regulatory submittals
  - g) Schedule for the selected project
  
2. Task 2 (Engineering, equipment specifications and bid document preparation for equipment procurement):
  - a. Site preparation and rock removal
  - b. Diesel prime mover and generator package
  - c. Generator enclosure
  - d. Switchyard transformers and equipment
  - e. Fuel storage and handling equipment
  - f. Lube oil storage and handling equipment
  - g. Controls and switchgear
  - h. Ancillary equipment
  
3. Task 3 (Engineering, detailed design, specifications and bid document preparation for project construction):
  - a. Access roads and site civil preparation
  - b. Enclosure, controls, prime mover, generators, ancillary equipment, and appurtenances
  - c. Substation and switchyard modification
  - d. Existing utilities relocation
  - e. Construction cost estimate
  - f. Non-FERC permitting (i.e. construction permitting)
  
4. Task 4 (Engineering services during construction):
  - a. Review procurement contract submittals.
  - b. Provide as-built drawings
  - c. Provide construction management
  - d. Unit testing and commissioning.

The Tasks are laid out as discreet events so that in the case that this contract is terminated by either party, the engineering may be continued by a third party using all the work completed at the time of termination.

## **Appendix B Compensation**

### Compensation

Compensation for JWA, Inc. will be based on actual hours, expenses and the cost of third party services.

- 1) Hourly rates for JWA, Inc. are \$123.00/hr for all services, which is expressed in US dollars. Rates will be adjusted to include an annual 2.5% increase effective each year this PSA is in effect.
- 2) Overtime will be billed at straight time rate.
- 3) Internal expenses, such as IT (computer, standard software, etc.) are included in the hourly rate and will not be charged separately.
- 4) External expenses (express mail, travel, meals, etc.) billed at cost plus 5% mark-up.
- 5) Compensation for field services during construction involves housing, subsistence and other assignment costs, which will be negotiated at the time that services are required.
- 6) All compensation is for non-licensed professional services per Appendix (D).

## **Appendix C Communication**

### Communication Organization

Communications between the Contractor and the CBS shall include the CBS's Utility Director, Christopher Brewton for the CBS and Jack West (Principal) for the contractor.

All communications regarding scope, schedule or budget shall be directed to the CBS's Utility Director. All communications requesting agreement or confirmation of technical decisions or conclusions shall be directed to the CBS's Utility Director.

Communications directly between the Contractor, construction contractors, CBS staff or the CBS's individual consultants may take place, provided that all such communications are appropriately copied to the CBS's Utility Director.

For the purpose of this project the Contractor shall act as the Owner's representative and single point-of-contact to manage all aspects of the project.

### Direction of Work

Contractor's work shall be directed and requested by the CBS's Utility Director. Requests and direction will be submitted to the contractor in writing usually by e-mail.



The contractor shall acknowledge each request and provide a short proposal to perform the work and timetable to complete it. POs will be issued by the CBS in the form of a general retainer for the work performed.

### Reporting

Contractor shall provide a monthly report summarizing work performed during the month, and status of the work in progress. This report is to be submitted with all monthly invoices.

## **Appendix D Work Products**

### Work Products / Deliverables

Work performed under this contract need not be stamped by a professional engineer.

All deliverables must be submitted in the electronic format that it was generated (i.e. WORD, Excel, ACAD), so that it may be modified, a pdf format for publication, and paper copies when and as requested by the CBS.

Progress submittals shall also be submitted in Adobe Acrobat .pdf format. As needed, the underlying documents shall be edited as needed to provide easily readable .pdf format documents.

### Use of Deliverables

The CBS retains the right to use all work products paid for by the CBS to continue the development and construction of the Jarvis Street Diesel Capacity Addition Project. The work products may be released to third parties to continue the work if necessary.

## **Appendix E Schedule**

The Scope of Work will be performed as the Project progresses to completion. The Project is scheduled for completion and must be placed into full service no later than August 2014.

# **AGREEMENT TO PROVIDE PROFESSIONAL SERVICES TO THE CITY AND BOROUGH OF SITKA**

The **City and Borough of Sitka (“CBS”)** and **JWA, Inc. (“Contractor”)** individually referred to as “Party” and collectively referred to as “Parties,” enter into this “Agreement to Provide Professional Services to the City and Borough of Sitka” The terms, conditions, and consideration regarding this Agreement are set out below.

This Agreement consists of:

- Professional Services Agreement
- Appendix (A): Scope of Work – Jarvis Diesel Plant Capacity Increase
- Appendix (B): Compensation
- Appendix (C): Communication
- Appendix (D): Work Products
- Appendix (E): Schedule

## **SECTION 1. DEFINITIONS**

For the purpose of this Agreement, the terms used herein shall have the following meaning:

- A. The term “CBS” shall mean “City and Borough of Sitka”.
- B. The term “Contractor” shall mean “JWA, Inc.”.
- C. “CBS” Authorized Representative shall be the person listed in Section 21(B)(2) of this Agreement.
- D. “Days” shall mean calendar days.

## **SECTION 2. AGREEMENT TIME PERIOD**

- A. This Agreement becomes effective when signed and dated by both Parties, and covers the time period when professional services are provided by Contractor.
- B. Contractor shall perform for and on behalf of CBS regarding the services set out in the Scope of Services (attached as Appendix A). Except as expressly allowed under this Agreement, CBS need not grant the Contractor any extension in the time provided to complete the work

under this Agreement. If the Contractor progress falls behind the project schedule, the Contractor shall commit additional resources to complete the work, or take such other additional steps as are reasonably necessary to assure the completion of the work at no additional cost to CBS.

- C. Contractor shall perform for and on behalf of CBS the scope of work in an expedient and reasonable manner.

### **SECTION 3. RESPONSIBILITY OF THE CONTRACTOR**

At all times during the Contractor's performance under this Agreement, the Contractor shall possess and exercise the level of competence, knowledge and skill presently maintained by other practicing members of the profession in good standing in the same or similar localities.

Contractor must certify that the firm is authorized to do business in Alaska and provide proof of insurance and licensing.

### **SECTION 4. SCOPE OF SERVICE**

The services to be performed by the Contractor shall include all services required to complete the scope of work set forth in Appendix A,C, & D and shall be in accordance with all applicable statutes, ordinances, rules and regulations.

### **SECTION 5. OWNERSHIP OF DOCUMENTS**

All plans, drawings, calculations, supporting data and specifications, originals and tracings,(Work Products) Appendix D shall become the property of CBS. Such documents shall be transmitted to CBS prior to the time of final payment for the work under this Agreement. The Contractor shall be entitled to retain and reference record copies and electronic files of all documents.

All designs, drawings, specifications, notes, artwork, computer programs, reports and other work developed with Energy Authority grant funds are public domain. In particular, the following language is in place: "Except as otherwise specifically agreed, and without limiting any Intellectual Property requirements of a federal funding agency, the Energy Authority shall have unlimited rights to use and to disseminate any data produced or delivered in the performance of the contract."

### **SECTION 6. TERMINATION**

This Agreement may be terminated:

- A. By mutual consent of the Parties;
- B. For the convenience of CBS, provided that CBS notifies the Contractor of its intent to

terminate under this paragraph in writing at least 10 days prior to the effective date of the termination; or

- C. For cause, by either Party where the other Party fails in any material way to perform its obligation under this Agreement; provided, however, that as a condition of the exercise of its right of termination under this subsection, the terminating Party shall notify the other Party of its intent to terminate this Agreement in writing, state with reasonable specificity the grounds, and allow the defaulting Party to cure the default within thirty (30) days of receiving the notice.
- D. Termination pursuant to this Section shall not affect the Parties continuing obligations under this Agreement.

#### **SECTION 7. DUTIES UPON TERMINATION**

- A. If CBS terminates this Agreement for convenience, CBS shall pay the Contractor the reasonable value of any services satisfactorily rendered prior to termination. Payment under this Section shall never exceed the total compensation possible under Section 9. CBS may terminate the work upon ten (10) days written notice to Contractor. Within ten (10) days after the Agreement terminates, Contractor shall deliver to CBS all finished and unfinished notes, reports, drawings and materials prepared by the Contractor which shall become the property of CBS.
- B. If this Agreement is terminated for cause, CBS shall pay the Contractor the reasonable value of the services satisfactorily rendered prior to termination less any damages suffered by CBS because of the Contractor's failure to perform satisfactorily. Any finished or unfinished documents or materials shall become the property of CBS at its option. Under no circumstances shall payment under this Section exceed the total compensation possible under Section 9.
- C. If the Contractor has received payments prior to termination in excess of the amount to which he is entitled under Subsection A or B of this Section, the excess amount shall be remitted to CBS within 30 days after receipt of CBS's notice to that effect.
- D. The Contractor shall not be entitled to compensation under this Section until the Contractor has delivered to CBS all documents, records, work products, materials and equipment owned by CBS, related to this Agreement and/or requested by CBS, as provided in Subsection A and B of this Section.
- E. CBS need not recognize any claim by the Contractor for reimbursable expenses or costs incurred after the time which the Contractor receives notice of termination under this Section.

## **SECTION 8. INDEMNIFICATION**

- A. The Contractor shall indemnify, defend, save, and hold CBS harmless from any claims, lawsuits or liability, including attorney's fees and costs, arising from any wrongful or negligent act, error or omission of the Contractor occurring during the course of or as a result of the Contractor's performance pursuant to this Agreement.
- B. The Contractor shall not indemnify, defend, save, and hold CBS harmless from any claims, lawsuits, liability, or attorney's fees and costs, arising from wrongful or negligent acts, errors or omissions solely by the City and Borough of Sitka occurring during the course of or as a result of the performance of this Agreement.
- C. Where claims, lawsuits, or liability, including attorney's fees and costs, arise from wrongful or negligent acts of both CBS and the Contractor, the Contractor shall indemnify, defend, save and hold CBS harmless from only that portion of claims, lawsuits or liability, including attorney's fees and costs, which result from the Contractor's wrongful or negligent acts occurring during the course of or as a result of the Contractor's performance pursuant to this Agreement.

## **SECTION 9. PAYMENT**

- A. For the Contractor's services, as described in Appendix (A), (C) & (D) of this Agreement, compensation will be paid on a time and expense basis, as defined in Appendix (B) unless otherwise mutually agreed upon by both Parties prior to commencing additional work.
- B. The Contractor shall present invoice(s) to the CBS's Authorized Representative at 100 Lincoln St. Sitka Alaska 99835. Such invoice(s) shall describe the work for which payment is sought and shall document expenses and fees to the satisfaction of the CBS's Authorized Representative. Invoices shall not be submitted more frequently than once every 30 days.
- C. CBS's Authorized Representative shall approve, or not approve, and make payment on invoices within 30 days of receipt of invoice. If invoice is not approved the CBS must notify the consultant and may withhold payment on the portion not approved, payment must be made on the approved portion.
- D. The Contractor shall be entitled to no compensation under this Agreement beyond the amount of the CBS's express obligation under Subsection A above.
- E. For the purposes of Section 9 the invoices shall be presented to the CBS designated contacts.

## **SECTION 10. AUDIT: ACCESS TO RECORDS**

- A. The Contractor shall maintain records of performances, communications, documents, correspondence and costs pertinent to this Agreement. CBS's Authorized Representatives shall have the right to examine such records and accounting procedures and practices.
- B. CBS's Authorized Representative shall have the right to examine all books, records, documents and other data of the Contractor related to the negotiation, pricing and performance Agreement, and any change or modification for the purpose of evaluating the accuracy, completeness and currency of the data submitted. The right of examination shall extend to all documents necessary to permit adequate evaluation of the data, computations and projections used.
- C. The materials described in this Section shall be made available at the business office of the Contractor at all reasonable times for inspection, audit or reproduction, for a minimum of three (3) years from the date of final payment under this Agreement and for such longer period, if any, as may be required by applicable statute or other provisions of this Agreement.
- D. If this Agreement is completely or partially terminated, records relating to the services terminated shall be made available to CBS by the Contractor for a minimum of three (3) years from the date of any resulting final settlement.
- E. Records which relate to claims or litigation or the settlement of claims arising out of the performance of this Agreement shall be made available to CBS by the Contractor until such claims or litigation have been concluded.

## **SECTION 11. RELATIONSHIP OF PARTIES**

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

## **SECTION 12. ASSIGNMENTS**

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

CBS reserves the right to approve all sub-consultant agreements.

### **SECTION 13. NONDISCRIMINATION**

- A. The Contractor shall not discriminate against any employee or applicant for employment because of race, color religion, national origin, ancestry, age, sex or marital status or mental or physical handicap. The Contractor shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, national origin, ancestry, age, sex, or marital status or mental or physical handicap. Such action shall include, without limitation, employment, upgrading, demotion or transfer, recruitment or recruiting, advertising, lay-off 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 for this nondiscrimination clause.
- B. The Contractor shall state in all solicitations or advertisements for employees to work on jobs relating to this Agreement, that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, ancestry, age, or marital status or mental or physical handicap.
- C. The Contractor shall include the provisions of Subsection A of this Section in every subcontract or purchase order under this Agreement, so as to be binding upon every such subcontractor or vendor of the Contractor under this Agreement.
- D. The Contractor shall comply with all applicable Federal, State and Municipal laws concerning the prohibition of discrimination.

### **SECTION 14. COPYRIGHTS AND RIGHTS IN DATA**

All documentation, including notes, drawings, reports and other technical information, hereinafter referred to as work products, produced under this Agreement, except items which have pre-existing copyrights, are the property of the CBS. Payments to the Contractor for services hereunder include full compensation for all work products produced by the Contractor and its subcontractor.

All such subject data furnished by the Contractor pursuant to this Agreement are instruments of the Contractor's services in respect to this particular project. It is understood that the Contractor does not represent such subject data to be suitable for reuse on any other project or for any other purpose. If the CBS reuses the subject data without the Contractor's specific written verification of adaption, such reuse will be at the risk of CBS, without liability to the Contractor. Any such verification of adaption requested in writing by CBS at CBS's sole option will entitle the Contractor to further compensation at rates agreed upon by CBS and Contractor.

## **SECTION 15. NOTICES**

Any notice required pertaining to this Agreement shall be in writing and either personally delivered or mailed by prepaid, first class, registered or certified mail, return receipt requested, to the following addresses:

### **CITY AND BOROUGH OF SITKA:**

Attn: Mark Gorman (Administrator)  
City and Borough of Sitka  
100 Lincoln Street  
Sitka, Alaska 99835

### **CONTRACTOR:**

Attn: Jack West (President)  
JWA, Inc.  
3705 Arctic Blvd., #BB  
Anchorage, Alaska 99503

## **SECTION 16. CLAIMS AND DISPUTES**

If the Contractor becomes aware, or reasonably should have become aware, of any act or occurrence which may form the basis of a claim, the Contractor shall immediately notify in writing the CBS's Authorized Representative. If the matter cannot be resolved within seven (7) days, the Contractor shall, within the next fourteen (14) days, submit a written notice of the claim. The Contractor shall, in presenting the claim, include the facts and circumstances surrounding the claim, the specific relief requested including any additional compensation claimed and the basis upon which it was calculated, and the provisions of this Agreement under which the claim is made. This procedure covers all claims by the Contractor for additional compensation or any extension of the time for performance or any dispute regarding a question of fact or interpretation of this Agreement. The Contractor agrees that unless these written notices are provided, the Contractor shall have no entitlement to additional time nor compensation for such act, event or condition.

## **SECTION 17. SUCCESSORS AND ASSIGNS**

CBS and the Contractor each bind himself, his partners, successors, assigns and legal representatives to the other Party to this Agreement and to the partners, successors, assigns and legal representatives of such other Party with respect to all covenants of this Agreement.

## **SECTION 18. INSURANCE**

A. The Contractor shall at all times during the term of this Agreement, maintain in good standing the insurance described in Subsection B of this Section. Before rendering any services under this Agreement, the Contractor shall furnish the CBS with proof of insurance in accordance with Subsection B of this Section in a form acceptable to the CBS; such proof of insurance shall be incorporated as Appendix C of this Agreement.



B. Type of coverage:

- |    |   |             |
|----|---|-------------|
| 1. | <u>General Liability</u>                  | \$1,000,000 |
| 2. | <u>Workman's Compensation</u>             | Statutory   |
| 3. | <u>Comprehensive Automotive Liability</u> | \$500,000   |
| 4. | <u>Professional Errors and Omissions</u>  | N/A         |

C. Insurance Notes

1. CBS shall be named as an additional named insured on the required general liability. CBS shall also be granted a full waiver of any rights of subrogation under all required policies including Workmen's Compensation policy. These requirements extend to all subcontractors.
2. All of the policies of insurance so required to be purchased and maintained (or the certificates or other evidence thereof shall contain a provision or endorsement that the coverage afforded will not be canceled, materially changed or renewal refused until at least thirty days prior written notice has been given to CBS by certified mail.

**SECTION 19. PERMITS, LAWS AND TAXES**

The Contractor shall acquire and maintain in good standing all permits, licenses and other entitlement necessary to its performance under this Agreement. All actions taken by the Contractor under this Agreement shall comply with all applicable statutes, ordinances, rules and regulations. The Contractor shall pay all taxes pertaining to its performance under this Agreement.

**SECTION 20. NON-WAIVER**

The failure of either Party at any time to enforce a provision of this Agreement shall in no way constitute a waiver of the provision, nor in any way affect the validity of this Agreement or any part of the Agreement, or the right of such Party to enforce each and every provision of the Agreement.

**SECTION 21. AMENDMENT**

- A. This Agreement shall only be amended, modified or changed by a written amendment, executed by authorized representatives of the Parties, and such amendment shall be attached to this Agreement as an Appendix.

B. For the purposes of any amendment, modifications or change to the terms and conditions of this Agreement, the only authorized representatives of the Parties are:

1. For Contractor – Jack West (President)
2. For CBS – Mark Gorman, Municipal Administrator

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

**SECTION 22. SEVERABILITY**

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

**SECTION 23. JURISDICTION - CHOICE OF LAW**

Any civil action rising from this Agreement shall be brought in the Alaska Superior Court First Judicial District at Sitka. The law of the State of Alaska shall govern the rights and obligations of the Parties under this Agreement.

**SECTION 24. INTEGRATION**

This Agreement and all appendices and amendments embody the entire agreement of the Parties. There are no promises, terms, conditions or obligations other than those contained in this Agreement.

This Agreement shall supersede all previous communications, representations or agreements, either oral or written, between the Parties.

**IN WITNESS**, the Parties execute this Agreement in duplicate on the date shown below, and by their signatures, confirm they are authorized to sign this Agreement.

**CITY AND BOROUGH OF SITKA**

**CONTRACTOR**

\_\_\_\_\_  
Mark Gorman, City Administrator

\_\_\_\_\_  
Jack West, President

Date:\_\_\_\_\_

Date:\_\_\_\_\_

EIN NO. 920084269

**ATTEST:**

CERTIFIED FUNDS AVAILABLE:

\_\_\_\_\_  
Colleen Ingman, MMC  
Municipal Clerk  
Date: \_\_\_\_\_

Fund Number: \_\_\_\_\_  
Account Number: \_\_\_\_\_  
Amount of Contract: **NTE \$100,000**  
**(renewable as required by the CBS)**

\_\_\_\_\_  
Jay Sweeney, Finance Director  
Date: \_\_\_\_\_

**APPROVAL OF CONTRACT FORM**

\_\_\_\_\_  
Robin Koutchak  
Municipal Attorney  
Date: \_\_\_\_\_



## Legislation Details

---

File #: ORD 14-06    Version: 1    Name:

Type: Ordinance    Status: SECOND READING

File created: 3/5/2014    In control: City and Borough Assembly

On agenda: 4/22/2014    Final action:

Title: Authorizing Sublease of space by Island Girl Coffee LLC at the Sitka Rocky Gutierrez Airport Terminal Building

Sponsors:

Indexes:

Code sections:

Attachments: [ORD 14-06 Motion](#)  
[ORD 2014-06 Island Girl Lease](#)

Date	Ver.	Action By	Action	Result
4/8/2014	1	City and Borough Assembly		

## **POSSIBLE MOTION**

**I MOVE TO** approve the Ordinance 2014-06 on second and final reading.



# City and Borough of Sitka

## PUBLIC WORKS

100 LINCOLN STREET • SITKA, ALASKA 99835

PHONE (907) 747-1804 • FAX (907) 747-3158

---

**To:** Mayor McConnell and Assembly Members  
Mark Gorman, Municipal Administrator

**From:** Michael Harmon, Public Works Director *MHA*  
Gary E. Baugher Jr., Maintenance and Operations Superintendent *GEB*

**cc:** Jay Sweeney, Finance Director

**Date:** 31 March 2014

**Subject:** Island Girl Coffee, LLC Sublease

---

### Background

City and Borough of Sitka owns the Airport Terminal Building ("Terminal Building"), which is built on land leased from the State of Alaska. Island Girl Coffee, LLC is a coffee shop that is requesting to sublease L-4 and L-5 of the subleased spaces at the terminal building, based on a tenant sublease agreement with the City and Borough of Sitka. Island Girl, LLC purchased the assets (inventory and equipment) from Runway 29 coffee shop, Ostrov Enterprises. The owners of Island Girl Coffee, LLC are Kara and Marie Kesanooksisk.

### Analysis

The new sublease term commences on April 1, 2014 to Feb. 28, 2018, unless terminated or extended as herein provided. Tenant shall have the right to exercise options to renew for two successive terms of three (3) years each upon the same terms and conditions as this sublease agreement.

The terms of the tenant lease requires Assembly written approval for any assignment, with approval not to be arbitrarily withheld. The State of Alaska "Sublease Guidelines for Tenants" also requires approval by the State of Alaska, Department of Transportation and Public Facilities, of any assignment of the terminal tenant leases. Further, the assignee must obtain and provide proof of the required Insurance coverage in accordance with the tenant Lease Agreement.

### Fiscal Note:

The terminal building sublease rate for the Island Girl Coffee Lease shall be \$693.60 per month computed at the rate of \$1.70 per square foot per month, plus the City and Borough of Sitka Sales Tax.

The sublease rate will be adjusted based on the percentage difference between "All Items" figure for Anchorage, Alaska in the "Consumer Price Index for All Urban Consumers", (CPI). The adjustment shall occur annually on March 1, and the tenant is required to make such adjustments on its own each year.

**Recommendation:**

Approve sublease agreement with the owner of the Island Girl Coffee, LLC contingent on receipt of proof of the required insurance coverage, and approval from the State of Alaska, Department of Public Facilities of the assignment.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2014-06

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AUTHORIZING  
SUBLEASE OF SPACE BY ISLAND GIRL COFFEE LLC AT THE SITKA  
ROCKY GUTIERREZ AIRPORT TERMINAL BUILDING

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to become a part of the Sitka General Code (“SGC”).

2. **SEVERABILITY.** If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstances shall not be affected.

3. **PURPOSE.** State of Alaska owns the Sitka Rocky Gutierrez Airport Terminal Building (“Terminal Building”) in Sitka, Alaska. City and Borough of Sitka (“CBS”) has a 30-year lease agreement with the State of Alaska, Lease No. ADA-50103, which began on July 1, 1994 and expires on June 30, 2024.

Island Girl Coffee LLC recently purchased the on-hand merchandise, supplies, inventory, equipment, fixtures and appliances of Runway 29 at the Sitka Rocky Gutierrez Airport. Island Girl Coffee LLC would like to sublease the spaces known as L-4 and L-5, consisting of 408 square feet, to continue the operation of an espresso stand that has been in that location since March 5, 2004. The Sublease Agreement would be a sublease, beginning April 1, 2014, and ending on February 28, 2018, with an option for two 3-year extensions. The Sublease Agreement ending date of February 28, 2018, is consistent with current sublease agreements at the airport terminal and allows for all options of renewals to be done at the same time in 2018.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that:

- A. The Assembly finds that competitive bidding is inappropriate under SGC 18.12.010E for Terminal Building space as Island Girl Coffee LLC is willing to pay fair market value for the space as determined by the Municipal Assessor, and will execute the new standardized Terminal Building Sublease Agreement;
- B. Execution of the attached sublease is authorized; and



1 C. Approval of this sublease agreement is contingent on the State of  
2 Alaska DOT&PF approval and consent to the Sublease Agreement.

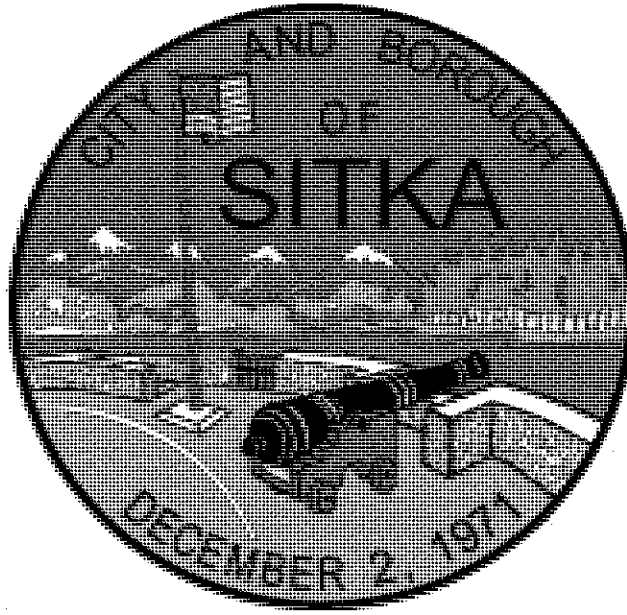
3  
4 5. **EFFECTIVE DATE.** This ordinance shall become retroactive and  
5 effective April 1, 2014.

6  
7 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and  
8 Borough of Sitka, Alaska this 22<sup>nd</sup> day of April, 2014.

9  
10  
11  
12  
13 \_\_\_\_\_  
Mim McConnell

14 ATTEST:

15  
16 \_\_\_\_\_  
17 Colleen Ingman, MMC  
18 Municipal Clerk



# **SUBLEASE AGREEMENT**

**BETWEEN**

**THE  
CITY AND BOROUGH OF SITKA**

**AND**

**ISLAND GIRL COFFEE LLC**

<b>SUBLEASE PREAMBLE</b> .....	<b>1</b>
<b>SPECIAL PROVISIONS</b> .....	<b>1</b>
<b>ARTICLE I: SUBLEASE, TERM OF SUBLEASE, AND TERMINATION OF SUBLEASE</b> .....	<b>1</b>
Section 1.1 Conveyance of Estate in Sublease.....	1
Section 1.2 Authorized Uses.....	1
Section 1.3 Sublease Term.....	1
Section 1.4 Options to Renew.....	1
Section 1.5 Disposition of Improvements and Tenant's Personal Property Following Term of Sublease.....	2
Section 1.6 Covenants to Perform.....	2
<b>ARTICLE II RENT</b> .....	<b>2</b>
Section 2.1 Calculation & Method of Payment of Rent During the Initial Three-Year Term of the Sublease.....	2
Section 2.2 Cost of Living Adjustment to Sublease Rate: .....	3
Section 2.3 Reserved.....	3
Section 2.4 Property Tax Responsibility.....	3
<b>ARTICLE III: RESTRICTIONS UPON USE OF SUBJECT PROPERTY</b> .....	<b>3</b>
Section 3.1 Tenant's Obligations as to Construction, Maintenance, Repair and Safety.....	3
Section 3.2 CBS's Approval of Certain Alterations or Improvements.....	4
Section 3.3 Rights of Access to Subject Property .....	5
Section 3.4 Additional Conditions of Subleasing.....	5
Section 3.5 Control of Rodents and Other Creatures on Subject Property.....	7
<b>ARTICLE IV UTILITY SERVICES &amp; RATES</b> .....	<b>8</b>
Section 4.1 Provision of Utility Services.....	8
Section 4.2 CBS Not Liable for Failure of Utilities or Building.....	8
Section 4.3 Janitorial.....	8
<b>ARTICLE V INDEMNIFICATION</b> .....	<b>8</b>
Section 5.1 Liability of and Indemnification by Tenant.....	8
Section 5.2 Liability of and Indemnification by CBS.....	9
Section 5.3 Reimbursement of Costs of Obtaining Possession.....	9
<b>GENERAL PROVISIONS</b> .....	<b>9</b>
<b>ARTICLE VI DEFINITIONS</b> .....	<b>9</b>
Section 6.1 Defined Terms.....	9
<b>ARTICLE VII INSURANCE</b> .....	<b>10</b>
Section 7.1 Insurance.....	10
Section 7.2 Notification of Claim, Loss, or Adjustment.....	10
Section 7.3 Waiver of Subrogation.....	10
<b>ARTICLE VIII RESTRICTIONS REGARDING ASSIGNMENT, SUBLEASES, AND TRANSFERS OF SUBJECT PROPERTY</b> .....	<b>11</b>
Section 8.1 Tenant Without Power to Assign Sublease or Transfer or Encumber Subject Property.....	11
Section 8.2 Limitations on Subleases.....	11

<b>ARTICLE IX USE AND PROTECTION OF THE SUBJECT PROPERTY .....</b>	<b>11</b>
Section 9.1 Subject Property As Is - Repairs. ....	11
Section 9.2 Compliance with Laws. ....	11
Section 9.3 Notification of CBS Public Works Director of Discovery of Contamination.....	12
Section 9.4 Use of Utility Lines. ....	12
Section 9.5 Permits and Approvals for Activities. ....	12
<b>ARTICLE X CBS’S RIGHT TO PERFORM TENANT’S COVENANTS; REIMBURSEMENT OF CBS     FOR AMOUNTS SO EXPENDED .....</b>	<b>12</b>
Section 10.1 Performance of Tenant's Covenants To Pay Money. ....	12
Section 10.2 CBS's Right To Cure Tenant's Default.....	12
Section 10.3 Reimbursement of CBS and Tenant.....	13
<b>ARTICLE XI DAMAGE OR DESTRUCTION.....</b>	<b>13</b>
Section 11.1 Repair and Replacement of Structures and Improvements Following Damage....	13
<b>ARTICLE XII LIENS.....</b>	<b>14</b>
Section 12.1 Discharge of Mechanics' and Other Liens.....	14
<b>ARTICLE XIII LIEN FOR RENT AND OTHER CHARGES.....</b>	<b>14</b>
Section 13.1 Lien for Rent.....	14
<b>ARTICLE XIV DEFAULT PROVISIONS .....</b>	<b>14</b>
Section 14.1 Events of Default.....	14
Section 14.2 Assumption or Assignment of Sublease to Bankruptcy Trustee.....	15
Section 14.3 Remedies in Event of Default.....	15
Section 14.4 Waivers and Surrenders To Be In Writing.....	17
<b>ARTICLE XV CBS’S TITLE AND LIEN.....</b>	<b>17</b>
Section 15.1 CBS's Title and Lien Paramount. ....	17
Section 15.2 Tenant Not To Encumber CBS's Interest. ....	17
<b>ARTICLE XVI REMEDIES CUMULATIVE .....</b>	<b>17</b>
Section 16.1 Remedies Cumulative.....	17
Section 16.2 Waiver of Remedies Not To Be Inferred. ....	18
Section 16.3 Right to Terminate Not Waived. ....	18
<b>ARTICLE XVII SURRENDER AND HOLDING OVER .....</b>	<b>18</b>
Section 17.1 Surrender at End of Term. ....	18
Section 17.2 Rights Upon Holding Over.....	18
<b>ARTICLE XVIII MODIFICATION .....</b>	<b>18</b>
Section 18.1 Modification. ....	18
<b>ARTICLE XIX INVALIDITY OF PARTICULAR PROVISIONS.....</b>	<b>19</b>
Section 19.1 Invalidity of Provisions. ....	19
<b>ARTICLE XX APPLICABLE LAW AND VENUE .....</b>	<b>19</b>
Section 20.1 Applicable Law. ....	19
<b>ARTICLE XXI NOTICES.....</b>	<b>19</b>
Section 21.1 Manner of Mailing Notices. ....	19
Section 21.2 Notice to Subleasehold Mortgagee and Secured Parties. ....	19
Section 21.3 Sufficiency of Service. ....	20
Section 21.4 When Notice Deemed Given or Received.....	20

<b>ARTICLE XXII MISCELLANEOUS PROVISIONS.....</b>	<b>20</b>
Section 22.1 Captions.....	20
Section 22.2 Conditions and Covenants.....	20
Section 22.3 Entire Agreement.....	20
Section 22.4 Time of Essence as to Covenants of Sublease.....	20
<b>ARTICLE XXIII COVENANTS TO BIND AND BENEFIT RESPECTIVE PARTIES AND TO RUN</b>	
<b>WITH THE SUBJECT PROPERTY .....</b>	<b>20</b>
Section 23.1 Covenants to Run with the Subject Property.....	20
Section 23.2 Interest in Deposits Automatically Transferred. ....	20
<b>ARTICLE XXIV ADDITIONAL GENERAL PROVISIONS.....</b>	<b>21</b>
Section 24.1 Absence of Personal Liability. ....	21
Section 24.2 Sublease Only Effective As Against CBS Upon Approval of Assembly and DOT&PF. ....	21
Section 24.3 Binding Effects and Attorneys Fees.....	21
Section 24.4 Duplicate Originals.....	21
Section 24.5 Declaration of Termination. ....	21
Section 24.6 Authority.....	21

Exhibits

- Exhibit A – Diagram of Sublease Area
- Exhibit B - Lease between the State of Alaska Department of Transportation and Public Facilities and City and Borough of Sitka
- Exhibit C – State of Alaska Department of Transportation Consent to Sublease
- Exhibit D – State of Alaska Department of Transportation Sublease Guidelines

## **SUBLEASE AGREEMENT**

### **PREAMBLE**

City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska 99835 ("CBS") and Island Girl Coffee LLC, 108 Osprey Street, Sitka, Alaska 99835-9720 ("Tenant"), enter into this Sublease Agreement ("Sublease"). This Sublease is subject to all requirements and conditions of CBS's prime lease ADA-50103 with the State of Alaska, Department of Transportation and Public Facilities ("DOT&PF") and consists of the Special Provisions, the General Provisions, and the following attached Exhibits:

- Exhibit A - Pictorial representation of the areas subleased in the Sitka Rocky Gutierrez Airport terminal building, ("Terminal Building"), including sublease spaces L-4 and L-5, at 600 Airport Road, Sitka, Alaska 99835 ("Subject Property").
- Exhibit B - Lease between CBS and DOT&PF of the Terminal Building at Lot 3, Block 600.
- Exhibit C - DOT&PF document authorizing CBS to sublease any Terminal Building area.
- Exhibit D - Sublease Guidelines For Tenants, required by DOT&PF.

### **SPECIAL PROVISIONS**

#### **ARTICLE I: SUBLEASE, TERM OF SUBLEASE, AND TERMINATION OF SUBLEASE**

##### **Section 1.1 Conveyance of Estate in Sublease.**

CBS, for and in consideration of the Rents received and of the covenants and agreements made by Tenant, does sublease to Tenant, and Tenant subleases from CBS, the Subject Property as shown on Exhibit A. Exhibit A shows an approximately 408 square feet of Terminal Building space.

##### **Section 1.2 Authorized Uses.**

Tenant is authorized to use the premises as an espresso stand.

##### **Section 1.3 Sublease Term.**

The Sublease term commences on April 1, 2014, and ends on February 28, 2018, unless sooner terminated or extended as hereinafter provided. The Sublease Term may be extended, based on the Options to Renew in Section 1.3.

##### **Section 1.4 Options to Renew.**

Provided there does not then exist a continuing material default by Tenant under this Sublease at the time of exercise of this right or at commencement of any extended term, Tenant shall have the right to exercise options for two successive terms of three (3) years each upon the same terms and conditions as this Sublease (except Section 1.2), with the Sublease payments during the

extension terms as described in Article II. Each of these options is effective only if (a) Tenant makes a written request to exercise such option not more than one year or less than six months from the end of the immediately preceding term; and (b) Tenant is in compliance with law and this Sublease and is not in default under this Sublease. Options to renew must be approved by the CBS Assembly and DOT&PF.

**Section 1.5 Disposition of Improvements and Tenant's Personal Property Following Term of Sublease.**

With the exception of such improvements described in the next sentence, Tenant shall remove from the Subject Property any personal property or improvements constructed, installed, or deposited on the Subject Property at the termination of this Sublease or any extension unless Tenant makes a separate written agreement with CBS to do otherwise. Subject to the provisions of the next sentence, Tenant shall leave behind at no cost to CBS improvements including: bollards, ladders, drains and drain lines; toilets; bathroom sinks; building systems and their components such as plumbing, piping, and fixtures; building structural components; non-structural improvements such as walls and ceilings; devices not used for processing or manufacturing such as but not limited to electrical service entrance equipment, electrical distribution panels, electrical cables, feeders, branch circuit wiring, and appurtenances such as light fixtures, switches, and other devices; portable fire extinguishers, smoke detectors, and fire and life safety equipment attached or fastened in ways integral to the building in which Subject Property is located. Any improvements or personal property not removed after thirty (30) days have passed after termination of this Sublease shall be deemed abandoned and at CBS's option shall become the property of CBS, and Tenant shall repay to CBS any costs of removing such improvements or personal property from the Subject Property if CBS does not exercise such option. Any holes that may be left in walls, ceilings, or floors as a result of removal of improvements shall be repaired by Tenant in a manner that meets all existing requirements of local, state, and federal law and matches the existing materials of Subject Property. Subject to CBS's obligations under Subsection 3.1 below, Tenant agrees to leave Subject Property in a neat, clean, and weather-tight condition at the end of the term of the Sublease.

**Section 1.6 Covenants to Perform.**

This Sublease is made upon the above and the following terms and conditions, each of which the Party bound by such covenants and conditions agrees to perform, irrespective of whether the particular provision is in the form of a covenant, an agreement, a condition, a direction, or otherwise, and each Party agrees to provide the other Party with documents or further assurances as may be required to carry out the expressed intentions.

**ARTICLE II RENT**

**Section 2.1 Calculation & Method of Payment of Rent During the Initial Five-Year Term of the Sublease.**

The first year of the Sublease begins on the commencement date of this Sublease set out in Article I. Each successive year of the Sublease begins on the corresponding anniversary commencement date of the Sublease. Notwithstanding any other provision of this Sublease, on the term start date set out in Article I, Tenant shall pay the full Sublease Rent for the year. Subject to the provision in the previous sentence, Tenant shall pay the Sublease payments for

subsequent years each month in advance on the first day of each and every month for which Rent is due throughout the term of the Sublease without the necessity of any billing by CBS. Tenant will sublease the space as shown in Exhibit A for \$8,323.20/year payable at a rate of \$693.60/month plus applicable cost of living adjustments referred to in Section 2.2 and extension option adjustments in Section 2.3.

**Section 2.2 Cost of Living Adjustment to Sublease Rate.**

The Sublease rate will be adjusted annually based on the percentage difference between the "All Items" figure for Anchorage, Alaska in the "Consumer Price Index for All Urban Consumers," beginning with the edition published the soonest after January 1. The adjustment shall occur annually on March 1, and shall apply to all subsequent month's sublease payments. The adjustment shall be determined by dividing the most recent CPI by the preceding year CPI, and multiplying the result times the monthly sublease payment and add the result to current sublease payments. Tenant is required to make such adjustments on its own each year.

**Section 2.3 Calculation and Method of Payment of Rent During Successive Optional Three-Year Renewal Periods of the Sublease.**

If Tenant decides to exercise the option to renew for successive three-year terms under Section 1.3, Tenant must notify CBS of their intent no less than six (6) months before the end of the current term of the Sublease. CBS may commission a professional market appraisal of the Subject Property in its "as is" condition. The appraisal will not take into consideration improvements made to the property by Tenant but may take into consideration improvements made by CBS. Subject to the provision of the next sentence, the Rental rate for each month of the successive three-year terms (beginning the Eighth and Eleventh Years) shall be equal to one-twelfth of ten percent (10%) of the appraised value as determined by the appraisal described in the this section. Notwithstanding any other provision of this Sublease, the Sublease rate for Tenant during the Eighth and through Eleventh Years shall not increase by more than ten percent (10%) per year over what the Sublease rate was during the Eighth Year if the appraisal described in this section shows that the Sublease rate for the Eight through Eleventh Years should increase over the Sublease rate for the Eighth Year.

**Section 2.4 Property Tax Responsibility.**

Beginning with the term of this Sublease and each calendar year after, Tenant will be responsible to pay CBS property taxes for its possessory interest in the building, land, and equipment to the extent taxable as determined by the Municipal Assessor.

**ARTICLE III: RESTRICTIONS UPON USE OF SUBJECT PROPERTY**

**Section 3.1 Tenant's Obligations as to Construction, Maintenance, Repair and Safety.**

(a) Except as provided in this Section, Tenant acknowledges the Subleasehold is in an "as is" condition and includes the building, fixtures, appurtenances and municipal-provided equipment. At the sole cost and expense of Tenant and in compliance with all legal requirements, Tenant may purchase, construct, develop, repair, and/or maintain any improvements, personal property, fixtures, and other items on the interior Subject Property in a first-class manner using materials of good quality. Any protrusions, extensions, doors, drains through the roof, walls or floor of the



building for the purpose of drains, access, venting equipment or space within Tenant Subleasehold shall be the responsibility of Tenant including any water leaks or blockages caused by those protrusions, extensions or drains.

(b) CBS shall repair and maintain the subject property and CBS-provided equipment. Tenant shall repair and maintain its areas of use at its sole expense including interior improvements, fixtures appendages and facilities constructed by the Tenant in its use area. This shall include but is not limited to such items as counters, painting, floor coverings and decorations. CBS reserves the right to expand or modify the facility. In that event, the CBS and Tenant will work together to complete such expansion or modification in a manner that minimizes disruption to Tenant's use of the facility. Some anticipated disruptions could be the use of space for construction activities, the interruption in facility utilities (i.e., power, water and sewer and operational disturbances from noise, dust and other construction activities).

(c) Tenant acknowledges that CBS has made no representation or warranty with respect to Tenant's ability to obtain any permit, license, or approval.

(d) Tenant shall also use the Subject Property and any improvements placed thereon only for lawful uses.

(e) Tenant shall confine its equipment, storage and operation to the Subleasehold area. An exception to this is the use of common spaces. Tenant will cooperate with other Subleaseholders in the facility with regards to use of common spaces in the building and grounds. CBS Facilities Manager will act as arbitrator between Subleaseholders on questions on cooperative use.

(f) Tenant shall not permit the accumulation of waste or refuse matter on the Subject Property, and Tenant shall not obstruct or permit the obstruction of the streets, sidewalks, access ways, or alleys adjoining the Subject Property except as may be permitted by CBS or other municipal authorities having jurisdiction. Tenant shall do all things necessary during the term of this Sublease to remove any dangerous condition from time to time existing on the Subject Property as the result of the use by Tenant.

(g) Tenant may erect outdoor signage at its expense with the permission of the CBS Public Works Director and which is in compliance with applicable zoning laws. The style, size and physical placement location of the sign will be approved on a case-by-case basis.

### **Section 3.2 CBS's Approval of Certain Alterations or Improvements.**

Tenant shall not make or permit to be made any alteration of, addition to, or change in, structures and improvements, nor demolish all or any part of the structures or improvements without the prior written consent of CBS, which consent shall not be unreasonably withheld. The phrase "structures and improvements" in the previous sentence includes water and wastewater systems and electrical systems. In requesting consent Tenant shall comply with all applicable laws and ordinances, and shall submit to the CBS Public Works Director or his or her written designee detailed plans and specifications of proposed work, an explanation of the needs and reasons for the work, and a plan of full payment of the costs of the work. CBS shall notify Tenant of its approval or objections no later than 30 days after receiving the information described in the

previous sentence. In approving or objecting CBS shall be acting in its proprietary function and not its regulatory function. Any such approval in this proprietary function does not relieve Tenant of any obligation to obey the law, including obtaining any required building permits. Nothing in this Section shall be interpreted to prevent Tenant from removing at the termination of this Sublease any improvements or personal property as described in Section 1.4.

**Section 3.3 Rights of Access to Subject Property.**

(a) CBS reserves for itself and any public utility company the right to access the Subject Property at all reasonable times in a reasonable manner for the purposes of opening, inspecting, repairing, replacing, reconstructing, maintaining, or servicing the public utilities, if any, located on the Subject Property, as well as for the purposes of constructing or installing new public utilities. CBS also reserves for itself and the Alaska Department of Environmental Conservation the right to access the Subject Property at all reasonable times in a reasonable manner for the purposes of regulation and enforcement of this Sublease. CBS also reserves for itself the right to access the Subject Property at all reasonable times in a reasonable manner for the purposes of (1) inspection of all work being performed in connection with the construction of improvements; (2) showing Subject Property for exhibiting Subject Property in connection with renting or subleasing Subject Property in a matter that will not unreasonably interfere with Tenant's business; and (3) placing "For Sale" or "For Rent" signs on Subject Property. Tenant shall not charge for any of the access allowed in the situations described in this subsection.

(b) Tenant shall not construct any permanent improvements over or within the boundary lines of any easement for public utilities without receiving the written prior consent of CBS and any applicable utility company.

(c) Tenant acknowledges that the Subject Property is or shall be subject to agreements for ingress and egress, utilities, parking, and maintenance of common areas as described on attached Exhibit A. Tenant agrees that it shall comply with the terms of such cooperative agreements, in accordance with the terms of such agreements, those portions of such maintenance expenses that are attributable to the Subject Property, as more fully set forth in this Agreement and its exhibits.

**Section 3.4 Additional Conditions of Subleasing.**

Tenant recognizes and shall cause all beneficiaries of Tenant and all permitted successors in interest in or to any part of the Subject Property to recognize that:

(a) Tenant will cooperate with CBS equipment and building maintenance contractor and will notify CBS of any maintenance deficiencies or of any equipment failures that require maintenance or repair. Tenant will be provided a 24 hour telephone number to notify CBS of any event that requires immediate response by CBS.

(b) Sublease payments will be made in monthly installments in advance in cash or by check, bank draft or money order made available to the City and Borough of Sitka. Installments to be delivered or mailed to 100 Lincoln Street, Sitka, Alaska 99835, by or on the first day of each calendar month.

- (c) Sublease payments shall become delinquent if not paid within ten (10) days after the due date. Delinquent payments are subject to a late charge of \$25 and interest accrued from the due date at 12% annum.
- (d) The charges and fees paid by Tenant to CBS must be separated according to the CBS accounting standards.
- (e) CBS will only invoice if Sublease payments are delinquent. CBS will only invoice if failure to make Sublease payment within 30 days of due date. CBS at their option can terminate the Sublease for Tenant's failure to make payment, and in accordance with this Sublease.
- (f) Tenant covenants and agrees that as it relates to use of the facility, it will not, on the grounds of race, color or national origin, discriminate or permit discrimination against any person or group of person in any manner prohibited by Federal, State or local laws or regulations promulgated under such laws, and Tenant further grants CBS the right to take such action to enforce such covenant as it deems necessary or as it is directed pursuant to any Federal, State or local laws or regulations.
- (g) CBS may sell the Terminal Building in the future and all agreements regarding the Subject Property, including this Sublease between CBS and Tenant, shall be completely transferable to the new owner. A transfer of the Terminal Building to any such entity shall not create any restrictions upon use of the Subject Property in addition to those stated in this Sublease.
- (h) CBS may, upon at least 10 days prior written notice to Tenant, temporarily suspend the supply of water, wastewater service, the supply of electric power, the use of pipelines, or the use of the Improvements in order to perform routine maintenance and, in all events, subject to unavoidable delays, as provided in Section 4.2. Such interruptions shall be of as short duration as necessary to perform such maintenance, and CBS shall not be responsible for any such costs or expenses as a result of suspending such utilities.
- (i) Tenant shall pay the CBS Fire Marshal or Building Inspector fees and other building permit fees, and shall also pay all applicable property taxes and assessments when due. These include any Local Improvement District costs that may be assessed.
- (j) Tenant shall be responsible for taking any measures that Tenant deems necessary to provide security for their property. CBS is not responsible for theft or vandalism.
- (k) CBS sales tax applies to Sublease payments. Sales tax rates, limits, exemptions, and exclusions are subject to change by the CBS Assembly.
- (l) CBS shall have the authority to allow vending machines to be placed in the Terminal Building. All commissions from vending machines shall be deposited by CBS in the Terminal Building account. Any vending machines proposed to be placed in an area under sublease to the Tenant shall be with the concurrence of the Tenant.

(m) Tenant acknowledges that the Nugget Restaurant shall have a right of first refusal with regard to any other limited food or drink sales operations proposed within the Terminal Building and that no other restaurant or lounge business shall be allowed in the Terminal Building. This provision is based on the current sublease with Nugget Restaurant, which expires on March 31, 2014, unless terminated or extended sooner.

(n) Tenant agrees not to install any radio transmitting equipment without the written approval of CBS Facilities Manager and to discontinue upon request of CBS Facilities Manager use of any machinery or installation causing interference to City, State, or Federal government radio receiving or transmitting equipment until the cause of such interference has been eliminated.

(o) Tenant agrees that CBS may modify this Sublease to meet revised requirements for Federal or State grants, regulations or laws, or to conform to the requirements of any CBS revenue bond requirements. However, this agreement to modify the Sublease to conform to the requirements of any revenue bond requirements shall not reduce the rights or privileges granted the Tenant by this Sublease, nor cause the Tenant financial loss in its Sublease options.

(p) FAA requires CBS to file an annual concessionaires' report with the FAA, including a list of individual concessionaires' gross revenues. Tenant grants permission to CBS Finance Director to release this information from sales tax returns in order to comply with FAA reporting requirements.

**(q) Tenant agrees that the first priority use of the Terminal Building is to accommodate aircraft for passenger use. Tenant agrees to relocate to comparable space within the Terminal Building or expanded Terminal Building, if required to accommodate this priority at no cost to CBS.**

(r) Tenant agrees not to install any radio transmitting equipment without the written approval of the CBS Public Works Director, and to discontinue upon request of the Public Works Director the use of any machinery or installation causing interference to City, State, or Federal government radio receiving or transmitting equipment until the cause of such interference has been eliminated.

(s) Tenant shall submit a non-refundable \$55 processing fee payable to the State of Alaska upon execution of this Sublease.

### **Section 3.5 Control of Rodents and Other Creatures on Subject Property.**

Tenant shall take reasonable affirmative measures to ensure that its operations do not attract to Subject Property or any portion of the Terminal Building, Sublease spaces L-4 and L-5, at 600 Airport Road, Sitka, Alaska 99835 any of the following creatures: rodents, vermin, insects, eagles, crows, ravens, seagulls, mink, otters, or bears.

## **ARTICLE IV UTILITY SERVICES & RATES.**

### **Section 4.1 Provision of Utility Services.**

CBS will provide utility services of heat and electric. Water and sewer services will be provided by the CBS in other sections of the Terminal Building.

### **Section 4.2 CBS Not Liable for Failure of Utilities or Building.**

Except to the extent that any such failure, injury, or other casualty is due to CBS's negligence or breach of any obligation under this Sublease, CBS shall not be liable for any failure of building roof, water supply, sewer, or electric current, or for any injury or damages to person or property caused by or resulting from any natural disaster, natural condition, gasoline, oil, steam, gas, electricity, or hurricane, tornado, flood, wind or similar storms or disturbances, or water, rain, or snows which may leak or flow from the street, sewer, or from any part of the Terminal Building or the Subject Property, or leakage of gasoline or gas from pipes, appliances, sewer, or plumbing works therein, or from any other place, or for sewer or plumbing works therein, or from any other place. CBS shall not be held responsible or liable for any claim or action due to or arising from any suspension of operation, breakage, unavoidable accident or injury of any kind occurring to, or caused by the sewer mains by an act of God, beyond CBS's control, or caused by the elements, strikes, riots, or a terrorist or terrorists.

### **Section 4.3 Janitorial**

Janitorial for common areas in the Terminal Building is provided by CBS. Tenant will provide janitorial for its Subject Property.

## **ARTICLE V INDEMNIFICATION**

### **Section 5.1 Liability of and Indemnification by Tenant.**

Tenant agrees to indemnify, defend, and save harmless CBS against and from any and all claims by or on behalf of any person, firm, or corporation arising, other than due to acts or omissions of CBS, from the conduct or management of or from any work or thing whatsoever done in or about the Subject Property and structures and improvements, including liability arising from products produced on the property. Tenant also agrees to indemnify, defend, and save CBS harmless against and from any and all claims and damages arising, other than due to acts or omissions of CBS, during the term of this Sublease from: (a) any condition of the Subject Property or improvements placed on it; (b) any breach or default on the part of Tenant regarding any act or duty to be performed by Tenant pursuant to the terms of this Sublease; (c) any act or negligence of Tenant or any of its agents, contractors, servants, employees or licensees; and (d) any accident, injury, death or damage caused to any person occurring during the Term of this Sublease in or on the Subject Property. Tenant agrees to indemnify, defend, and save harmless CBS from and against all costs, counsel and legal fees, expenses, and liabilities incurred, other than due to acts or omissions of CBS, in any claim or action or proceeding brought asserting claims of or asserting damages for any alleged act, negligence, omission, conduct, management, work, thing, breach, default, accident, injury, or damage described in the previous two sentences. The above agreements of indemnity are in addition to and not by way of limitation of any other covenants in this Sublease to indemnify CBS. The agreements of indemnity by Tenant do not apply to any claims of damage arising out of the failure of CBS to perform acts or render

services in its municipal capacity. The Tenant agrees to provide to the State the same level of indemnity that the Tenant would provide to the State if the Tenant were a direct Lessee under the Prime Lease.

### **Section 5.2 Liability of and Indemnification by CBS.**

Except to the extent of liabilities arising from Contractor's acts or omissions, CBS indemnifies, defends, and holds Tenant harmless for liabilities to the extent that they were incurred by reason of conditions existing on the site as of the date of execution of this Sublease or by reasons of CBS's acts or omissions. CBS also agrees to indemnify, defend, and save Tenant harmless against and from any and all claims and damages arising, other than due to acts or omissions of Tenant, during the Sublease Term from (a) any condition of the Subject Property or improvements placed on it; (b) any breach or default on the part of the CBS regarding any act or duty to be performed by CBS pursuant to the terms of the Sublease; (c) any act or negligence of CBS or any of its agents, contractors, servants, employees, or licensees; and (d) any accident, injury, death, or damage caused to any person occurring during the Sublease Term in or on the Subject Property. CBS agrees to indemnify, defend, and save harmless Tenant from and against all costs, counsel and legal fees, expenses, and liabilities incurred, other than due to acts or omissions of Tenant, in any claim or action or proceeding brought asserting claims of or asserting damages for any alleged act, negligence, omission, conduct, management, work, thing, breach, default, accident, injury, or damage described in the previous two sentences. The above agreements of indemnity are in addition to and not by way of limitation of any other covenants in this Sublease to indemnify the Tenant.

### **Section 5.3 Reimbursement of Costs of Obtaining Possession.**

Each Party agrees to pay and to indemnify the other Party prevailing in any dispute under this Sublease against all costs and charges, including full reasonable counsel and legal fees lawfully and reasonably incurred in enforcing any provision of this Sublease including obtaining possession of the Subject Property and establishing CBS's title free and clear of this Sublease upon expiration or earlier termination of this Sublease.

## **GENERAL PROVISIONS**

### **ARTICLE VI DEFINITIONS**

#### **Section 6.1 Defined Terms.**

For the purposes of this Sublease, the following words shall have the meanings attributed to them in this Section:

- (a) "Event of Default" means the occurrence of any action specified in Section 14.1.
- (b) "Imposition" means all of the taxes, assessments, utility rates or charges, levies and other governmental charges, levied or assessed against the Subject Property or on any part of the Subject Property, any right or interest regarding the Subject Property, or any Rent and income received from the Subject Property, including sales taxes on Rent.

(c) "Improvements" or "improvements" means all buildings, structures and improvements of any nature now or hereafter located upon the Subject Property by Tenant, as well as all of the Tenant's apparatus and equipment necessary for the complete and comfortable use, occupancy, enjoyment and operation of the Subject Property, including fittings, appliances, machinery, garage equipment, heating equipment, lighting equipment, cooling equipment, air conditioning and ventilating equipment, wiring, controls, communications equipment, plumbing, switchboards, antennae, floor coverings, refrigerating equipment, hot water heating and all other appliances and equipment; excepting only in each case articles of personal property appurtenances and fixtures (including trade fixtures) owned by Tenant, sublessees, or others, which can be removed without defacing or materially injuring the improvements remaining on the Subject Property, from the property with the portion of the property from which such items are removed being returned to a condition at least as good as that existing on the date of this Sublease. "Improvements" also includes fill, grading, asphalt, and other non-building land improvements.

(d) "Personal Property" means tangible personal property owned or leased and used by Tenant or any subtenant, in connection with and located upon the Subject Property.

(e) "Premises" means the "Subject Property."

(f) "Rent" means the Sublease rate, which is the amount Tenant periodically owes and is obligated to pay CBS as Sublease payments under this Sublease for the use of the Subject Property.

(g) "Subject Property" is the area Subleased as shown on Exhibit A.

(h) "Subtenant" shall mean any subtenant, concessionaire, licensee, or occupant of space in or on the Subject Property holding by or through Tenant.

(i) "Term" means the period of time Tenant Rents or Subleases the Subject Property from CBS.

## **ARTICLE VII INSURANCE**

### **Section 7.1 Insurance.**

Tenant shall maintain property damage and comprehensive general liability insurance in the amount of one million dollars (\$1,000,000), including for Subleasehold improvements. CBS shall be named as an additional insured. CBS shall maintain for the Terminal Building a policy of standard fire and extended coverage insurance.

### **Section 7.2 Notification of Claim, Loss, or Adjustment.**

Tenant shall advise CBS of any claim, loss, adjustment, or negotiations and settlements involving any loss under all policies of the character described in Section 7.1.

### **Section 7.3 Waiver of Subrogation.**

Whenever: (i) any loss, cost, damage or expense resulting from fire, explosion or any other casualty or occurrence is incurred by either of the Parties to this Sublease, or anyone claiming

under it in connection with the Subject Property or Improvements; and (ii) the Party is then covered in whole or in part by insurance with respect to loss, cost, damage or expense or is required under this Sublease to be so insured, then the Party so insured (or so required) releases the other Party from any liability the other Party may have on account of the loss, cost, damage or expense to the extent of any amount recoverable by reason of insurance and waives any right of subrogation which might otherwise exist in or accrue to any person on account of it, provided that the release of liability and waiver of the right of subrogation shall not be operative in any case where the effect is to invalidate the insurance coverage or increase its cost (provided that, in the case of increased cost, the other Party shall have the right, within thirty (30) days following written notice, to pay the increased cost keeping the release and waiver in full force and effect.

## **ARTICLE VIII RESTRICTIONS REGARDING ASSIGNMENT, SUBLEASES, AND TRANSFERS OF SUBJECT PROPERTY**

### **Section 8.1 Tenant Without Power to Assign Sublease or Transfer or Encumber Subject Property.**

Tenant has no power under this Sublease to assign the Sublease, except with approval of the CBS Assembly and DOT&PF. Tenant has no power under this Sublease to transfer the Subject Property, except with approval of the CBS Assembly and DOT&PF. Tenant has no power to encumber Subject Property or pledge its interest in Subject Property as collateral for a loan or mortgage.

### **Section 8.2 Limitations on Subleases.**

Tenant shall not sublease the Subject Property or any portion of it without the prior written approval of the CBS Assembly and DOT&PF. All subleases entered into demising all or any part of the Improvements or the Subject Property shall expressly state that it is subject to and subordinate to this Sublease. CBS's and DOT&PF's consent to a sublease of the Subject Property shall not release Tenant from its obligations under this Sublease. CBS's and DOT&PF's consent to a sublease shall not be deemed to give any consent to any subsequent subletting.

## **ARTICLE IX USE AND PROTECTION OF THE SUBJECT PROPERTY**

### **Section 9.1 Subject Property As Is - Repairs.**

Tenant acknowledges that it has examined the Subject Property and the present improvements including any public improvements presently located there and knows the condition of them and accepts them in the present condition and without any representations or warranties of any kind or nature whatsoever by CBS as to their condition or as to the use or occupancy which may be made of them. Tenant assumes the sole responsibility for the condition of the improvements located on the Subject Property. The foregoing shall not be deemed to relieve CBS of its general municipal obligations, or of its obligations under Section 3.1 above.

### **Section 9.2 Compliance with Laws.**

Tenant shall throughout any term of this Sublease, at Tenant's sole expense, promptly comply with all the laws and ordinances and the orders, rules, regulations, and requirements of all federal, state, and municipal governments and appropriate departments, commissions, boards,



and officers (whether or not the same require structural repairs or alterations) and all other legal requirements that may be applicable to the use of the Subject Property. Nothing in the foregoing sentence shall be deemed to relieve CBS of its general obligations required in its municipal capacity.

**Section 9.3 Notification of CBS Public Works Director of Discovery of Contamination.**

Tenant shall promptly notify the CBS Public Works Director within 24 hours if any contaminated soils or other media that require special handling are encountered during construction activities or at any other time.

Tenant shall be responsible for all clean-up costs associated with contamination of soils of subject property, adjoining property, and/or buildings. In the event of Tenant's failure to clean-up to applicable regulatory standards or to the satisfaction of the CBS Public Works Director, CBS may perform clean-up or contract for clean-up, and all charges for such work shall be payable by Tenant.

**Section 9.4 Use of Utility Lines.**

Tenant shall connect or otherwise discharge to such utility lines as are approved by the CBS Directors of Public Works and/or Electric Department, and shall obtain any permits and comply with any conditions specified by the Directors of Public Works and/or Electric Department for such connections.

**Section 9.5 Permits and Approvals for Activities.**

Tenant shall be responsible for obtaining all necessary permits and approvals for its activities unless otherwise specifically allowed by CBS. Not less than ten (10) days in advance of applying for permits to any public entity other than the CBS, Tenant shall provide copies of all permit applications and associated plans and specifications to the CBS Public Works Director to facilitate review by departments of the CBS. CBS is not obligated to comment on the permit applications and plans, and the result of any review by the CBS does not affect Tenant's obligation to comply with any applicable laws.

**ARTICLE X CBS'S RIGHT TO PERFORM TENANT'S COVENANTS; REIMBURSEMENT OF CBS FOR AMOUNTS SO EXPENDED**

**Section 10.1 Performance of Tenant's Covenants To Pay Money.**

Tenant covenants that if it shall at any time default or shall fail to make any other payment (other than Rent) due and the failure shall continue for ten (10) days after written notice to Tenant, then CBS may, but shall not be obligated so to do, and without further notice to or demand upon Tenant and without releasing Tenant from any obligations of Tenant under this Sublease, make any other payment in a manner and extent that CBS may deem desirable.

**Section 10.2 CBS's Right To Cure Tenant's Default.**

If there is a default involving the failure of Tenant to keep the Subject Property in good condition and repair in accordance with the provisions of this Sublease, to make any necessary renewals or replacements or to remove any dangerous condition in accordance with the requirements of this Sublease or to take any other action required by the terms of this Sublease, then CBS shall have

the right, but shall not be required, to make good any default of Tenant. CBS shall not in any event be liable for inconvenience, annoyance, disturbance, loss of business, or other damage of or to Tenant by reason of bringing materials, supplies and equipment into or through the Terminal Building during the course of the work required to be done to make good such default, and the obligations of Tenant under this Sublease shall remain unaffected by such work, provided that CBS uses reasonable care under the circumstances prevailing to avoid unnecessary inconvenience, annoyance, disturbance, loss of business, or other damage to Tenant.

### **Section 10.3 Reimbursement of CBS and Tenant.**

All sums advanced by CBS pursuant to this Article and all necessary and incidental costs, expenses and attorney fees in connection with the performance of any acts, together with interest at the highest rate of interest allowed by law from the date of the making of advancements, shall be promptly payable by Tenant, in the respective amounts so advanced, to CBS. This reimbursement shall be made on demand, or, at the option of CBS, may be added to any Rent then due or becoming due under this Sublease and Tenant covenants to pay the sum or sums with interest, and CBS shall have (in addition to any other right or remedy) the same rights and remedies in the event of the nonpayment by Tenant as in the case of default by Tenant in the payment of any installment of Rent. Conversely, Tenant shall be entitled to receive from CBS prompt payment or reimbursement on any sums due and owing from CBS to Tenant, together with interest at the highest rate allowed by law. However, nothing contained in this Sublease shall entitle Tenant to withhold any Rent due to CBS or to offset or credit any sums against Rent, except with respect to unpaid Rental due from CBS to Tenant under any Sublease of Terminal Building space to CBS.

## **ARTICLE XI DAMAGE OR DESTRUCTION**

### **Section 11.1 Repair and Replacement of Structures and Improvements Following Damage.**

(a) If the Subject Property shall be destroyed or so injured by any cause as to be unfit, in whole or in part, for occupancy and such destruction or injury could reasonably be repaired within ninety (90) days from the date of such damage or destruction, then Tenant shall not be entitled to surrender possession of the Subject Property, nor shall Tenant's liability to pay Rent under this Sublease cease, without the mutual consent of the Parties. In case of any such destruction or injury, CBS shall repair the same with all reasonable speed and shall complete such repairs within ninety (90) days from the date of such damage or destruction. If during such period Tenant shall be unable to use all or any portion of the Subject Property, a proportionate allowance shall be made to Tenant from the Rent corresponding to the time during which and to the portion of the Subject Property of which Tenant shall be so deprived of its use.

(b) If such destruction or injury cannot reasonably be repaired within ninety (90) days from the date of such damage or destruction, CBS shall notify Tenant within fifteen (15) days after the determination that restoration cannot be made in ninety (90) days. If CBS elects not to repair or rebuild, this Sublease shall be terminated. If CBS elects to repair or rebuild, CBS shall specify the time within which such repairs or reconstruction will be complete, and Tenant shall have the option, to be exercised within thirty (30) days after the receipt of such written notice, to elect either to terminate the Sublease and further liability, or to extend the Sublease Term by a period of time equivalent to the time from the happening of such destruction or injury until the Subject

Property is restored to its former condition. In the event Tenant elects to extend the Sublease Term, CBS shall restore the Subject Property to its former condition within the time specified in the written notice, and Tenant shall not be liable to pay Rent for the period from the time of such destruction or injury until the Subject Property is so restored to its former condition.

(c) In addition to all rights to cancel or terminate this Sublease set forth in Subsections 11.1(a) and 11.1(b), if the Subject Property or a part are destroyed or damaged during the last two (2) years of the Sublease Term or any extension(s) to the extent of fifty per cent (50%) or more of the value of the Subject Property, then CBS shall have the right to cancel and terminate this Sublease as of the date of such damage or destruction by giving Tenant written notice within ninety (90) days after the date of such damage or destruction.

(d) The timeframes in this article may be modified by mutual agreement of the Parties.

## **ARTICLE XII LIENS**

### **Section 12.1 Discharge of Mechanics' and Other Liens.**

Tenant shall neither suffer nor permit any mechanics' liens or other liens to be filed against the title to the Subject Property, nor against Tenant's interest in the property, nor against the improvements by reason of work, labor, services or materials supplied or claimed to have been supplied to Tenant or anyone having a right to possession of the Subject Property or improvements as a result of an agreement with or the assent of Tenant. If any mechanics' lien or other liens shall be filed against the Subject Property, including the Improvements, Tenant shall cause it to be discharged of record within 30 days after the date that Tenant has knowledge of its filing, or take action sufficient to the satisfaction of the CBS.

## **ARTICLE XIII LIEN FOR RENT AND OTHER CHARGES**

### **Section 13.1 Lien for Rent.**

The whole amount of the Rent and each and every installment, and the amount of all taxes, assessments, water rates, insurance premiums and other charges and impositions paid by CBS under the provisions of this Sublease, and all costs, attorney's fees and other expenses which may be incurred by CBS in enforcing the provisions of this Sublease or on account of any delinquency of Tenant in carrying out any of the provisions of this Sublease, shall be and they are declared to constitute a valid and prior lien upon the Subject Property and the Improvements, and upon Tenant's Subleasehold estate, and may be enforced by equitable remedies including the appointment of a receiver.

## **ARTICLE XIV DEFAULT PROVISIONS**

### **Section 14.1 Events of Default.**

Each of the following events is defined as an "Event of Default":

(a) The failure of Tenant to pay any Rent, or any other payments or deposits of money, or furnish receipts for deposits as required, when due and the continuance of the failure for a period of ten (10) days after notice in writing from CBS to Tenant.

(b) The failure of Tenant to perform any of the other covenants, conditions and agreements of this Sublease including payment of taxes on the part of Tenant to be performed, and the continuance of the failure for a period of thirty (30) days after notice in writing (which notice shall specify the respects in which CBS contends that Tenant has failed to perform any of the covenants, conditions and agreements) from CBS to Tenant unless, with respect to any default which cannot be cured within thirty (30) days, Tenant, or any person holding by, through or under Tenant, in good faith, promptly after receipt of written notice, shall have commenced and shall continue diligently and reasonably to prosecute all action necessary to cure the default within an additional 60 days.

(c) The filing of an application by Tenant (the term, for this purpose, to include any approved transferee other than a CBS of Tenant's interest in this Sublease): (i) for a consent to the appointment of a receiver, trustee or liquidator of itself or all its assets; (ii) of a voluntary petition in bankruptcy or the filing of a pleading in any court of record admitting in writing of its inability to pay its debts as they come due; (iii) of a general assignment for the benefit of creditors; (iv) of an answer admitting the material allegations of, or its consenting to, or defaulting in answering, a petition filed against it in any bankruptcy proceeding.

(d) The entry of an order, judgment or decree by any court of competent jurisdiction, adjudicating Tenant a bankrupt, or appointing a receiver, trustee or liquidator of it or of its assets, and this order, judgment or decree continuing unstayed and in effect for any period of 60 consecutive days, or if this Sublease is taken under a writ of execution.

#### **Section 14.2 Assumption or Assignment of Sublease to Bankruptcy Trustee.**

In the event that this Sublease is assumed by or assigned to a trustee pursuant to the provisions of the bankruptcy reform Act of 1978 (referred to as "Bankruptcy Code") (11 U.S.C. § 101 et seq.), and the trustee shall cure any default under this Sublease and shall provide adequate assurances of future performance of this Sublease as are required by the Bankruptcy Code (including the requirement of Code § 365(b)(1)) (referred to as "Adequate Assurances"), and if the trustee does not cure such defaults and provide such adequate assurances under the Bankruptcy Code within the applicable time periods provided by the Bankruptcy Code, then this Sublease shall be deemed rejected automatically and CBS shall have the right to possession of the Subject Property immediately and shall be entitled to all remedies provided by the Bankruptcy Code for damages for breach or termination of this Sublease.

#### **Section 14.3 Remedies in Event of Default.**

CBS may treat any one or more of the Events of Default as a breach of this Sublease and at its option, by serving written notice on Tenant and each Secured Party and Subleasehold Mortgagee of whom CBS has notice (such notice not to be effective unless served on each such person) of the Event of Default of which CBS shall have received notice in writing, CBS shall have, in addition to other remedies provided by law, one or more of the following remedies:

(a) CBS may terminate this Sublease and the Term created, in which event CBS may repossess the entire Subject Property and Improvements, and be entitled to recover as damages a sum of money equal to the value, as of the date of termination of this Sublease, of the Rent provided to be paid by Tenant for the balance of the stated term of this Sublease less the fair rental value as

of the date of termination of this Sublease of the fee interest in the Subject Property and Improvements for the period, and any other sum of money and damages due under the terms of this Sublease to CBS and Tenant. Any personal property not removed after such termination shall be addressed as provided for in Section 1.4 above.

(b) CBS may terminate Tenant's right of possession and may repossess the entire Subject Property and Improvements by forcible entry and detainer suit or otherwise, without demand or notice of any kind to Tenant (except as above expressly provided for) and without terminating this Sublease, in which event CBS may, but shall be under no obligation to do so, relet all or any part of the Subject Property for Rent and upon terms as shall be satisfactory in the judgment reasonably exercised by CBS (including the right to relet the Subject Property and Terminal Building for a term greater or lesser than that remaining under the stated term of this Sublease and the right to relet the Subject Property and Terminal Building as a part of a larger area and the right to change the use made of the Subject Property). For the purpose of reletting, CBS may make any repairs, changes, alterations or additions in or to the Subject Property and improvements that may be reasonably necessary or convenient in CBS's judgment reasonably exercised; and if CBS shall be unable, after a reasonable effort to do so, to relet the Subject Property, or if the Subject Property and Terminal Building are relet and a sufficient sum shall not be realized from reletting after paying all of the costs and expenses of repairs, change, alterations and additions and the expense of reletting and the collection of the Rent accruing from it, to satisfy the Rent above provided to be paid, then Tenant shall pay to CBS as damages a sum equal to the amount of the Rent reserved in this Sublease for the period or periods as and when payable pursuant to this Sublease, or, if the Subject Property or any part of it has been relet, Tenant shall satisfy and pay any deficiency upon demand from time to time; and Tenant acknowledges that CBS may file suit to recover any sums falling due under the terms of this Section from time to time and that any suit or recovery of any portion due Tenant shall be no defense to any subsequent action brought for any amount not reduced to judgment in favor of CBS. Any personal property not removed after such termination shall be addressed as provided for in Section 1.4 above.

(c) In the event of any breach or threatened breach by Tenant of any of the terms, covenants, agreements, provisions or conditions in this Sublease, CBS shall have the right to invoke any right and remedy allowed at law or in equity or by statute or otherwise as through reentry, summary proceedings, and other remedies were not provided for in this Sublease.

(d) Upon the termination of this Sublease and the Term created, or upon the termination of Tenant's right of possession, whether by lapse of time or at the option of CBS, Tenant will at once surrender possession of the Subject Property and dispose of personal property and improvements as described in Section 1.4. If possession is not immediately surrendered, CBS may reenter the Subject Property and Improvements and repossess itself of it as of its former estate and remove all persons and their personal property, using force as may be necessary without being deemed guilty of any manner of trespass or forcible entry or detainer. CBS may at its option seek expedited consideration to obtain possession if CBS determines that the Sublease has terminated as described in the first sentence of this paragraph, and Tenant agrees not to oppose such expedited consideration.

(e) In the event that Tenant shall fail to make any payment required to be made provided for in this Sublease or defaults in the performance of any other covenant or agreement which Tenant is required to perform under this Sublease during the period when work provided for in this Sublease shall be in process or shall be required by the terms of this Sublease to commence, CBS may treat the default as a breach of this Sublease and, in addition to the rights and remedies provided in this Article, but subject to the requirements of service of notice pursuant to this Sublease, CBS shall have the right to carry out or complete the work on behalf of Tenant without terminating this Sublease.

**Section 14.4 Waivers and Surrenders To Be In Writing.**

No covenant or condition of this Sublease shall be deemed to have been waived by CBS unless the waiver be in writing, signed by CBS or CBS's agent duly authorized in writing and shall apply only with respect to the particular act or matter to which the consent is given and shall not relieve Tenant from the obligation, wherever required under this Sublease, to obtain the consent of CBS to any other act or matter.

**ARTICLE XV CBS'S TITLE AND LIEN**

**Section 15.1 CBS's Title and Lien Paramount.**

CBS has title to the Terminal Building, and CBS's lien for Rent of the Terminal Building and other CBS charges shall be paramount to all other liens on the Subject Property.

**Section 15.2 Tenant Not To Encumber CBS's Interest.**

Tenant shall have no right or power to and shall not in any way encumber the title of CBS in and to the land and building of the Subject Property. The leasehold estate of CBS in the Land and its ownership of the Terminal Building in which the Subject Property is sublet shall not be in any way subject to any claim by way of lien or otherwise, whether claimed by operation of law or by virtue of any express or implied lease or contract or other instrument made by Tenant, and any claim to the lien or otherwise upon the Land arising from any act or omission of Tenant shall accrue only against the Subleasehold estate of Tenant in the Subject Property and Tenant's interest in the Improvements, and shall in all respects be subject to the paramount rights of CBS in the Land.

**ARTICLE XVI REMEDIES CUMULATIVE**

**Section 16.1 Remedies Cumulative.**

No remedy conferred upon or reserved to CBS shall be considered exclusive of any other remedy, but shall be cumulative and shall be in addition to every other remedy given under this Sublease or existing at law or in equity or by statute. Every power and remedy given by this Sublease to CBS may be exercised from time to time and as often as occasion may arise or as may be deemed expedient by CBS. No delay or omission of CBS to exercise any right or power arising from any default shall impair any right or power, nor shall it be construed to be a waiver of any default or any acquiescence in it.

**Section 16.2 Waiver of Remedies Not To Be Inferred.**

No waiver of any breach of any of the covenants or conditions of this Sublease shall be construed to be a waiver of any other breach or to be a waiver of, acquiescence in, or consent to any further or succeeding breach of it or similar covenant or condition.

**Section 16.3 Right to Terminate Not Waived.**

Neither the rights given to receive, sue for or distrain from any Rent, moneys or other payments, or to enforce any of the terms of this Sublease, or to prevent the breach or nonobservance of it, nor the exercise of any right or of any other right or remedy shall in any way impair or toll the right or power of CBS to declare ended the term granted and to terminate this Sublease because of any event of default.

**ARTICLE XVII SURRENDER AND HOLDING OVER**

**Section 17.1 Surrender at End of Term.**

On the last day of the last Sublease year of the original term, or on the earlier termination of the Sublease term, Tenant shall peaceably and quietly leave, surrender and deliver the entire Subject Property to CBS, subject to the provisions of Section 1.4, in good repair, order, and condition, reasonable use, wear and tear excepted, free and clear of any and all mortgages, liens, encumbrances, and claims. At the time of the surrender, Tenant shall also surrender any and all security deposits and Rent advances of sublessees to the extent of any amounts owing from Tenant to CBS. If the Subject Property is not so surrendered, Tenant shall repay CBS for all expenses which CBS shall incur by reason of it, and in addition, Tenant shall indemnify, defend and hold harmless CBS from and against all claims made by any succeeding Tenant against CBS, founded upon delay occasioned by the failure of Tenant to surrender the Subject Property.

**Section 17.2 Rights Upon Holding Over.**

At the termination of this Sublease, by lapse of time or otherwise, Tenant shall yield up immediately possession of the Subject Property to CBS and, failing to do so, agrees, at the option of CBS, to pay to CBS for the whole time such possession is withheld, a sum per day equal to one hundred and seventy-five percent (175%) times 1/30th of the aggregate of the Rent paid or payable to CBS during the last month of the term of the Sublease the day before the termination of the Sublease. The provisions of this Article shall not be held to be a waiver by CBS of any right or reentry as set forth in this Sublease, nor shall the receipt of a sum, or any other act in apparent affirmance of the tenancy, operate as a waiver of the right to terminate this Sublease and the Term granted for the period still unexpired for any breach of Tenant under this Sublease.

**ARTICLE XVIII MODIFICATION**

**Section 18.1 Modification.**

None of the covenants, terms or conditions of this Sublease to be kept and performed by either Party to this Sublease shall in any manner be waived, modified, changed or abandoned except by a written instrument duly signed, acknowledged, and delivered by both CBS and Tenant.

## ARTICLE XIX INVALIDITY OF PARTICULAR PROVISIONS

### Section 19.1 Invalidity of Provisions.

If any provision of this Sublease or the application of it to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Sublease, 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, and each provision of this Sublease shall be valid and be enforced to the fullest extent permitted by law.

## ARTICLE XX APPLICABLE LAW AND VENUE

### Section 20.1 Applicable Law.

This Sublease shall be construed and enforced in accordance with the laws of the State of Alaska. The forum and venue for any action seeking to interpret, construe, or enforce this Sublease shall be only in the Superior Court for the State of Alaska at Sitka, Alaska.

## ARTICLE XXI NOTICES

### Section 21.1 Manner of Mailing Notices.

In every case where under any of the provisions of this Sublease or otherwise it shall or may become necessary or desirable to make or give any declaration or notice of any kind to CBS or Tenant, it shall be sufficient if a copy of any declaration or notice is sent by United States mail, postage prepaid, return receipt requested, addressed:

Mark Gorman, Municipal Administrator City and Borough of Sitka 100 Lincoln Street Sitka, Alaska 99835 Phone: (907) 747-1808 Fax: (907) 747-7403 Email: <a href="mailto:markgorman@cityofsitka.com">markgorman@cityofsitka.com</a>	Kara and/or Maria Kesanooksisk Island Girl Coffee LLC 108 Osprey Street Sitka, Alaska 99835-9720 Phone: (907) 752-8294/752-1069 Fax: None Email: <a href="mailto:mcelticksisk@hotmail.com">mcelticksisk@hotmail.com</a>
---	---

with a copy to: Municipal Clerk at address listed above. Each Party from time to time may change its address for purposes of receiving declarations or notices by giving notice of the changed address, to become effective seven days following the giving of notice.

### Section 21.2 Notice to Subleasehold Mortgagee and Secured Parties.

CBS shall provide each Subleasehold Mortgagee and Secured Party, who has so requested, copies of all notices from CBS to Tenant relating to existing or potential default under, or other noncompliance with the terms of, this Sublease. All notices, demands or requests which may be required to be given by CBS or Tenant to any Subleasehold Mortgagee and Secured Parties shall be sent in writing, by United States registered or certified mail or express mail, postage prepaid, addressed to the Subleasehold Mortgagee at a place as the Subleasehold Mortgagee may from time to time designate in a written notice to CBS and Tenant. Copies of all notices shall simultaneously be sent to the other of CBS or Tenant, as the case may be.



**Section 21.3 Sufficiency of Service.**

Service of any demand or notice as in this Article provided shall be sufficient for all purposes.

**Section 21.4 When Notice Deemed Given or Received.**

Whenever a notice is required by this Sublease to be given by any Party to the other Party or by any Party to a Subleasehold Mortgagee, the notice shall be considered as having been given when a registered or certified notice is placed in the United States Post Office mail as provided by this Article and shall be deemed received on the third business day after and for all purposes under this Sublease of starting any time period after notice, the time period shall be conclusively deemed to have commenced three business days after the giving of notice and whether or not it is provided that a time period commences after notice is given or after notice is received.

**ARTICLE XXII MISCELLANEOUS PROVISIONS**

**Section 22.1 Captions.**

The captions of this Sublease and the index preceding it are for convenience and reference only and in no way define, limit or describe the scope or intent of this Sublease, nor in any way affect this Sublease.

**Section 22.2 Conditions and Covenants.**

All the provisions of this Sublease shall be deemed and construed to be "conditions" as well as "covenants," as though the words specifically expressing or importing covenants and conditions were used in each separate provision.

**Section 22.3 Entire Agreement.**

This Sublease contains the entire agreement between the Parties and shall not be modified in any manner except by an instrument in writing executed by the Parties or their respective successors or assigns in interest.

**Section 22.4 Time of Essence as to Covenants of Sublease.**

Time is of the essence as to the covenants in this Sublease.

**ARTICLE XXIII COVENANTS TO BIND AND BENEFIT RESPECTIVE PARTIES AND TO RUN WITH THE SUBJECT PROPERTY**

**Section 23.1 Covenants to Run with the Subject Property.**

All covenants, agreements, conditions and undertakings in this Sublease shall extend and inure to the benefit of and be binding upon the successors and assigns of each of the Parties, the same as if they were in every case named and expressed, and they shall be construed as covenants running with the Subject Property. Wherever in this Sublease reference is made to any of the Parties, it shall be held to include and apply to, wherever applicable, also the officers, directors, successors and assigns of each Party, the same as if in each and every case so expressed.

**Section 23.2 Interest in Deposits Automatically Transferred.**

The sale, conveyance or assignment of the interest of Tenant (pursuant to the terms of this Sublease) or of CBS in and to this Sublease shall act automatically as a transfer to the assignee of

CBS or of Tenant, as the case may be, of its respective interest in any funds on deposit with and held by any Construction Lender and CBS, and every subsequent sale, conveyance or assignment by any assignee of CBS or of Tenant also shall act automatically as a transfer of their respective rights to the deposits with such Construction Lender and CBS to the subsequent assignee.

#### **ARTICLE XXIV ADDITIONAL GENERAL PROVISIONS**

##### **Section 24.1 Absence of Personal Liability.**

No member, official, or employee of CBS shall be personally liable to Tenant, its successors and assigns, or anyone claiming by, through or under Tenant or any successor in interest to the Subject Property, in the event of any default or breach by CBS or for any amount which may become due to Tenant, its successors and assigns, or any successor in interest to the Subject Property, or on any obligation under the terms of this Sublease. No member, official, or employee of Tenant shall be personally liable to CBS, its successors and assigns, or anyone claiming by, through, or under CBS or any successor in interest to the Subject Property, in the event of any default or breach by Tenant or for any amount which become due to CBS, its successors and assigns, or any successor in interest to the Subject Property, or on any obligation under the terms of this Sublease.

##### **Section 24.2 Sublease Only Effective As Against CBS Upon Approval of Assembly and DOT&PF.**

This Sublease and any renewals are effective against CBS only upon the approval of such Sublease and any renewals by the CBS Assembly and DOT&PF.

##### **Section 24.3 Binding Effects and Attorneys Fees.**

This Sublease shall be binding up and inure to the benefit of the respective successors and assigns of the Parties. In the event of litigation over this Sublease, the Parties agree that the prevailing Party shall receive full reasonable attorneys' fees.

##### **Section 24.4 Duplicate Originals.**

Three signed and notarized originals of this Sublease shall be executed. The warranties, representations, agreements and undertakings shall not be deemed to have been made for the benefit of any person or entity, other than the Parties.

##### **Section 24.5 Declaration of Termination.**

With respect to CBS's rights to obtain possession of the Subject Property or to revest title in itself with respect to the Subleasehold estate of Tenant in the Subject Property, CBS shall have the right to institute such actions or proceedings as it may deem desirable to effectuate its rights including, without limitation, the right to execute and record or file with the Recorder of Sitka Recording District, a written declaration of the termination of all rights and title of Tenant in the Subject Property, and the revesting of any title in CBS as specifically provided in this Sublease.

##### **Section 24.6 Authority.**

CBS and Tenant represent to each other that each has, and has exercised, the required corporate power and authority and has complied with all applicable legal requirements necessary to adopt, execute and deliver this Sublease and perform its obligations. Both Parties also represent that

this Sublease has been duly executed and delivered by each and constitutes a valid and binding obligation of each enforceable in accordance with its terms, conditions, and provisions.

**ISLAND GIRL COFFEE LLC**

**ISLAND GIRL COFFEE LLC**

\_\_\_\_\_  
Kara Kesanooksisk, Co-Owner

\_\_\_\_\_  
Maria Kesanooksisk, Co-Owner

**STATE OF ALASKA**                    )  
  ) **ss:**  
**FIRST JUDICIAL DISTRICT**    )

On this \_\_\_\_ day of \_\_\_\_\_, 2014, personally appeared before me Kara Kesanooksisk and Maria Kesanooksisk, whose identities are personally known to me or proved to me on the basis of satisfactory evidence, and who by signing this agreement, swears or affirms that they are co-owners of Island Girl Coffee LLC and are authorized to sign this document on behalf of the Tenant, and do so freely and voluntarily.

\_\_\_\_\_  
Notary Public for Alaska  
My Commission Expires: \_\_\_\_\_

**CITY AND BOROUGH OF SITKA**

\_\_\_\_\_  
Mark Gorman, Municipal Administrator

**STATE OF ALASKA**                    )  
  ) **ss.**  
**FIRST JUDICIAL DISTRICT**    )

THIS CERTIFIES that on this \_\_\_\_ day of \_\_\_\_\_, 2014, before me, a Notary Public in and for the State of Alaska, personally appeared Mark Gorman, who is the Municipal Administrator of the City and Borough of Sitka, Alaska, a municipal corporation organized under the laws of the State of Alaska, that he has been authorized by to execute the foregoing document, and does so freely and voluntarily.

\_\_\_\_\_  
Notary Public for Alaska  
My Commission Expires: \_\_\_\_\_



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MMDD/YYYY)  
3/28/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Venneberg Insurance Inc. 225 Harbor Drive Sitka, AK 99835	<b>CONTACT NAME:</b> Sarah Newhouse <b>PHONE (A/C No. Ext):</b> (907) 747-8625 <b>E-MAIL ADDRESS:</b> sarahn@venneberginsurance.com	<b>FAX (A/C No.):</b> (907) 747-5065
	<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURED</b> Island Girl Coffee LLC 108 Osprey Sitka, AK 99835	<b>INSURER A:</b> Capitol Indemnity Corporation	
	<b>INSURER B:</b>	
	<b>INSURER C:</b>	
	<b>INSURER D:</b>	
	<b>INSURER E:</b>	
	<b>INSURER F:</b>	

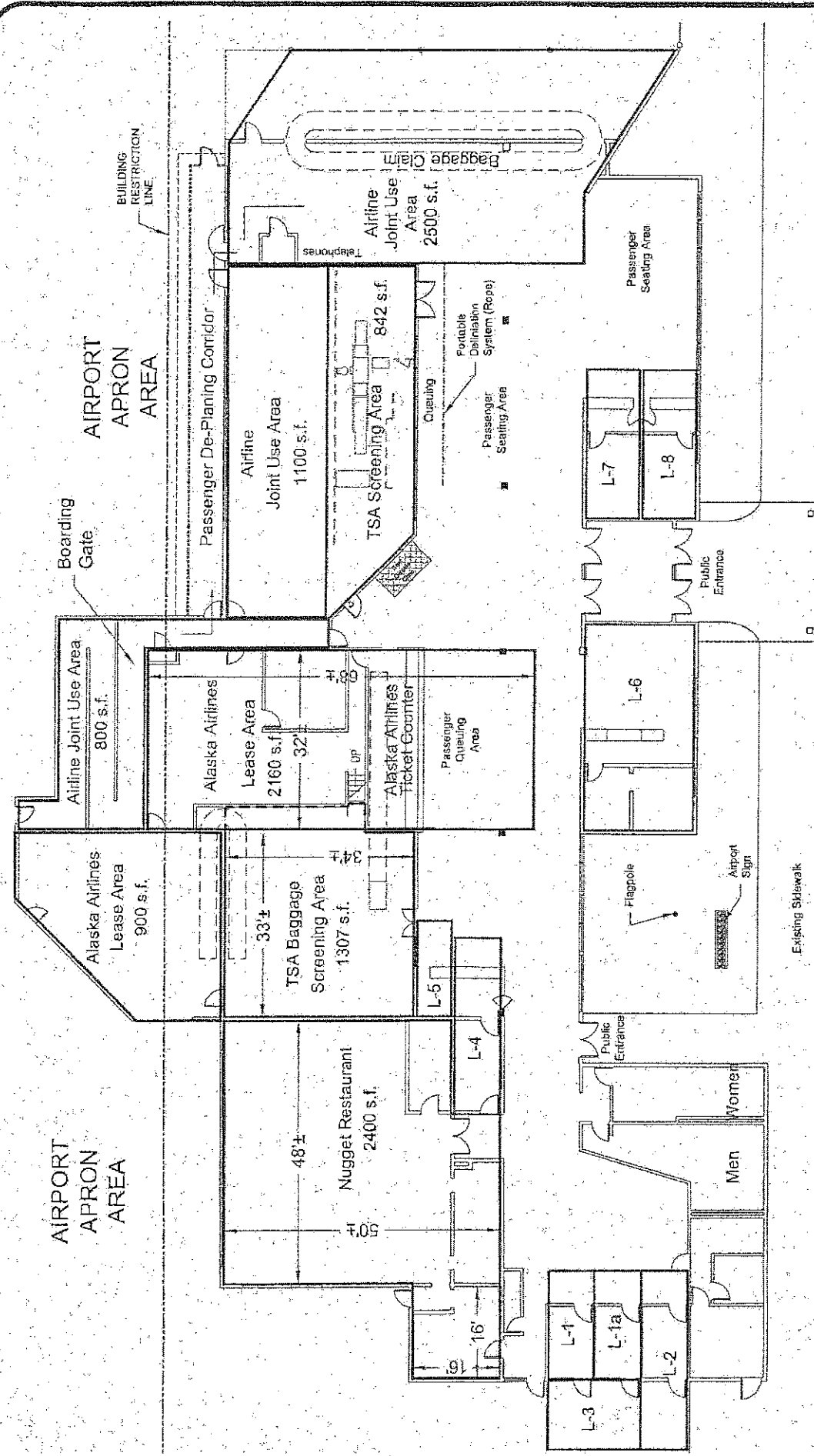
**COVERAGES**                      **CERTIFICATE NUMBER:** GL 2014                      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDITIONAL SUBROGATION	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY		CP02362831	3/27/2014	3/27/2015	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR					MED EXP (Any one person) \$ 5,000
	GEN'L AGGREGATE LIMIT APPLIES PER:					PERSONAL & ADV INJURY \$ 1,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					GENERAL AGGREGATE \$ 2,000,000
	AUTOMOBILE LIABILITY					PRODUCTS - COMP/OP AGG \$ 2,000,000
	ANY AUTO					COMBINED SINGLE LIMIT (Ea accident) \$
	ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS				BODILY INJURY (Per person) \$
	HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS				BODILY INJURY (Per accident) \$
	UMBRELLA LIAB	<input type="checkbox"/> OCCUR				PROPERTY DAMAGE (Per accident) \$
	EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE				\$
	DED <input type="checkbox"/> RETENTION \$					EACH OCCURRENCE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY					AGGREGATE \$
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y/N	N/A			WC STATUTORY LIMITS OTHER \$
	If yes, describe under DESCRIPTION OF OPERATIONS below					E.L. EACH ACCIDENT \$
						E.L. DISEASE - EA EMPLOYEE \$
						E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
 Showing General Liability coverage in place

<b>CERTIFICATE HOLDER</b> (907) 747-3158  City & Borough of Sitka 100 Lincoln Street Sitka, AK 99835	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE  Michael Venneberg/SJN
---	---



- L-1 Counter & Office Space 214 s.f.
- L-1a Counter & Office Space 214 s.f.
- L-2 Counter, Office & Outside Storage Space 280 s.f.
- L-3 Outside Storage Space 194 s.f.
- L-4 Counter & Office Space 255 s.f.
- L-5 Counter Space 114 s.f.
- L-6 Counter, Office & Storage Space 798 s.f.
- L-7 Counter & Office Space 243 s.f.
- L-8 Counter & Office Space 219 s.f.



City and Borough of Sitka  
 DEPARTMENT OF PUBLIC WORKS  
 100 LINCOLN STREET • SITKA, ALASKA 99835  
 TEL (907) 747-1804 FAX (907) 747-3158

### SITKA-R.G. AIRPORT SUBLESSEE USE AREAS

DRAWN: PAR/TAD	SCALE: N.T.S.
CHECKED: RAR	DATE: 10Feb05
DRAWING NAME: Leases Feb 05	SHEET NO. 1 / 1

**EXH. A**

*AIRPORT*

*Exhibit E*

*Paula*

STATE OF ALASKA  
DEPARTMENT OF TRANSPORTATION  
AND PUBLIC FACILITIES

SITKA AIRPORT

LEASE NO. ADA-50103

LEASE AGREEMENT

THIS lease is made and entered into this 1st day of June, 1997, between the STATE OF ALASKA, acting through the DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, whose address is 6860 Glacier Highway, Juneau, Alaska 99801-7999, ("LESSOR"), and the CITY AND BOROUGH OF SITKA, ALASKA, whose address is 100 Lincoln Street, Sitka, Alaska 99835 ("LESSEE").

*§ 7461 2005*

RECITALS

- (1) LESSOR owns the Sitka Airport ("Airport") at Sitka, Alaska;
- (2) LESSOR has constructed the runway and related facilities for the airport at Sitka, Alaska;
- (3) Lessor and Lessee entered into Lease Agreement ADA-01571, dated July 1, 1967, under which Lessee operated the Airport;
- (4) Under Lease Agreement ADA-01571, LESSEE constructed, expanded, and operated an airport terminal ("Terminal") building on the Airport;
- (5) July 1, 1994 Lessee terminated Lease Agreement ADA-01571. On October 11, 1995, Lessor and Lessee executed a Settlement Agreement setting out the conditions for resolution of financial disputes and other matters that resulted from Lessee's termination of Lease ADA-01571. Under the terms of the Settlement Agreement, the Lessor and Lessee agreed to enter into a lease of the Terminal site to permit the Lessee to continue operating the Terminal; and
- (6) LESSEE has operated the Terminal continuously since July 1, 1994;

THEREFORE, for and in consideration of the terms and conditions, set forth below, the parties agree as follows:

1. Leased Premises

LESSOR hereby leases to LESSEE, and LESSEE hereby leases from the LESSOR, the following real property located on Japonski Island, Sitka Recording District, First Judicial District, Alaska, described as follows ("Premises"):

Lot 3A, Block 600, Sitka Airport consisting of 65,445 square feet as described on attached Exhibit A.

2. Term

In consideration of Lessee's construction, maintenance, operation, and ownership of the Terminal, the term of this lease is 30 years beginning on July 1, 1994, and expiring on June 30, 2024.

**EXH. B**

3. Authorized Uses

Lessee is authorized to use the premises for operation of a public airline terminal building and for purposes commonly associated with a public airline terminal at airports in the United States, including aircraft parking, loading, servicing, and unloading; baggage and cargo processing; passenger ticketing, screening, and waiting; and concession services.

4. Rent

- (a) Beginning on July 1, 1995, the annual rental for the Premises is \$6,806.28 (65,445 square feet @ \$.104 per square foot). Rent for the period of July 1, 1995 to June 30, 1997 (\$13,612.56) is due upon execution of this lease by the Lessor and Lessee. After June 30, 1997, the rent shall be payable in advance of the first day of each year of the term specified in Covenant No. 3. The rent shall be prorated for any partial year in the term. All payments required by this lease must be made in U.S. currency.
- (b) Checks, bank drafts, or postal money orders are to be made payable to the State of Alaska and delivered to Accounting Section, Department of Transportation and Public Facilities, 6860 Glacier Highway, Juneau, Alaska 99801-7999, or any other address which the Lessor may designate in writing.
- (c) Any payment due from the Lessee and not received by the Lessor accrues interest from the due date until paid in full at the highest allowable lawful contract rate in Alaska, as defined AS 45.45.010 or as amended. Interest on disputed amounts will not be charged to the Lessee if the dispute is resolved in the Lessee's favor.
- (d) Any rent, charge, fee or other consideration which is due and unpaid at the expiration, termination, or cancellation of this lease will be a charge against Lessee and Lessee's property, real or personal.
- (e) Lessor may increase or decrease the rents or fees payable under this lease. During the first five years of the term stated in Covenant No. 2 of this lease, Lessor may neither increase nor decrease the rent fees payable under this lease. At any time after the end of the fifth year of the lease term, Lessor may, in its sole discretion, increase or decrease the rents or fees, provided that Lessor may neither increase nor decrease the rents or fees more than once in any 12 months period. Any change in rent is effective upon written notice to the Lessee.

Any rent increase or decrease must be consistent with applicable statutes or regulations, including AS 02.15.090 and 17 AAC 40.340(a), and any amendments. It is Lessor's intent that any rent established under this basic provision not exceed fair market rental as determined by a qualified real estate appraiser in an appraisal approved by Lessor. However, Lessor is under no obligation to appraise the Premises under any circumstances.

- (f) If Lessee believes that a change under (e) of this Covenant No. 4 rent exceeds the fair market rent for the Premises, Lessee may appeal to Lessor according to the following procedures:
  - (i) Lessee must pay the changed rent beginning on the effective date stated in Lessor's rent change notice and continue paying the changed rent throughout the appeal process.

- (ii) Within 30 days after the date of Lessor's written notice of the rent increase or decrease, Lessee must submit a written appeal to Lessor. The appeal must include the name, address, telephone number and professional qualifications of the real estate appraiser Lessee intends to retain to perform a fair market rent appraisal of the Premises.
- (iii) Lessor will review the appraiser's qualifications and approve or disapprove the appraiser in writing to Lessee. If Lessor disapproves the appraiser, Lessee will have 30 days from the date of Lessor's written disapproval to continue the appeal by submitting the name, address, phone number, and professional qualifications of another appraiser.
- (iv) If Lessor approves Lessee's appraiser, Lessee shall, at Lessee's sole expense, cause the Premises to be appraised according to appraisal instructions furnished by Lessor. The written appraisal must be received by Lessor within 90 days following the date of Lessor's written approval of Lessee's appraiser.
- (v) Lessor will review the appraisal for conformance with the appraisal instructions and issue a written approval or rejection to Lessee. Upon approval of the appraisal, the fair market rent determined by the appraisal will be the rent for the Premises, retroactive to the effective date of Lessor's rent change notice issued under (e) of this Covenant No. 4. Rejection of the appraisal by Lessor will constitute a denial of Lessee's appeal.

#### 5. Operation As A Public Air Terminal

LESSEE agrees to operate the Terminal for the use and benefit of the public. Lessee shall make available, the Terminal and related facilities and services to the public, subject to reasonable fees and needs, on fair and reasonable terms and conditions and without discrimination. Lessee agrees to provide space in the terminal, to all qualified persons, firms, and corporations desiring to conduct airline operations in the Terminal. Nothing in this lease grants or authorizes the Lessee to grant any exclusive right prohibited by AS 02.15.210 or Section 308 of the Federal Aviation Act.

#### 6. Economic Non-Discrimination

Each air carrier using the Terminal (whether as a tenant, nontenant, or subtenant of another air carrier tenant) shall be subject to nondiscriminatory and substantially comparable rates, fees, rentals, and charges with respect to facilities directly or substantially relating to providing air transportation and other nondiscriminatory and substantially comparable rules, regulations and conditions as are applicable to all such air carriers which make similar use of the Terminal.

#### 7. Inspection of Lessee Records

During Lessee's normal business hours, Lessor shall have the right to inspect and copy the Lessee's files, books, and records related to this lease, the Premises, or the Terminal.



**8. Continuous Operations**

Except as provided in Covenant No. 13 of this lease, Lessee agrees to continuously operate an airline terminal building on the premises for use by the public throughout the term of this lease.

**9. Existing Improvements**

(a) Lessor and Lessee acknowledge the presence on the Premises of the Terminal, sidewalks, and landscaped areas owned by Lessee, and security fencing and paved surface aircraft parking apron owned by Lessor. As of the date on which this lease is executed, Lessor and Lessee find the condition of these improvements to be acceptable for the purposes contemplated in this lease.

(b) By no later than September 1, 1997, Lessee shall furnish to Lessor one complete set of as-built drawings showing the dimensions and construction of the Terminal.

**10. Survey**

Lessee agrees to cause the Premises to be surveyed by a land surveyor registered in the State of Alaska. The survey must be conducted at no expense to the Lessor and must establish the boundaries of the Premises, placing permanent markers at the corners. Lessee agrees to submit a plat of the survey, signed and stamped by the surveyor, to the Lessor on or before September 1, 1997. The survey plat must conform to the Lessor's reasonable requirements, must use the centerline of the airport runway as the basis of bearings and must show survey monuments recovered, survey monuments set, and bearings and distances between monuments. Following approval of the plat by the Lessor, the Lessor and Lessee will execute a supplement to this lease which will modify the Premises description as necessary to conform to the survey.

**11. Construction**

(a) Before placing fill material or beginning construction of any improvements or additions on the Premises, Lessee must first obtain the written approval of Lessor in the form of an approved building permit. Detailed drawings of the proposed improvements or additions on the Premises must be submitted to Lessor. If a building or building addition is contemplated, Lessee must also submit comprehensive structural drawings showing front and side elevation views and floor plan, materials to be used, dimensions, elevations, the location of all proposed utility lines, and any additional data requested by Lessor. Lessor will review and approve or disapprove the proposed construction. Approval will not be withheld except where proposed construction does not comply with valid engineering principles, fire or building codes, generally recognized principles of sound airport development, or the proposed construction is inconsistent with the purposes of this lease. Lessee shall submit to Lessor evidence of Lessee's compliance with the Federal Aviation Regulations, 14 CFR Part 77, and all other municipal, state, or federal regulations governing construction of improvements on the airport.

(b) Lessee, within thirty (30) days after completion of construction or placement of improvements upon the Premises, shall deliver to Lessor an as-built drawing showing the location and dimensions of the location and

dimensions of the improvements, giving bearings and distances to an established survey point. Furthermore, if Lessee constructs underground improvements, Lessee shall appropriately mark the surface of the land with adequate surface markers.

#### 12. Maintenance

- (a) Lessee shall keep the Premises and all improvements neat and presentable at Lessee's own expense. Lessee shall not strip, waste, or remove any material from the Premises without the prior written permission of Lessor.
- (b) At no cost to Lessor, Lessee shall provide for all utilities, services, and maintenance, including snow removal, as is necessary to facilitate Lessee's use of the Premises.
- (c) The disposal on the airport of waste materials generated by Lessee, including slash, overburden, and construction waste, is prohibited, unless authorized in writing by Lessor.
- (d) Lessee agrees to coordinate the Lessee's snow removal and maintenance activities on the Airport with Lessor's Airport personnel. Lessee further agrees to comply with all reasonable decisions and directions of Lessor's airport management personnel regarding snow removal, maintenance, and general use of the airport by Lessee.

#### 13. Damage or Destruction of the Terminal

- (a) Except as provided in (b) of this Covenant No. 13, if the Terminal is damaged or destroyed by fire, explosion, wind, or other events, Lessee shall cause the Terminal to be repaired or rebuilt, and restored to normal function as promptly as possible.
- (b) If the Terminal is damaged to the extent that more than 50% of the space in the Terminal is unusable and the damage occurs within five years of the expiration of the term of this lease, Lessee may terminate this lease, remove the damaged Terminal, and restore the Premises.

#### 14. Lessor Obligations

- (a) Subject to the appropriation of sufficient funds, Lessor agrees to operate and maintain the Airport for the use and benefit of the public. Lessor's operation and maintenance of the Airport include:
  - (i) Maintenance of the runway and taxiway systems;
  - (ii) Maintenance of the road systems within the airport boundaries;
  - (iii) Maintenance of the public parking lot on the Airport; and
  - (iv) Comply with Federal Aviation Administration requirements for an airport served by commercial air carriers.
- (b) Lessor is responsible for the maintenance, operation, and management of the security lock system controlling points of access from the Terminal to the aircraft parking apron on the Premises. Lessee shall obtain Lessor's prior approval for any proposed change in the points of access. If Lessee installs additional points of access in the Terminal, the devices securing

the access shall be compatible with Lessor's system, installed at the Lessee's sole expense, and maintained and operated by Lessor.

**15. Hazardous Substances**

- (a) If fuel or any other hazardous substances are handled by Lessee on the Premises, Lessee agrees to have properly trained personnel and adequate procedures for safely storing, dispensing, and otherwise handling fuel or hazardous substances in accordance with 13 AAC 50 and other applicable federal, state, and local laws.
- (b) In the event of a hazardous substance spill on the Premises, Lessee shall immediately notify Lessor and act promptly to contain the spill, repair any damage, absorb and clean up the spill area, and restore the Premises to a condition satisfactory to Lessor and otherwise comply with the applicable portions of Title 17 and Title 18 of the Alaska Administrative Code.
- (c) Unless otherwise stipulated by this lease or amendment thereto, all bulk fuel on the Premises must be stored in fuel storage tanks installed and plumbed in accordance with 13 AAC 50 and other applicable federal, state, and local laws.

**16. Environmental Indemnification by Lessee.**

- (a) Except for environmental contamination demonstrated to have been caused by Lessor, or by third party prior to July 1, 1994, or to have originated before July 1, 1967, Lessee will be liable for any contamination on the Premises or for the presence of any hazardous substance on the Premises. To that extent only, Lessee shall defend and save harmless Lessor from all suits, claims, damages, judgments, penalties, fines, costs, and liabilities, including sums paid in settlement of claims, attorney's fees, and consultant fees, which arise as a result of contamination of the Premises by a hazardous substance, or of adjacent property if the contamination is demonstrated to have migrated from the Premises.
- (b) Nothing in this Covenant No. 16 shall bar or prevent Lessor or Lessee from seeking and obtaining cleanup efforts, costs, or damages from potentially responsible parties for contamination of the Premises or of adjacent properties.
- (c) Upon the cancellation, termination or expiration of this lease, Lessor will, in its discretion, require Lessee to perform an Environmental Site Assessment of the Premises. Lessee assumes financial responsibility to Lessor for any contamination or presence of hazardous substance in, on, and under the surface of the Premises, or adjacent property if the contamination migrated from the Premises, except for contamination or present of hazardous substance that is determined to have been caused by Lessor, or by third party prior to July 1, 1994, or to have originated before July 1, 1967. This is without prejudice to Lessee's right to seek contribution or indemnity either from prior occupant's properties adjacent to the Premises or other potentially responsible parties except Lessor.

**17. Environmental Definition**

- (a) For the purposes of this lease the following terms are defined:

- (i) Environmental Site Assessment - An assessment of property, consistent with generally accepted professional practices, that determines the environmental condition and is supported by reports and tests which determine the environmental condition and the present, type, concentration, and extent of hazardous substances in, on, and under the surface of the property.
- (ii) Hazardous Substance - Any substance designated pursuant to section 311(b) (2) (A) of the Clean Water Act; any element, compound, mixture, solution, or substance designated pursuant to section 102 of CERCLA; and hazardous waste having the characteristics identified under or listed pursuant to section 3001 of the Solid Waste Disposal Act; any toxic pollutant listed under section 307(a) of the Clean Water Act; any hazardous air pollutant listed under section 112 of the Clean Air Act; and any imminently hazardous chemical substance or mixture with respect to which the EPA Administrator has taken action pursuant to section 7 of the Toxic Substance Control Act.

**18. Fuel Sales Prohibited**

Unless specifically authorized by this lease or amendment thereto, the sale of aviation fuel or lubricating oil by Lessee or a sublessee on the Premises is prohibited.

**19. Liability**

Except for Lessor's own negligence, the Lessee shall indemnify, defend, and hold the Lessor harmless from any liability, action, claim, suit, loss property damage or personal injury of whatever kind resulting from or arising out of any act of commission or omission by the Lessee, or Lessee's agents, employees, sublessees or customers, or arising from or connected with the Lessee's use and occupation of the Premises, or the exercise of the rights and privileges granted by this lease.

**20. Insurance**

- (a) At no expense to Lessor, Lessee shall secure and keep in force during the term of this lease adequate insurance to protect both Lessor and Lessee against comprehensive public liability and property damage in no less than the following amounts:
  - (i) property damage arising from one occurrence in the amount of not less than \$1,000,000; and
  - (ii) personal injury or death in an amount of not less than \$1,000,000.
- (b) Lessee shall provide Lessor with proof of insurance coverage in the form of an insurance policy or a certificate of insurance. All insurance required by this covenant must:
  - (i) name Lessor as an additional assured;
  - (ii) provide that Lessor be notified at least thirty (30) days prior to any termination, cancellation, or material change in the insurance coverage; and

- (iii) include a waiver of subrogation by which the insurer waives all rights of subrogation against Lessor for payments made under the policy.
- (c) The requirement of insurance coverage does not relieve Lessee of any other obligations under this agreement.
- (d) With thirty (30) days advance written notice to Lessee, Lessor may increase or decrease the coverage limits for the insurance required by this Covenant No. 20 when Lessor reasonably determines that the increase or decrease is justified by changes in the potential risks involved in the use of the Premises by Lessee or the users of the Terminal.

## 21. Cancellation

- (a) Lessor may cancel this lease and recover possession of the Premises by giving Lessee 30 days prior written notice upon the happening of any of the events listed below, unless the breach is cured within the 30-day notice period:
  - (i) Lessee's failure to pay when due the rents or fees specified in this lease, including any increases made pursuant to this lease;
  - (ii) the return for insufficient funds of checks for payment of rents or fees;
  - (iii) the use of the Premises by Lessee for any purpose not authorized by this lease;
  - (iv) the filing of a petition in bankruptcy by or against Lessee;
  - (v) the entry by any court of a judgment of insolvency against Lessee;
  - (vi) the appointment of a trustee or receiver for Lessee's assets in a proceeding brought by or against Lessee;
  - (vii) the failure of Lessee to perform any provision or covenant in this lease.
- (b) If Lessee disputes Lessor's stated reasons for a cancellation, Lessee may appeal to Lessor for reconsideration if Lessee submits a written appeal to Lessor before the end of the 30-day notice period in (a) of this Covenant No. 21. Upon Lessor's timely receipt of an appeal, Lessor will suspend action on the cancellation until a decision is made on Lessee's appeal. If the appeal is successful, Lessor's notice of cancellation will be void. If the appeal is denied, the cancellation will be effective 30 days after the date of Lessor's written denial issued to Lessee.

## 22. Survival of Lessee Obligations

If this lease is terminated or cancelled by Lessor pursuant to this lease, or if Lessor reenters, regains or resumes possession of the Premises pursuant to this Lease, all of Lessee's obligations under this Lease except those obligations involving liability which evolves to an occupant based upon maintenance, hazardous conditions and hazardous waste occurring during the Lessor's possession of the premises, shall survive and shall remain in full force and effect for the full term of this Lease. Subject to the Lessor's obligation to mitigate

damages, the amount of the rents, fees, and charges shall become due and payable to Lessor to the same extent, at the same time, and in the same manner as if no termination, cancellation, reentry, regaining, or resumption of possession had taken place. Without limiting the foregoing, Lessee's duties, obligations, and responsibilities under this Lease shall survive the cancellation, termination, or expiration of this lease.

### 23. Disposition of Improvements and Personal Property

- (a) Within sixty (60) days following the effective date of the expiration, termination, or cancellation of this lease, improvements or personal property or other property, real or personal, owned by Lessee on the Premises must either:
  - (i) be removed by Lessee if required by Lessor or desired by Lessee and if Lessor determines that removal will not cause injury or damage to the Premises; or
  - (ii) with Lessor's consent, be sold to the succeeding Lessee.
- (b) Lessor may grant additional time for the removal of improvements if hardship is established by Lessee.
- (c) If Lessee fails to timely remove or sell the improvements or personal property under (a) or (b) of this covenant, title to the improvements or personal property vests in Lessor, and Lessor will, in its discretion, sell, lease, demolish, dispose, remove, or retain for its own use the improvements or personal property. Lessee shall reimburse Lessor for all costs incurred by the department, including legal costs, in the selling, leasing, demolishing, disposing, removing, or retaining of unremoved improvements or personal property.

### 24. Holding Over

If Lessee holds over and remains in possession of the Premises after the expiration of this agreement without a written renewal, the holding over will not operate as a renewal or extension of the term of this agreement but only creates a tenancy from month to month, regardless of any rent payments accepted by Lessor. Lessee's obligations for performance under this lease will continue until the month-to-month tenancy is terminated by Lessor. Lessor may terminate the tenancy at any time by giving the Lessee at least ten (10) days prior written notice.

### 25. Assignment or Sublease by Lessee

- (a) Except as provided in (b) of this Covenant No. 25, Lessee may not assign or sublet, either by grant or implication, the whole or any part of the Premises or the whole or any part of the Terminal without the written consent of Lessor. Any proposed assignment, lease, or sublease must be submitted to Lessor for approval in five (5), each bearing the original notarized signature of all parties.
- (b) Lessee may sublet portions of the Premises or space in the Terminal without Lessor's written consent, if the sublease term, including options, renewals, or extensions, does not exceed one year and the purpose of the sublease is consistent with the authorized uses in Covenant No. 3 of

this lease. Lessee shall deliver to Lessor a copy of the sublease within 30 days of the date on which the sublease is signed by Lessee.

- (c) Except as provided in (b) of this Covenant No. 24, an assignment or sublease is void without Lessor's written consent.
- (d) All covenants and provisions in this agreement extend to and bind the legal representatives, successors, and assigns of the parties in any assignment or sublease.
- (e) By no later than September 1, 1996, Lessee shall deliver to Lessor one copy of each sublease of space on the Premises that is in force on July 1, 1996.

**26. Assignment By Lessor**

Without the consent of Lessee, the Lessor may assign the Lessor's interest in this lease to any government agency, company, or person to whom the Lessor conveys, leases, or sells the Airport. No such assignment will operate to increase Lessee's obligations, or reduce Lessee's rights, under this lease.

**27. Condemnation**

If the Premises are condemned by any proper authority, the term of this lease will end on the date Lessee is required to surrender possession of the Premises. Lessor is entitled to all the condemnation proceeds except Lessee will be paid the portion of the proceeds attributable to the fair market value of any improvements placed on the Premises by Lessee according to the provisions of 17 AAC 40.330, amended. Rent will also be adjusted according to the provisions of 17 AAC 40.330, as amended.

**28. Vacation**

At the expiration, cancellation or termination of this lease, Lessee must peaceably and quietly vacate the Premises and return possession to Lessor. The Premises must be left in a clean, neat, and presentable condition to the satisfaction of Lessor.

**29. Easements**

Lessor reserves the right to make grants to third parties or reserve to Lessor easements or rights-of-way through, on, or above the Premises, provided that no such easements or rights-of-way may be granted or reserved which unreasonably interferes with Lessee's use of the Premises.

**30. Quiet Enjoyment**

Lessor covenants that upon Lessee's payment of the rent and performing and observing all of Lessee's other obligations under this lease, Lessee may peaceably and quietly have, hold, and enjoy the Premises for the lease term, subject and subordinate to all provisions of this lease.

**31. Warranties and Title Representations**

The interests transferred or conveyed by this lease are subject to any and all of the covenants, terms, and conditions that are contained in the instruments conveying title or other interests or improvements to Lessor or contained in the public records recorded in the District Recorder's Office, Sitka, Alaska.

The Lessor makes no specific warranties, express or implied, concerning the title or condition of the property, including survey, access, or suitability for any use, including those uses authorized by this lease.

**32. Reservation of Rights**

Rights and privileges granted to Lessee in this lease are the only rights and privileges granted to Lessee by this lease. Lessee has no easements, rights or privileges, express or implied, other than those specifically granted by this lease.

**33. Discrimination**

Lessee covenants and agrees that discrimination on the grounds of race, color, religion, national origin, ancestry, age, or sex will not be permitted against any patron, employee, applicant for employment, or other person or group of persons in any manner prohibited by federal or state law. Lessee recognizes the right of Lessor to take any action necessary to enforce this covenant, including actions required pursuant to any federal or state law.

**34. Affirmative Action**

Lessee agrees to undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person will be excluded from participating in any employment activities covered by 14 CFR Part 152, Subpart E on the grounds of race, creed, color, national origin, or sex. Lessee hereby agrees that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by Subpart E.

**35. Radio Interference**

At Lessor's request, Lessee shall discontinue the use of any transmitter, machine, or device which may interfere with any government operated transmitter, receiver, or navigation aid until the cause of the interference is eliminated.

**36. Laws and Taxes**

- (a) This lease is issued subject to all requirements of the laws and regulations of the State of Alaska relating to the leasing of lands and facilities and the granting of privileges at State airports.
- (b) At no expense to Lessor, Lessee will conduct all activities or business authorized by this lease in compliance with all federal, state, and local laws, ordinances, rules and regulations now or hereafter in force which apply to the activities or business authorized by this lease or to the use, care, operation, maintenance, and protection of the Airport, including but not limited to matters of health, safety, sanitation, and pollution. Lessee



must obtain all necessary licenses and permits, pay all taxes and special assessments lawfully imposed upon the Premises, and pay any other fees and charges assessed under applicable public statutes or ordinances.

(c) Lessee shall abide by the rules and procedures, applicable to the operation and use of the Terminal, in the Federal Aviation Administration approved airport security program and airport certification manual adopted for the Airport by Lessor to comply with 14 C.F.R. Parts 107 and 139. If the Federal Aviation Administration assesses a fine against Lessor for a breach by Lessee of the airport security program or the airport certification manual, Lessee shall reimburse Lessor for the amount of the fine and legal costs upon receipt of a written demand for reimbursement issued by Lessor.

(d) In any dispute between the parties, the laws of the State of Alaska will govern and any lawsuit must be brought in the courts of the State of Alaska. The Lessee agrees to notify Lessor of any claim, demand, or lawsuit arising out of Lessee's occupation or use of the Premises. Upon the Lessor's request Lessee will cooperate and assist in the investigation and litigation of any claim, demand, or lawsuit affecting the Premises.

#### 37. Liens

Lessee shall keep the Premises free of all liens, pay all costs for labor and materials arising out of any construction or improvements by Lessee on the Premises, and hold Lessor harmless from liability for any liens, including costs and attorney fees. By this provision, Lessor does not recognize that it is in any way liable for any liens on the Premises.

#### 38. No Waiver

Failure of Lessor to insist in any one or more instances upon the strict performance by Lessee of any provision or covenant in this lease may not be considered as a waiver or relinquishment for the future, but the provision or covenant will continue in full force. A waiver by Lessor of any provision or covenant in this lease cannot be enforced or relied upon unless the waiver is in writing signed on behalf of Lessor.

#### 39. Modification

Lessor may modify this lease to meet the revised requirements of federal or state grants or to conform to the requirements of any revenue bond covenant to which the State of Alaska is a party, provided that a modification may not act to reduce the rights or privileges granted Lessee by this lease nor act to cause Lessee financial loss.

#### 40. Validity of Parts

If any provision or covenant of this lease is declared to be invalid by a court of competent jurisdiction, the remaining covenants and provisions will continue in full force.

**41. Interrelationship Of Provisions**

The provisions, amendments, supplements, and exhibits are essential parts of this lease and are intended to be co-operative, to provide for the use of the Premises, and to describe the respective rights and obligations of the parties to this agreement. In case of a discrepancy, figured dimensions govern over scaled dimensions unless obviously incorrect.

**42. Natural Disasters**

In the event any cause which is not due to the fault or negligence of either Lessee or Lessor renders the Airport or the Premises unusable and makes the performance of this lease impossible, this agreement may be terminated by either party upon written notice to the other party. Causes include acts of God, acts of public enemy, acts of the United States, fires, floods, epidemics, quarantine restrictions.

**43. Notices**

Any written notice required by this agreement must be hand delivered or sent by registered or certified mail to the appropriate party at the address set forth on page one of this lease or to any other address which the parties subsequently designate in writing.

**44. Integration and Merger**

This agreement sets forth all the terms, conditions, and agreements of the parties and supersedes any previous understandings or agreements regarding the Premises whether oral or written. No modification or amendment of this lease is effective unless in writing and signed by both the parties.

**45. National Emergency**

In case of any national emergency declared by the federal government, Lessee may not hold Lessor liable for any inability to perform any part of this agreement as a result of the national emergency.

**46. Approval By Lessor**

Any approvals required of Lessor by this lease will not be unreasonably withheld.

**47. Lessor Ingress and Egress for Inspection, Repair, and Construction**

- (a) Lessor reserves the right of ingress to and egress from the Premises and the right to enter any part of the Premises, including the Terminal, for the purpose of inspection at any reasonable time. Lessor shall also have the right to enter the Premises, including the terminal, for the purpose of posting public notices required by 14 C.F.R. Parts 107 and 139.
- (b) Lessor reserves the right of ingress to and egress from the aircraft parking apron on the Premises for the purpose of inspecting, repairing,

constructing, or reconstructing the apron surface and related improvements.

- (c) Except in the case of an emergency, Lessor will coordinate all repairs, construction, inspections, and notice posting with Lessee in order to minimize interference with Lessee's activities on the Premises.

**48. Execution by Lessor**


This lease is of no effect until it has been signed by the Commissioner of the Department of Transportation and Public Facilities or his designated representative.

STATE OF ALASKA )  
(SEAL)

STATE OF ALASKA )  
 ) ss:  
FIRST JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on the 8 day of September <sup>1997</sup> 1995, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared JAMES H. Merrill, known to me and to me know to be the Acting Regional Director Department of Transportation and Public Facilities, and he acknowledged to me that he executed the foregoing instrument freely and voluntarily on behalf of the State of Alaska, Department of Transportation and Public Facilities, for the uses and purposes therein set forth and that he is authorized by said State of Alaska so to do.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year first written above.

  
\_\_\_\_\_  
Notary Public in and for Alaska  
My Commission Expires: June 24, 2001

WHEREFORE, the parties have entered into this lease the date and year first above written at the City of Sitka, Alaska.

LESSEE:

CITY AND BOROUGH OF SITKA  
ALASKA

By: *[Signature]*

ATTEST:

*[Signature]*  
Borough Clerk

APPROVED AS TO FORM:

*[Signature]*  
Municipal Attorney

STATE OF ALASKA            )  
  ) ss:  
FIRST JUDICIAL DISTRICT    )

On this 27<sup>th</sup> day of August, 1997, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared Gary L. Paxton, Borough Manager, and Kathy Hope Erickson, Borough Clerk, to me known to be the persons whose names are subscribed to the foregoing Lease as officers of the CITY AND BOROUGH OF SITKA, and acknowledged that they and each of them executed said instrument as their knowing and voluntary act and deed; as the voluntary act and deed of the CITY AND BOROUGH OF SITKA; and that they and each of them were duly authorized to sign said Lease by authority of the Assembly of the CITY AND BOROUGH OF SITKA.

WITNESS my hand and official seal the day and year in this certificate above written.

STATE OF ALASKA  
NOTARY PUBLIC  
TAMARA J. O'NEILL  
My Commission Expires Nov. 18, 1997

*Tamara J. O'Neill*  
NOTARY PUBLIC FOR ALASKA  
My Commission Expires: 11/18/97

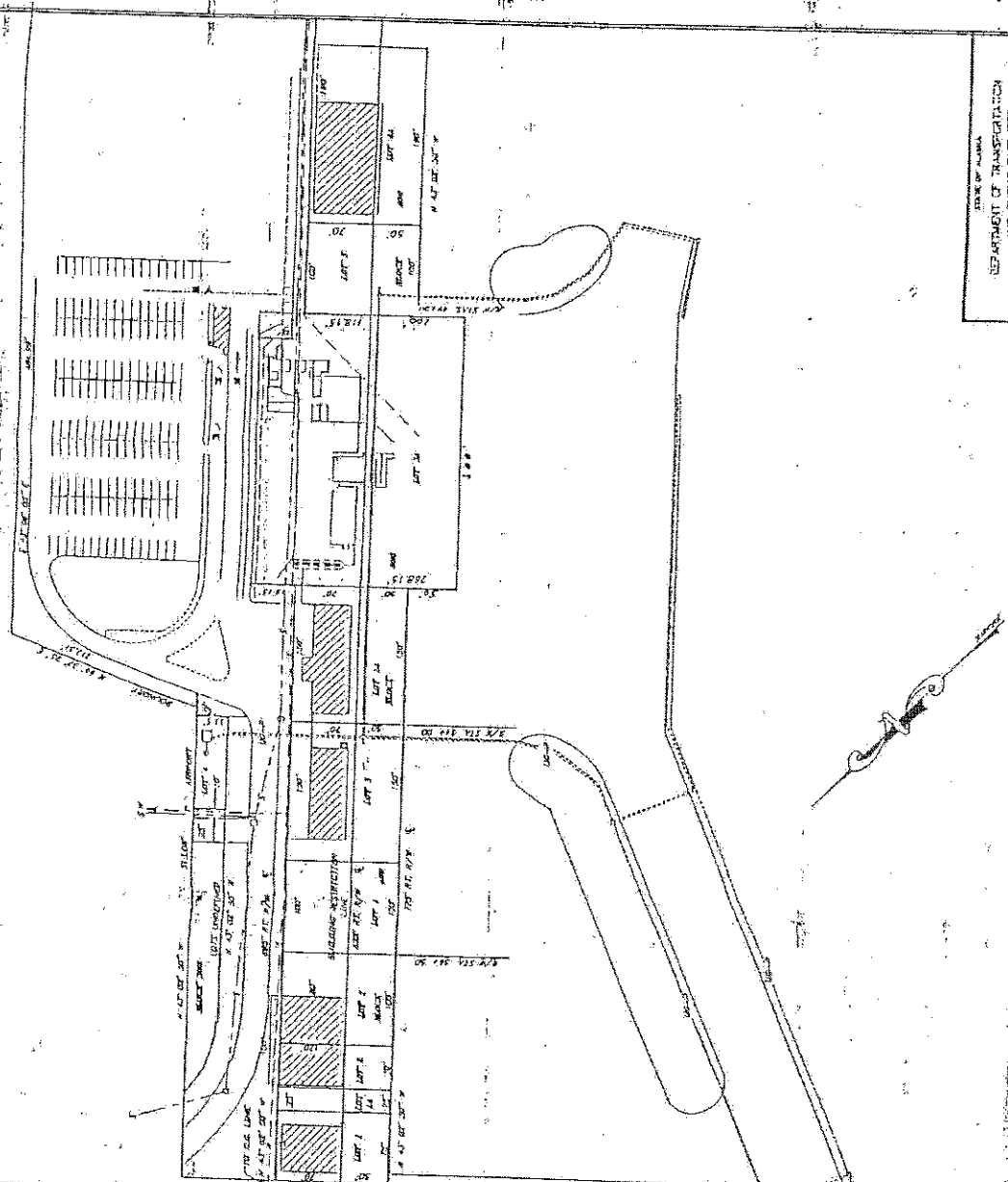
LESSOR:

STATE OF ALASKA, by and through the  
DEPARTMENT OF TRANSPORTATION AND  
PUBLIC FACILITIES

BY: *[Signature]*  
*[Signature]*  
9/8/97

LAND OCCUPANCY

BLOCK	LOT	ADA#	NO.	AREA	OCCUPANT	EXP. DATE
300	1	50155	12,000	ADRIENNE PAULI RYAN & CO. CORP.	INDEFINITE	
400	2	50155	8,000	MOUNTAIN RELATION	10/01/2002	
400	3	50155	12,000	ENTREPRE	INDEFINITE	
400	4	50253	12,000	ENTREPRE	INDEFINITE	
400	5	50253	12,000	LENO SERVICES, INC	4/15/2001	
500	1A	50221	14,000	ENTREPRE	INDEFINITE	
500	1B	50221	14,000	ALATKA AIRCRAFT, INC	3/24/1997	
500	2A	50103	1,474	CITY OF SITKA	6/30/2024	
500	2B	50274	12,000	YACHT	INDEFINITE	
500	3A	50274	22,800	MOUNTAIN RELATION	3/15/1997	
500	3B	50188	4,750	S AND R ENTERPRISES	8/1/1998	
ITEM	2	03-57	10'	R.O.T	U.S. COAST GUARD	INDEFINITE



GRAPHIC SCALE



STATE OF ALASKA  
DEPARTMENT OF TRANSPORTATION  
AND PUBLIC FACILITIES  
SITKA AIRPORT

LAND OCCUPANCY

SITKA AIRPORT

**CONSENT TO SUBLEASE**

The State of Alaska, Department of Transportation and Public Facilities, Southeast Region Airport Leasing/Property Management, Lessor in Lease Agreement **ADA-50103** (Prime Lease), acknowledges a sublease dated \_\_\_\_\_, between the **City and Borough of Sitka**, the lessee under said prime lease, and \_\_\_\_\_, the Sublessee for the use of operating \_\_\_\_\_, at the **Sitka Airport**. The term of the sublease begins \_\_\_\_\_ and ends \_\_\_\_\_.

The Lessor consents to the lessee entering into said sublease provided that the Lessee shall remain responsible to the Lessor for compliance with all the terms of said Prime Lease.

This consent is given subject to the following conditions:

1. If there is a conflict between the above referenced Prime State Lease Agreement and the sublease or its underlying documents, the terms of the Prime State Lease govern.
2. The Sublessee is prohibited from subleasing without the prior written consent of both the Lessee and the Lessor. Further a Sublessee may not assign or hypothecate a subleasehold.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

STATE OF ALASKA  
DEPARTMENT OF TRANSPORTATION AND  
PUBLIC FACILITIES

\_\_\_\_\_  
Chief, Juneau Office, Aviation Leasing and Airport  
Land Development

STATE OF ALASKA )  
  ) ss.  
First Judicial District )

THIS IS TO CERTIFY that on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared \_\_\_\_\_, known to me and to me known to be the Chief, Leasing and Property Management, Southeast Region, Department of Transportation and Public Facilities, and s/he acknowledged to me that s/he executed the foregoing instrument freely and voluntarily on behalf of the State of Alaska, Department of Transportation and Public Facilities, for the uses and purposes therein set forth and that s/he is authorized by said State of Alaska to do so.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the date and year first written above.

\_\_\_\_\_  
Notary Public in and for Alaska  
My Commission Expires: \_\_\_\_\_

**EXh.C**

## SUBLEASE GUIDELINES FOR TENANTS

17 AAC 45.990(80): "sublease' means a transaction or agreement under which a lessee, permittee or concessionaire leases, rents or otherwise grants occupancy rights to all or a portion of a premises or improvements on a premises to another person; 'sublease' does not include the assignment of a lease, permit or concession"

17 AAC 45.270(a): "...a lessee, permittee, or concessionaire may not sublease all or a portion of a lease, permit or concession premises without the prior written consent of the department under 17 AAC 17.275. A sublease made contrary to the requirements of this section and 17 AAC 45.275 is void."

17 AAC 45.270(d): "A sublessee of a lease, permit or concession may not occupy the premises before the department consents to the sublease in writing."

### **A request for a consent to a sublease must be submitted in writing and must include:**

**A. SUBLEASE.** The following items must be included in all subleases. Failure to provide these items may result in the State/Lessor withholding its consent to a sublease.

17 AAC 45.270(B)

1. The name, address, and telephone contact number (including a fax number) of the proposed sublessee and the existing lessee. The sublease should name DOT&PF as the Lessor, DOT&PF's tenant as the Lessee, and Lessee's tenant as the Sublessee. Appropriate e-mail addresses should be provided.
2. Emergency contact names and telephone numbers (including fax numbers) for both parties; one of these needs to be for a person located at or near the airport where the sublease is located. Also please include e-mail addresses, if available.
3. A description of property to be subleased (e.g.: "portion of Lot 1, Block 1, as shown on Exhibit A attached"). Attach exhibit showing the specific area being subleased (whether a portion of a building, land, or any combination thereof). If areas of the land or in the building are used in common with the Lessee or other Sublessees, the sublease must so state, and the exhibit must clearly show the common use areas.
4. A description of the proposed sublessee's intended use of the premises. Authorized uses must be specific and cannot authorize more than the original lease. If food, beverage, liquor or hotel/lodging sales will occur, the lease must contain related concession fee language or a sublease for these purposes will not receive DOT&PF's consent.
5. The expiration date of the sublease. The term of a sublease cannot extend past the original (prime) lease expiration date. The beginning date of a sublease must also be included. All renewals or extensions of subleases must be submitted for review and approval, and shall be treated the same as new sublease approvals.
6. A statement of the proposed sublease rent to be paid per month of occupancy.
7. A guarantee of indemnification by the Sublessee under which the Sublessee provides to the State the same level of indemnity that the Sublessee would provide to the State if the Sublessee were a direct Lessee under the lease.



8. A statement identifying the party/ies (Lessee or Sublessee) responsible for providing the State with proof of premises liability and/or products insurance coverage ( as applicable per the lease requirements). Depending upon the subleased area, all parties (State, Lessee and Sublessee) may be required to be named as co-insured. Unless a sublease is for the entire premises, including all facilities maintenance, both the Lessee and the Sublessee will be required to maintain the insurance required by the lease, with both naming the State of Alaska as additional insured.

9. A statement acknowledging that the prime State lease governs over the sublease and that the Sublessee agrees to abide by all provisions and covenants of the State lease.

\*Example: Mars Airlines, Inc., Lessee, and John Doe, dba Jupiter Air, Sublessee, enter into this sublease dated \_\_\_\_\_. This sublease is subject to all requirements and conditions of the Lessee's prime lease ADA-\_\_\_\_\_ with the State of Alaska, DOT&PF, Lessor. The Sublessee agrees to abide by all provisions and covenants of the prime lease.

10. A statement acknowledging that Sublessees are prohibited from subleasing without the prior written consent of both the Lessee and the Lessor. Further, a Sublessee may not assign or hypothecate a subleasehold.

11. A provision that no improvements, grading, fill, construction, etc. may take place until the Sublessee and Lessee have obtained the Lessor's approval.

12. Three originals of the executed sublease documents with notarized signatures of the Sublessee and the Sublessor.

13. If either party is a corporation, the corporate seal must be applied to the sublease, or a corporate resolution submitted; also a copy of the Certificate of Incorporation must be submitted. If an LLC, copies of the Certificate of Organization, Articles of Organization and Operating Agreement (if applicable) must be submitted.

**B. INSURANCE.** A binder for, or certificate of, insurance covering the operations and activities of the Sublessee to the same extent that the Sublessee would be required to maintain insurance if the Sublessee were a direct Lessee under the lease.

**C. FEE.** A non-refundable \$55 sublease processing fee, made payable to the State of Alaska.

17 AAC 45.275:

(c) The department will approve or deny a request under this section in writing. If the department denies the request, the department will state the reasons for the denial in writing. The department will make a determination on a request for consent to assignment, assignment for security purposes, or sublease within 60 days after the assignor or sublessor has submitted a complete request.

(d) An applicant may protest a denial of an assignment, assignment for security purposes, or sublease in accordance with 17 AAC 45.910.



## Legislation Details

---

File #: ORD 14-09    Version: 1    Name:

Type: Ordinance    Status: SECOND READING

File created: 4/1/2014    In control: City and Borough Assembly

On agenda: 4/22/2014    Final action:

Title: Amending the Sublease with Ostrov Enterprises d/b/a Airport Gift Shop at the Sitka Rocky Gutierrez Airport Terminal Building to modify Lease Space and Square Footage due to the sale of Espresso Stand

Sponsors:

Indexes:

Code sections:

Attachments: [ORD 14-09 Motion](#)  
[ORD 2014-09 Gift Shop Lease](#)

Date	Ver.	Action By	Action	Result
4/8/2014	1	City and Borough Assembly		

## **POSSIBLE MOTION**

**I MOVE TO** approve the Ordinance 2014-09 on second and final reading.



# City and Borough of Sitka

PUBLIC WORKS

113 JARVIS STREET • SITKA, ALASKA 99835  
PHONE (907) 747-4041 • FAX (907) 747-7668

---

## MEMO

**To:** Mayor McConnell and Assembly Members  
Mark Gorman, Administrator

**From:** Michael Harmon, Public Works Director *MAT*  
Gary Baugher Jr., Public Works M&O Superintendent *GB*

**Cc:** Jay Sweeney, Finance Director

**Date:** 31 March 2014

**Subject:** Approve Amendment No. 2 to Ostrov Enterprises d/b/a Airport Gift Shop Sublease

### Background

City and Borough of Sitka ("Sitka") owns the Airport Terminal Building ("Terminal Building"), which is built on land leased from the State of Alaska. Ostrov Enterprises ("Ostrov") currently has a sublease agreement ("Agreement") with the City and Borough of Sitka at the Terminal Building for a gift shop. Ostrov Enterprises also had a sublease with City and Borough of Sitka at the Terminal Building for Runway 29 Coffee Shop. Ostrov Enterprises sold their assets (inventory and equipment) to Island Girl Coffee, LLC. Ostrov requests the Assembly approve Amendment 2 and amend its current sublease to just include L-6 space. The State of Alaska "Sublease Guidelines for Tenants" requires approval by the State of Alaska, Department of Transportation and Public Facilities, of any terminal tenant subleases amendments or assignments. Ostrov must obtain and provide proof of the required insurance coverage in accordance with the Agreement.

### Fiscal Note

Amendment 2 will amend Ostrov Enterprises sublease to 798 square feet of Terminal Space for the purpose of a gift shop. Ostrov Enterprises will be leasing L-6 space for \$1,356.60/month plus any other applicable costs.

### Recommendation

Approve Amendment No. 2 to the Sublease Agreement between the City and Borough of Sitka and Ostrov Enterprises D/B/A Airport Gift Shop.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2014-09

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING THE SUBLEASE WITH OSTROV ENTERPRISES d/b/a AIRPORT GIFT SHOP AT THE SITKA ROCKY GUTIERREZ AIRPORT TERMINAL BUILDING TO MODIFY LEASE SPACE AND SQUARE FOOTAGE DUE TO SALE OF ESPRESSO STAND

1. CLASSIFICATION. This ordinance is not of a permanent nature and is not intended to become a part of the Sitka General Code (“SGC”).

2. SEVERABILITY. If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstances shall not be affected.

3. PURPOSE. The purpose of this ordinance is to authorize an amendment so that the leased space for an espresso stand at Sitka Rocky Gutierrez Airport Terminal Building (“Terminal Building”) by Ostrov Enterprises, known as Runway 29, (“Ostrov”) at L-4 be transferred to Island Girl Coffee, LLC.

On April 12, 2011, the sublease with Ostrov was approved based on Ordinance No. 2011-10 for space L-6, consisting of 798 square feet, which will remain as a “gift shop” and continue to be leased by Ostrov at the Terminal Building. A 7-year sublease was approved, ending February 28, 2018, allowing for two successive 3-year extensions.

Ostrov acquired the espresso stand from sublease Ground Control, who also subleased space in the Terminal Building. City and Borough of Sitka (“CBS”) Assembly approved Amendment No. 1 to the sublease with Ostrov in Ordinance No. 2012-44 on December 11, 2012 to add the leased area L-4, add the additional 255 square feet and increase the rent. Amendment No. 1 was signed on December 12, 2012.

Ostrov sold the espresso stand and all equipment to Kara Sisk and Maria Kesanoek, Island Girl Coffee, LLC. The espresso stand is located at space L-4 at the Terminal Building. Ostrov and Island Girl Coffee, LLC request approval to transfer leased area, consisting of 255 square feet, from Ostrov to Island Girl Coffee, LLC. The space subleased would continue to be an espresso stand.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that:

- 1  
2 A. The Assembly finds that competitive bidding is inappropriate under  
3 SGC 18.12.010E for Terminal Building space L-4 based on the  
4 request of subleasee "Ostrov" to transfer this space due to the sale of  
5 the espresso business;  
6  
7 B. Island Girl Coffee LLC is willing to pay fair market value for the  
8 space as determined by the Municipal Assessor;  
9  
10 C. Execution of the attached Amendment No. 2 To Sublease Agreement  
11 Between The City And Borough Of Sitka And Ostrov Enterprises  
12 d/b/a Airport Gift Shop is authorized; and  
13  
14 D. Approval of this sublease amendment is contingent on the State of  
15 Alaska DOT&PF approval and consent.  
16

17 5. **EFFECTIVE DATE.** This ordinance shall become effective on the day  
18 after the date of its passage.  
19

20 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and  
21 Borough of Sitka, Alaska this 22nd day of April, 2014.  
22

23  
24 \_\_\_\_\_  
Mim McConnell, Mayor

25 ATTEST:

26  
27 \_\_\_\_\_  
28 Colleen Ingman, MMC  
29 Municipal Clerk

**AMENDMENT NO. 2 TO SUBLEASE AGREEMENT  
BETWEEN THE CITY AND BOROUGH OF SITKA  
AND OSTROV ENTERPRISES d/b/a AIRPORT GIFT SHOP**

City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska 99835 ("CBS") and Ostrov Enterprises d/b/a Airport Gift Shop ("Ostrov"), 600 C Airport Road, Sitka, Alaska 99835 ("Tenant"), agree to amend and modify the Sublease Agreement ("Sublease") dated April 1, 2011 and Amendment No. 1 dated December 12, 2012. This Amendment No. 2 to sublease was approved by the CBS Assembly on \_\_\_\_\_, 2014, and is subject to approval by State of Alaska, Department of Transportation and Public Facilities ("DOT&PF") before becoming effective, in accordance with Section 24.2.

The following sections of the Sublease are amended as follows (new language underlined; deleted language stricken):

Exhibit A - Pictorial representation of the areas subleased in the Sitka Rocky Gutierrez Airport terminal building, ("Terminal Building"), including sublease space ~~L-4 and L-6~~, at 600 Airport Road, Sitka, Alaska 99835 ("Subject Property").

\* \* \*

**Section 1.1 Conveyance of Estate in Sublease.**

CBS, for and in consideration of the Rents received and of the covenants and agreements made by Tenant, does sublease to Tenant, and Tenant subleases from CBS, the Subject Property as shown on Exhibit A. Exhibit A shows an approximately ~~1,053~~ 798 square feet of Terminal Building space for purposes of a gift shop. ~~and/or espresso stand.~~

\* \* \*

**Section 2.1 Calculation & Method of Payment of Rent During the Initial Five-Year Term of the Sublease.**

The first year of the Sublease begins on the commencement date of this Sublease set out in Article I. Each successive year of the Sublease begins on the corresponding anniversary commencement date of the Sublease. Notwithstanding any other provision of this Sublease, on the term start date set out in Article I, Tenant shall pay the full Sublease Rent for the year. Subject to the provision in the previous sentence, Tenant shall pay the Sublease payments for subsequent years each month in advance on the first day of each and every month for which Rent is due throughout the term of the Sublease without the necessity of any billing by CBS. Tenant will sublease the space as shown in Exhibit A for ~~\$21,481.20~~ \$16,279.20/year payable at a rate of ~~\$1,790.10~~ \$1,356.60/month plus applicable cost of living adjustments referred to in Section 2.2 and extension option adjustments in Section 2.3.

All other sections of the Sublease that are not modified by this Amendment No. 2 remain in full force and effect.

**OSTROV ENTERPRISES d/b/a  
AIRPORT GIFT SHOP**

\_\_\_\_\_  
Print Name \_\_\_\_\_

**STATE OF ALASKA**                    )  
  ) **ss:**  
**FIRST JUDICIAL DISTRICT**        )

THIS CERTIFIES that on this \_\_\_\_ day of \_\_\_\_\_, 2014, personally appeared before me \_\_\_\_\_, whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who by signing this agreement, swears or affirms that he/she is the \_\_\_\_\_ of Ostrov Enterprises d/b/a Airport Gift Shop and is authorized to sign this document on behalf of the Tenant, and does so freely and voluntarily.

\_\_\_\_\_  
Notary Public for Alaska  
My Commission Expires: \_\_\_\_\_

**CITY AND BOROUGH OF SITKA**

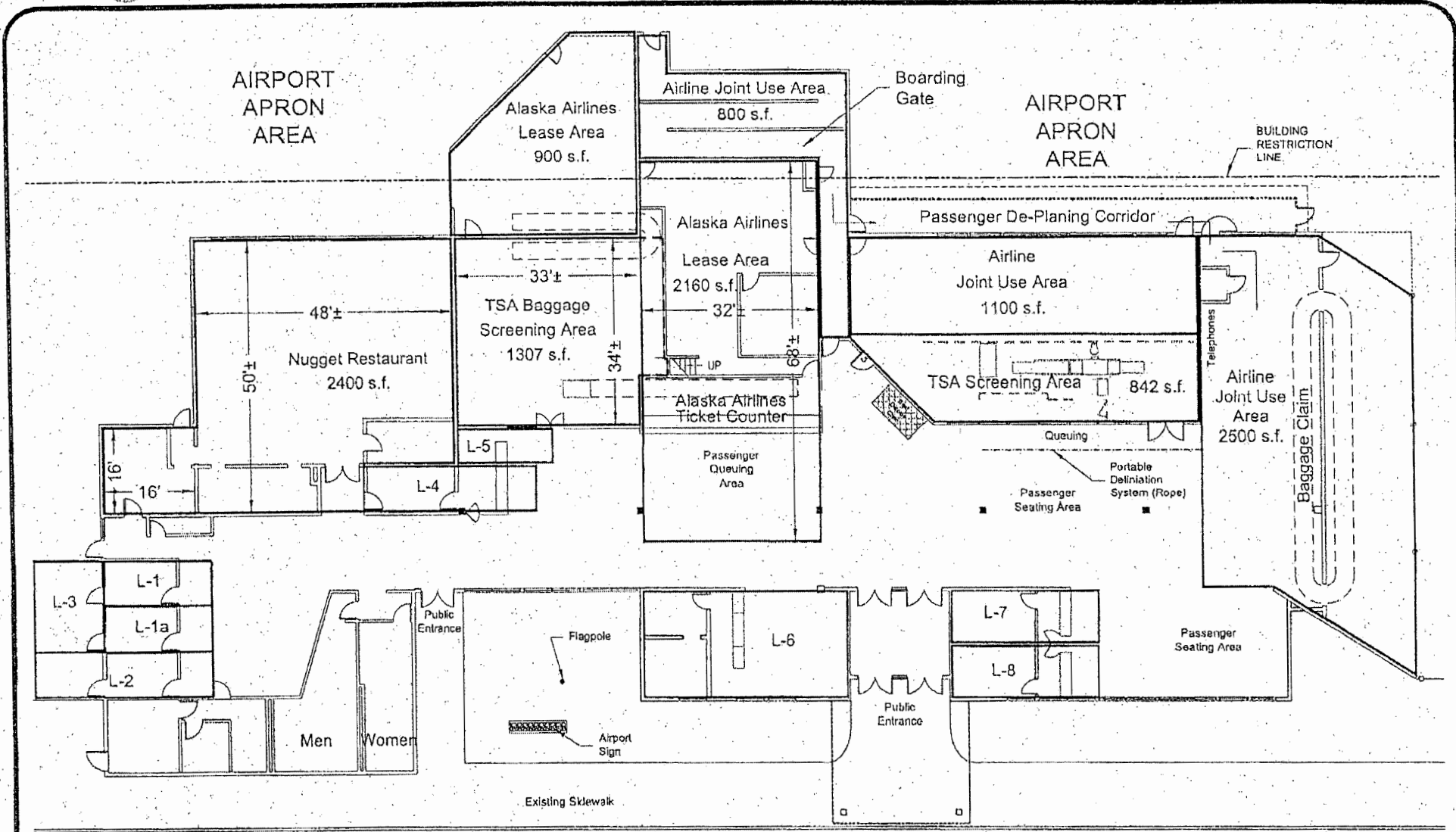
\_\_\_\_\_  
Mark Gorman, Municipal Administrator

**STATE OF ALASKA**                    )  
  ) **ss.**  
**FIRST JUDICIAL DISTRICT**        )

THIS CERTIFIES that on this \_\_\_\_ day of \_\_\_\_\_, 2014, before me, a Notary Public in and for the State of Alaska, personally appeared Mark Gorman, who is the Municipal Administrator of the City and Borough of Sitka, Alaska, a municipal corporation organized under the laws of the State of Alaska, that he has been authorized by to execute the foregoing document, and does so freely and voluntarily.


\_\_\_\_\_  
Notary Public for Alaska  
My Commission Expires: \_\_\_\_\_





L-1 Counter & Office Space	214 s.f.
L-1a Counter & Office Space	214 s.f.
L-2 Counter, Office & Outside Storage Space	260 s.f.
L-3 Outside Storage Space	194 s.f.
L-4 Counter & Office Space	255 s.f.
L-5 Counter Space	114 s.f.
L-6 Counter, Office & Storage Space	798 s.f.
L-7 Counter & Office Space	243 s.f.
L-8 Counter & Office Space	249 s.f.

EXH. A


**City and Borough of Sitka**  
 DEPARTMENT OF PUBLIC WORKS  
 100 LINCOLN STREET • SITKA, ALASKA 99835  
 TEL (907) 747-1804 FAX (907) 747-3158

**SITKA-R.G. AIRPORT**  
**SUBLESSEE**  
**USE AREAS**

DRAWN: PAR/TAD	SCALE: N.T.S.
CHECKED: RAR	DATE: 10Feb05
DRAWING NAME: Leases Feb 05	
SHEET NO.   1 / 1	



## Legislation Details

---

File #: RES 14-05    Version: 1    Name:

Type: Resolution    Status: AGENDA READY

File created: 4/16/2014    In control: City and Borough Assembly

On agenda: 4/22/2014    Final action:

Title: Supporting the CBS's application to the Alaska Federal Lands Access Program (FLAP) Grant Program for Preconstruction Planning and Design of the Sitka Seawalk Phase II

Sponsors:

Indexes:

Code sections:

Attachments: [RES 14-05](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

## Possible Motion

---

**I MOVE TO** approve Resolution 2014-05 on  
first and final reading.

---

## MEMORANDUM

---

**To:** Mayor McConnell and Assembly Members  
Mark Gorman, Municipal Administrator

**From:** Michael Harmon, P.E., Public Works Director *MH*  
Lynne Brandon, Parks and Recreation Manager *LB*  
Dan Tadic, P.E., Senior Engineer *DT*

**Reviewed:** Jay Sweeney, Finance Director *J*  
Stephen Weatherman, P.E., Municipal Engineer *S*  
Gary Baugher, Maintenance and Operations Superintendent *GB*  
Tori Fleming, Contract Coordinator *A*

**Date:** April 16, 2014

**Subject:** Sitka Sea Walk Phase II - Federal Land Access Program Grant  
Application for Planning and Design

---

### **Background**

The City and Borough of Sitka desires to apply for a MAP-21 Federal Lands Access Program (FLAP) Grant to provide preconstruction planning and design funding for the Sitka Sea Walk Phase II. Phase II would span from the Centennial Building to the O'Connell lightering facility with a connector to Lincoln Street, downtown shopping and Totem Square. The Sea Walk Phase I project from Harrigan Centennial Hall and the Crescent Lightering Facility to the Sitka National Historical Park boundary was completed in October 2013.

The Sea Walk has maintained consistently positive public support and has been included as a goal in many Sitka Community Plans over the years. It is included in the 2007 Sitka Comprehensive Plan, 2006 Sitka Visitor's Plan V1 and V2, the 2002 Sitka Non-Motorized Plan, the 2010 Sitka Passenger Fee Fund Downtown Master Plan, the 2011 Sitka Outdoor Recreation Action Plan. This portion of the walkway was considered during the 1996 O'Connell Bridge lightering facility development, but the funding was inadequate to include it at that time. An O'Connell Bridge seaward side walkway was also included in the 2000-2002 Statewide Transportation Improvement Program (STIP) to reduce unsafe pedestrian crossings of the highway. It remained a priority project in the STIP for 10 years until the program that was slated to fund it was eliminated.

### **Analysis**

The FLAP grant program is designed to assist state agencies and municipalities with transportation projects that enhance access to federal lands, assist municipalities economically, and improve safety and transportation networks. Construction of trail and transportation facilities and projects that improve public safety for pedestrians are high priorities for funding. Applicants for funding are required to work closely and coordinate

with a federal land management agency (FLMA) in development of the project proposals. The Sea Walk provides direct access for visitors arriving at the lightering facilities and the Old Sitka Dock to the NPS Russian Bishop's House and Sitka National Historical Park. The Sitka National Historic Park Staff has indicated they will provide joint project endorsement.

The Sea Walk Phase II is an important component in the Sitka's downtown transportation network so should score well in the grant evaluation criteria. Limiting the request to planning and design fees at this time positions CBS better to receive grant funding both now and in the future once the design is completed. It is anticipated that the Alaska FLAP will receive \$7 million or more in each of the next five years.

The Sea Walk route around the seaward side of the O'Connell Bridge solves a long-standing, identified safety issue with pedestrians making uncontrolled crossings of the State of Alaska owned and maintained Harbor Drive. A comprehensive wayfinding signage system along with a designated pedestrian route will result in visitors moving in predictable ways. Not only is this a significant safety improvement, but also reduces the potential for visitor-resident conflicts and frustration.

**Fiscal Note**

The total Sea Walk Phase II FLAP Grant request would be \$200,000. The required local match funding is 9.03%. This match will be comprised of Commercial Passenger Excise Tax (CPET) proceeds and in-kind staff time to manage the project.

Sea Walk Phase II FLAP Grant	\$200,000
<u>Local Match</u>	
CPET Funds	\$13,060
City Staff In-Kind	<u>\$ 5,000</u>
	\$18,060

---

**Recommendation:**

Approve Resolution 2014-05 authorizing the City and Borough to apply for and execute a grant for the Sitka Sea Walk Phase II to the Federal Lands Access Program.

**RESOLUTION 2014 - 05**

**A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA  
SUPPORTING THE CITY’S APPLICATION TO THE ALASKA FEDERAL LANDS ACCESS  
PROGRAM (FLAP) GRANT PROGRAM FOR PRECONSTRUCTION PLANNING AND  
DESIGN OF THE SITKA SEAWALK PHASE II.**

**WHEREAS**, a grant from the Alaska Federal Lands Access Program (FLAP), if awarded, will fund the planning and design of the Sitka Sea Walk from the O’Connell Bridge to the Harrigan Centennial Building with a connector to Lincoln St and Totem Square; and

**WHEREAS**, the Sitka Sea Walk project is a priority to the community of Sitka since the pathway links cruise ship lightering facilities with downtown shopping, multiple visitor destinations, including Sitka National Historical Park and will function with the new wayfinding system as the main thoroughfare for visitor circulation and flow within Sitka; and

**WHEREAS**, the Sitka Sea Walk is a publicly identified priority in the 2002 Sitka Non-Motorized Transportation Plan, Comprehensive Plan, Sitka Tourism Plans 1.0 and 2.0, Sitka Downtown Master Plan and 2011 Sitka Outdoor Recreation Action Plan; and

**WHEREAS**, surveys of cruise ship visitors and independent travelers completed for the Sitka Outdoor Recreation Plan in 2010 indicate a desire for more walking and hiking activities and tours and these survey results also found that the majority of cruise ship visitors choose to walk during their visit; and

**WHEREAS**, the Sitka Sea Walk Phase II upon construction will complete the Sitka Sea Walk, a visitor enhancement and marketing tool as well as a very popular walking opportunity for residents; and

**WHEREAS**, the Sitka Sea Walk Phase II will be also be a safety improvement by reducing uncontrolled visitor crossings of Harbor Drive; and

**THEREFORE, BE IT RESOLVED**, that the Municipal Administrator of the City and Borough of Sitka, Alaska is hereby authorized to negotiate, execute and administer any and all documents required for the application and acceptance of funding from the Alaska Federal Lands Access Program and to manage those funds on behalf of the City and Borough of Sitka.

**PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska on this 22nd day of April 2014

\_\_\_\_\_  
Mim McConnell, Mayor

ATTEST:  
  
\_\_\_\_\_  
Colleen Ingman, MMC  
Municipal Clerk



## Legislation Details

---

File #: RES 14-06    Version: 1    Name:

Type: Resolution    Status: AGENDA READY

File created: 4/16/2014    In control: City and Borough Assembly

On agenda: 4/22/2014    Final action:

Title: Supporting the CBS's application to the Alaska Federal Lands Access Program (FLAP) Grant Program for \$250,000 for Planning and Design of Phase Six of the Cross Trail Multimodal Pathway

Sponsors:

Indexes:

Code sections:

Attachments: [RES 14-06](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

## **Possible Motion**

---

**I MOVE TO** approve Resolution 2014-06 on  
first and final reading.



---

## MEMORANDUM

---

**To:** Mayor McConnell and Assembly Members  
Mark Gorman, Municipal Administrator

**From:** Michael Harmon, P.E., Public Works Director *MA*  
Gary Baugher, Maintenance and Operations Superintendent *GEB*  
Lynne Brandon, Parks and Recreation Manager

**Reviewed:** Jay Sweeney, Finance Director *J*  
Tori Fleming, Contract Coordinator *T*

**Date:** April 16, 2014

**Subject:** Cross Trail Multimodal Pathway - Federal Land Access Program (FLAP) Grant Application for Phase 6 Planning and Design

---

**Background:**

The Cross Trail Multimodal Pathway (TMP) along with Sitka multimodal pathway (Sawmill Creek and Indian River Road separated pathways) are planned to stretch from Harbor Mountain Road to Sawmill Cove Industrial Park. Phase 6, once constructed, will extend the Cross TMP to the Alaska Marine Highway terminal, Starrigavan Recreation Area and establish a connector to the Old Sitka Dock at HPM. The pathway provides a non-motorized transportation alternative to Sitka's roads and links schools, recreation facilities, downtown, subdivisions and other major public and visitor destinations.

Since 2007, 1.4 million dollars have been expended to construct and reconstruct 3.5 miles of the Cross TMP. Cross TMP, Phases 4 and 5, funded by 1.8 million dollars (FY14 and FY15) from the Federal Land Access Program (FLAP) and Statewide Transportation Improvement Program (STIP), will reconstruct and construct over 2.0 miles of the pathway, adjacent to downtown over the next two summers.

**Analysis:**

It's anticipated that the Alaska FLAP will receive approximately \$7 million for each of the next five years. The program is designed to assist state agencies and municipalities with transportation projects that enhance access to federal lands, assist municipalities economically, and improve safety and transportation networks. Construction of the trails and transportation facilities, and projects that improve public safety for pedestrians and bicycles are high priorities for funding

This project is a partnership effort with Sitka Trail Works and the US Forest Service. Applicants for funding are required to work closely and coordinate with a Federal Land Management Agency (FLMA) in development of the project proposals. Since the Cross TMP provides multiple access points to the forest, crosses USFS land and the USFS is a Sitka Trail Plan partner in the project. The Forest Service has indicated they will provide joint project endorsement. The Cross TMP will provide critical access to high use USFS recreational facilities: the Gavan Trail, Indian River Trail, Harbor Mountain Trail, Starrigavan Recreation Area and Campground, and Harbor Mountain recreation area therefore will rank high in the grant evaluation criteria.

The Sitka Fire Department views the Cross TMP as a priority community safety project and the municipal emergency evacuation plan calls for use of the Cross TMP. Once completed, it will function as a primary emergency evacuation route since it is capable of sustaining vehicle traffic. Sitka Search and Rescue (SAR) has used the Cross TMP to provide better access to their search and rescue operations in the National Forest. When accidents occur or hikers are missing they have used four wheelers on the Cross TMP to transport patients and SAR personnel.

**Fiscal Note:**

The grant request is for \$250,000 for Phase 6 planning and design services, NEPA surveys and public scoping, wetlands delineation and preliminary design and engineering for two prefabricated bridges. Once this plan is complete staff will have a project cost estimate to use in applying for construction money.

The required match for funding is 9.03%. This match will be comprised of in-kind CBS staff time to manage the project, and cash from Sitka Trail Works trail maintenance

**Sources of matching funds:**

STW Members Cash	\$ 4,000
<u>CBS Personnel In-Kind</u>	<u>\$18,575</u>
	\$22,575

**Recommendation:**

Approve Resolution 2014 – XX authorizing the City and Borough of Sitka to apply for and execute a grant for the Phase 6 of the Cross Trail Multimodal Pathway to the Federal Lands Access Program.

**RESOLUTION 2014-06**

**A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA  
SUPPORTING THE CITY'S APPLICATION TO THE ALASKA FEDERAL LANDS ACCESS  
PROGRAM (FLAP) GRANT PROGRAM FOR \$250,000 FOR PLANNING AND DESIGN OF  
PHASE 6 OF THE CROSS TRAIL MULTIMODAL PATHWAY.**

**WHEREAS**, a grant from the Alaska Federal Lands Access Program (FLAP), if awarded, will fund the preliminary planning and design of Phase 6 Cross Trail Multimodal Pathway (Cross TMP) from Kramer Drive to the Alaska Marine Highway Terminal.

**WHEREAS**, the Sitka Cross Trail multimodal pathway project is a priority to the community of Sitka since the pathway provides a non-motorized transportation alternative to Sitka's roads and links schools, recreation facilities, downtown, trails, subdivisions and other major public destinations; and

**WHEREAS**, the Sitka Cross Trail is a publicly identified priority in the 2003 Sitka Trail Plan to which the City is a MOU partner, the 2002 Sitka Non-Motorized Transportation Plan, Sitka Parks and Recreation Plan, CBS Comprehensive Plan and 2011 Sitka Outdoor Recreation Action Plan; and

**WHEREAS**, the Cross TMP Phase 6 provides the final link to the Alaska Marine Highway and Starrigavan Recreation area and campground with neighborhood access to Old Sitka Rocks; and

**WHEREAS**, the Cross TMP Phase 6 will provide a safe and pleasant non-motorized transportation alternative to Halibut Point highway for residents and visitors; and

**WHEREAS**, the Cross TMP Phase 6 will provide an alternative emergency evacuation route if Halibut Point Road becomes impassible as a result of a catastrophic earthquake and/or tsunami;

**WHEREAS**, the Cross TMP Phase 6 will be a sustainable, multimodal pathway design to minimize future maintenance; and

**WHEREAS**, the City and Borough of Sitka Assembly has passed ten separate resolutions since 1998 in support of the Cross Trail project; and

**THEREFORE, BE IT RESOLVED**, that the Municipal Administrator of the City and Borough of Sitka, Alaska is hereby authorized to negotiate, execute and administer any and all documents required for the application and acceptance of funding from the Alaska Federal Lands Access Program and to manage those funds on behalf of the City and Borough of Sitka.

**PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska on this 22nd day of April 2014

\_\_\_\_\_  
Mim McConnell, Mayor

ATTEST:

\_\_\_\_\_  
Colleen Ignman, MMC  
Municipal Clerk



## Legislation Details

---

File #: ORD 14-11    Version: 1    Name:  
Type: Ordinance    Status: AGENDA READY  
File created: 4/16/2014    In control: City and Borough Assembly  
On agenda: 4/22/2014    Final action:  
Title: Authorizing the sale of Lot 1 South Sitka Sound Seafoods Subdivision to North Pacific Seafoods  
Sponsors:  
Indexes:  
Code sections:  
Attachments: [ORD 14-11](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2014-11 on first reading.

## MEMORANDUM

**To:** Mark Gorman, Municipal Administrator  
Mayor McConnell and Members of the Assembly

**From:** Maegan Bosak, Planner I

**Subject:** Sale of Tidelands to North Pacific Seafoods, Inc.

**Date:** April 15, 2014

---

---

Ordinance No. 2014-11 is on the Assembly agenda to authorize the sale of 10,797 square feet of tidelands to North Pacific Seafoods, Inc. The tidelands are adjacent and seaward of property owned at 329 Katlian Avenue. The sale price, as established by the Assessor, is \$83,137.00.

The tidelands request is 10,797 square feet adjacent to property owned by North Pacific Seafoods off of Katlian Avenue. The parcel is described as: A parcel of tide and submerged land lying within the First Judicial District, State of Alaska, and within the City and Borough of Sitka, adjacent to the Conway Dock Tidelands which is adjacent to Lots 20 and 21, Block 5, US Survey 2542. Tidelands on the other side of the proposed sale are owned by the Hames Corporation.

The Assembly considered this request in January of this year. Preliminary approval was granted by the Assembly at that time before North Pacific Seafoods, Inc. had a subdivision plat prepared.

The proposal has been reviewed/and supported by the Ports and Harbors Commission and the minor subdivision was approved at the April 1, 2014 Planning Commission meeting.

The original tidelands lease was created in July, 1980 between Sitka Sound Seafoods and the City and Borough of Sitka for a term of fifty five (55) years. The lease rate was fixed at \$1349.63 per year, and subject to adjustment every 5 years. This fiscal year, Sitka Sound Seafoods paid \$4156.85.

The sale price is \$83,137.00 or \$7.70 per square foot based on the rate set by the City Assessor, Randy Hughes.

**Recommended Action:** Approve the ordinance.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2014-11

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA, ALASKA
AUTHORIZING THE SALE OF LOT 1 SOUTH SITKA SOUND SEAFOODS
SUBDIVISION

- 1. CLASSIFICATION. This ordinance is not of a permanent nature and is not intended to become a part of the Sitka General Code.
2. SEVERABILITY. If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person or circumstances shall not be affected thereby.
3. PURPOSE. The Assembly has determined this property is excess to municipal needs.
4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka:
A. The sale of Lot 1 South Sitka Sound Seafoods Subdivision to North Pacific Seafoods, Inc. is hereby authorized. South Sitka Sound Seafoods Subdivision is a subdivision of ATS 15 creating a new lot seaward of Lot 19, Block 5, US Survey 2542.
B. The sales price of the 10,797 square feet of tidelands, as established by the Municipal Assessor, shall be at \$83,137.
C. The City and Borough Assembly finds competitive bidding is inappropriate and unnecessary due to the nature of the property since it can only realistically be used by the adjacent property owner.
D. The sale is conditional on the recording of the subdivision plat.
E. The transfer shall be by quitclaim deed.
5. EFFECTIVE DATE. This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 13th day of May 2014.

47  
48  
49  
50  
51  
52  
53

**ATTEST:**

---

Colleen Ingman, MMC  
Municipal Clerk

---

Mim McConnell, Mayor





## Legislation Details

---

File #: ORD 14-10    Version: 1    Name:

Type: Ordinance    Status: AGENDA READY

File created: 4/2/2014    In control: Clerk

On agenda: 4/22/2014    Final action:

Title: Amending SGC Chapter 15.01 entitled "Electric Utility Policies" by adding a New Section 15.01.090 entitled "Rebate Program for Electric Heat Pump Heating Systems"

Sponsors:

Indexes:

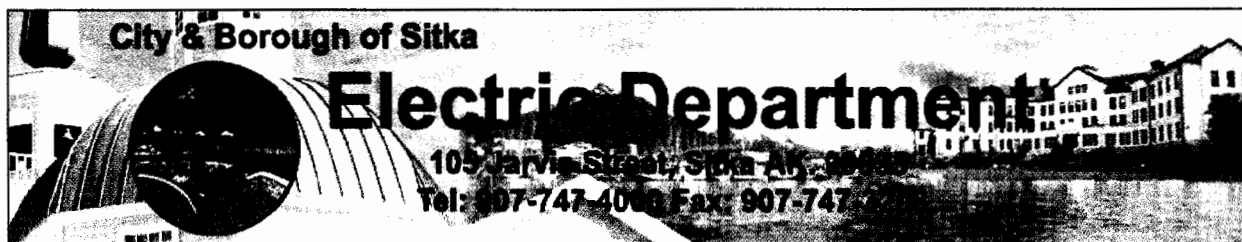
Code sections:

Attachments: [ORD 14-10](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2014-10 on first reading.



April 15, 2014

To: Mark Gorman, Municipal Administrator  
From: Christopher Brewton, Utility Director

**Subject: Residential Energy Star Heat Pump Rebate Program**

I request Assembly approval to authorize the Municipal Administrator to establish a Residential Energy Star Heat Pump Rebate Program and provide \$50,000 in funding from CIP #90628 - Demand Side Load Management.

The heat pump rebate program serves multiple purposes; it provides an opportunity for our customers to deal with increasing utility costs by lowering home heating costs (displacing fuel based heating systems with electric heat), increases our system load/revenue, stimulates local investment in heat pump services, provides tax revenue to the general fund, promotes a positive image of the City's commitment to help with rising utility costs, and on those occasional balmy summer days, the heat pump functions as an air conditioner.

Unlike, the Appliance Rebate Program previously completed by the Department, this program will focus solely on heat pump installations for residential customers only. And unlike the previous program, only home owners that switch from fuel-based systems (oil, gas, wood) to an Energy Star rated heat pump would be eligible for a rebate.

To maximize the benefit to as many customers as possible, I recommend the rebate be set at \$750 - \$1,000 per installation, depending on the size of the heat pump, Fifty customers switching to heat pump systems would generate an estimated \$32,313 in annual revenue, assuming a mix of 20 small (12,000 BTU), 20 medium (24,000 BTU), and 10 large (36,000) units. Payback would occur in approximately 1.54 years.

The Demand Side Load Management Project was approved during the period we were experiencing hydroelectric capacity shortages; with the objective to reduce the need for supplemental diesel generation. As the Blue Lake Expansion Project nears completion, use of remaining project funding to encourage heat pump installation is a logical nexus to encourage prudent use of our increased hydroelectric capacity.

**Recommendation:**

I recommend the Assembly authorize the Municipal Administrator to execute the implementation of a Residential Energy Star Heat Pump program and authorize funding accordingly.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2014-10

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL CODE CHAPTER 15.01. ENTITLED "ELECTRIC UTILITY POLICIES" BY ADDING A NEW SECTION 15.01.090 ENTITLED "REBATE PROGRAM FOR ELECTRIC HEAT PUMP HEATING SYSTEMS"

1. CLASSIFICATION. This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code ("SGC").

2. SEVERABILITY. If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstance shall not be affected.

3. PURPOSE. The City and Borough of Sitka must maximize effective utilization of available hydroelectric generation. Consequently, supplemental diesel generation will be necessary to meet system requirements. Supplemental diesel generation is both expensive and produces harmful emissions. Re-enacting a rebate program to encourage residential consumers to replace non-electric fuel-based systems such as oil or propane fired heating systems with electric heat pump heating systems will effect full utilization of limited hydroelectric generation. This has and will yield significant benefits in managing system load, lessen the need for supplemental diesel generation, and lower the ratepayer's overall utility and energy costs. Further, re-establishment of a rebate program demonstrates the City and Borough of Sitka's commitment to improve energy efficiency and promote energy conservation.

Various types of rebate programs have been offered by the State of Alaska and in other communities throughout the United States to reduce electrical costs and facilitate energy savings. Sitka successfully offered a program back in 2012. Currently, there are some funds available for this program.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the SGC 15.01 is amended by adding a new Section 15.01.090 to read as follows (new language underlined; deleted language stricken):

Chapter 15.01
ELECTRIC UTILITY POLICIES

- Sections:
15.01.005 Definitions.
15.01.010 Statement of purpose.
15.01.015 Construction guidelines.
15.01.020 Electrical rates.

- 46 15.01.025 Customer and city rights and responsibilities.
- 47 15.01.030 Billing—Credit—Deposits—Fees.
- 48 15.01.035 General requirements.
- 49 15.01.040 Service connections.
- 50 15.01.045 Line extension.
- 51 15.01.050 Subdivisions.
- 52 15.01.055 Mobile home parks, RV parks, private marinas and boat docks.
- 53 15.01.060 Rental structures.
- 54 15.01.065 Motors and controllers.
- 55 15.01.070 Undesirable characteristics.
- 56 15.01.075 Special equipment.
- 57 15.01.080 Customer generation.
- 58 15.01.085 Carrier current.
- 59 15.01.090 Rebate program for electric heat pump heating systems.

\* \* \*

**15.01.090 Rebate program for electric heat pump heating systems.**

- 65 A. General Requirements. All residential customers are eligible to participate
- 66 in the rebate program, subject to the rules and procedures developed by
- 67 the Electric Department, and funding of the program.
- 68
- 69 B. Eligible Equipment. Only the following products are eligible for the
- 70 rebate program:
- 71
- 72 1. Energy Star electric heat pump heating system that replaces an
- 73 existing fuel-based heating systems if it is the primary heating
- 74 source for the residence.
- 75
- 76 C. Rebates. Residential customers requesting a rebate shall submit a signed
- 77 rebate request using Electric Department forms within 90 days of the
- 78 purchase of the rebate eligible product. Rebates will be issued within 60
- 79 days of receipt of the form to any eligible customers that meet the terms
- 80 and conditions of the program.
- 81
- 82 D. Disposal. Proper disposal of replacement systems must be documented to
- 83 be eligible for the rebate program.
- 84
- 85 E. Funding. The rebate program is subject to available funding.
- 86

87  
88  
89  
90  
91  
92  
93  
94  
95  
96  
97  
98  
99  
100  
101  
102  
103  
104  
105

5. **EFFECTIVE DATE.** This ordinance shall become effective the day after the day of its passage.

**PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska this 12<sup>th</sup> day of May, 2014.

\_\_\_\_\_  
Mim McConnell, Mayor

ATTEST:

\_\_\_\_\_  
Colleen Ingman, MMC  
Municipal Clerk



## Legislation Details

---

File #: 14-074      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 4/16/2014      In control: City and Borough Assembly

On agenda: 4/22/2014      Final action:

Title: Approval of the design and bid of all phases of Harrigan Centennial Hall and the proposed funding including applying for additional grant funding from the Rasmussen Foundation

Sponsors:

Indexes:

Code sections:

Attachments: [Harrigan Centennial Hall](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

## **POSSIBLE MOTION**

**I MOVE TO** approve the design and bid of all phases of Harrigan Centennial Hall and the proposed Funding Plan as described in Harmon's April 16, 2014 Memorandum, and further approve applying for additional grant funding from the Rasmussen Foundation to assist in the completion of all phases of this project.







---


## MEMORANDUM

---

**To:** Mayor McConnell and Assembly Members  
Mark Gorman, Municipal Administrator

**From:** Michael Harmon, Public Works Director   
Kelli Cropper, Project Manager 

**Reviewed:** Jay Sweeny, Finance Director   
Tori Fleming, Contract Coordinator 

**CC:** Stephen Weatherman, Municipal Engineer 

**Date:** April 16, 2014

**Subject:** Approval of Harrigan Centennial Hall Renewal Schematic Design and Budget/Funding Plan.

---

### **Background**

Public Works will be presenting the schematic design and budget/funding plan for the Harrigan Centennial Hall Renewal Project during a work session preceding the April 22, 2014 Assembly Meeting. Based on the information presented at the work session, we would like to get approval of the schematic design and budget/funding plan prior to proceeding into final design. The costs associated with final design and permitting are significant and we would like conformation to continue to the next step and prepare the project to go out to bid.

Throughout the final design phase, the Assembly will continue to receive updates and the public meetings will continue as we work to develop the final features and furnishings. The Assembly will also approve any construction contracts associated to the project once bids are received.

---

### **Fiscal Note:**

#### **Proposed Project Funding Plan:**

Project Estimated Total Cost: \$16,213,891

Funding:

- Grant #11-DC-644 = \$2,000,000
- Grant #12-DC-616 = \$2,500,000
- Grant #13-DC-581 = \$3,700,000

• Grant #10-DC-025	= \$1,991,271
• Grant #11-DC-644 & CPET HEAD TAX fund 194	= \$1,175,000
• Marine Passenger Funds	= \$1,400,000
• Centennial Hall Heat Pump Grant	= \$232,620
• *Marine passenger Fee Fund /General Fund Loan	= \$3,215,000
Total	\$16,213,891

\*pursue grant funding to supplement need for loan funding

- Rasmussen Grant = \$800,000
- State CPET Grant = \$3,300,000

Any project shortfall will be covered by a loan to the General Fund by other Municipal funds. Interest and principal payments on this loan will be funded by future Commercial Passenger Excise Tax (CPET) receipts.

**Recommendation:**

- Approve the design and bid of all phases of Harrigan Centennial Hall and proposed Funding Plan.
- Approve applying for additional grant funding from the Rasmussen Foundation.

# Rendering from Town Side



Harrigan Centennial Hall Renewal - City and Borough of Sitka

McGool Carson Green  
Architects  
www.mcgoalaska.com





Rendering of New Visitor Lobby

Sitka Historical Society Museum



McCarl Carlson Green  
Architects  
www.mcgcdsked.com

Harrigan Centennial Hall Renewal - City and Borough of Sitka





Harrigan Centennial Hall Renewal - City and Borough of Sitka

McCool Carson Green  
Architects  
www.mcgolcarson.com



Rendering of Harbor Side Entry

# Site Landscape Plan

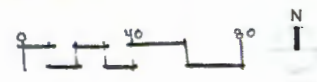


Kettleson Memorial Library


  
 Anderson Planning
   
 14000 Carman Court
   
 Anchorage, AK 99515
   
 www.andersonplanning.com

Harrigan Centennial Hall Renewal - City and Borough of Sitka


  
 SITKA
   
 CITY AND BOROUGH



# Phase 1 - Renewal & Additions

# Phase 2 - Additions

### Department Legend

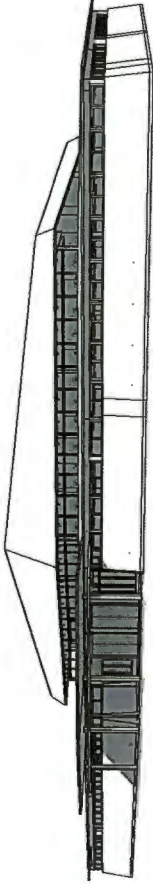
- ADMINISTRATION
- ASSEMBLY/MEETING
- BUILDING SERVICES
- CIRCULATION
- FOOD SERVICES
- MUSEUM
- STAGE & SUPPORT
- STORAGE
- VISITOR SERVICES



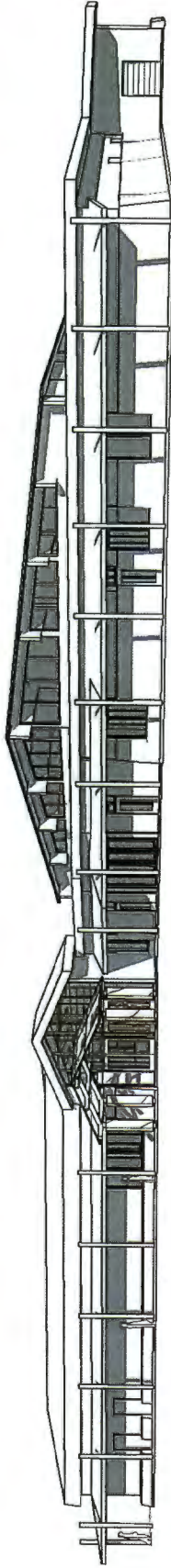
McCoil Carlson Green  
Architects  
www.mcgclg.com

Harrigan Centennial Hall Renewal - City and Borough of Sitka

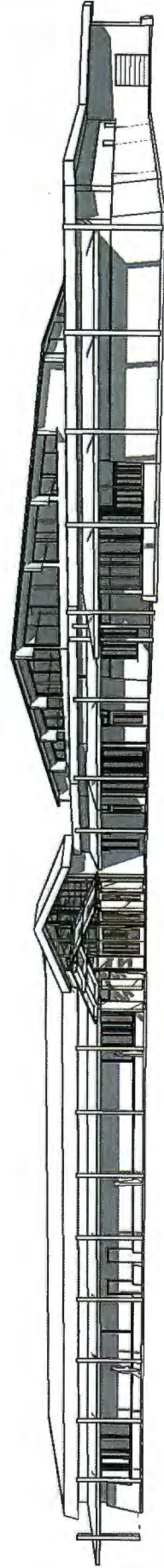




Existing - Town Side Elevation



Phase 1 - Town Side Elevation



Phase 2 - Town Side Elevation



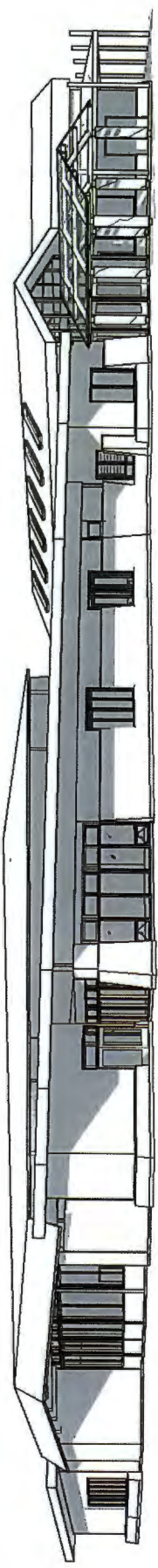


Michael Colston Green  
Architects  
www.mcgcolkgreen.com

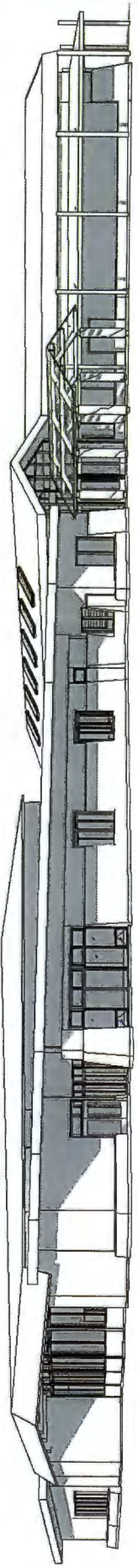
Harrigan Centennial Hall Renewal - City and Borough of Sitka



Existing - Harbor Side Elevation

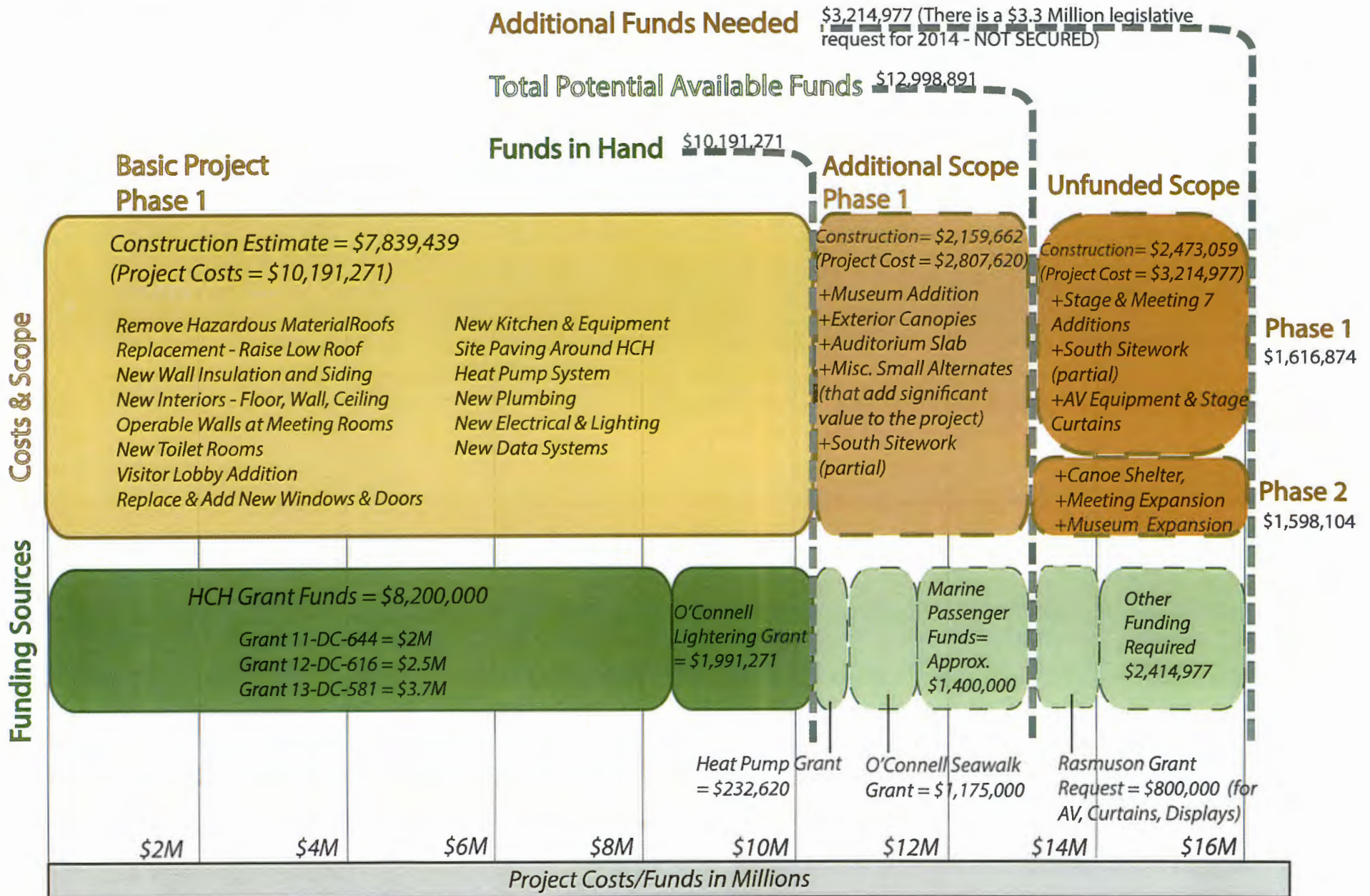


Phase 1 - Harbor Side Elevation



Phase 2 - Harbor Side Elevation

# Centennial Hall Renewal - Project Budget Diagram - 35% Estimate



# Basic Project

**\*Funds in Hand**

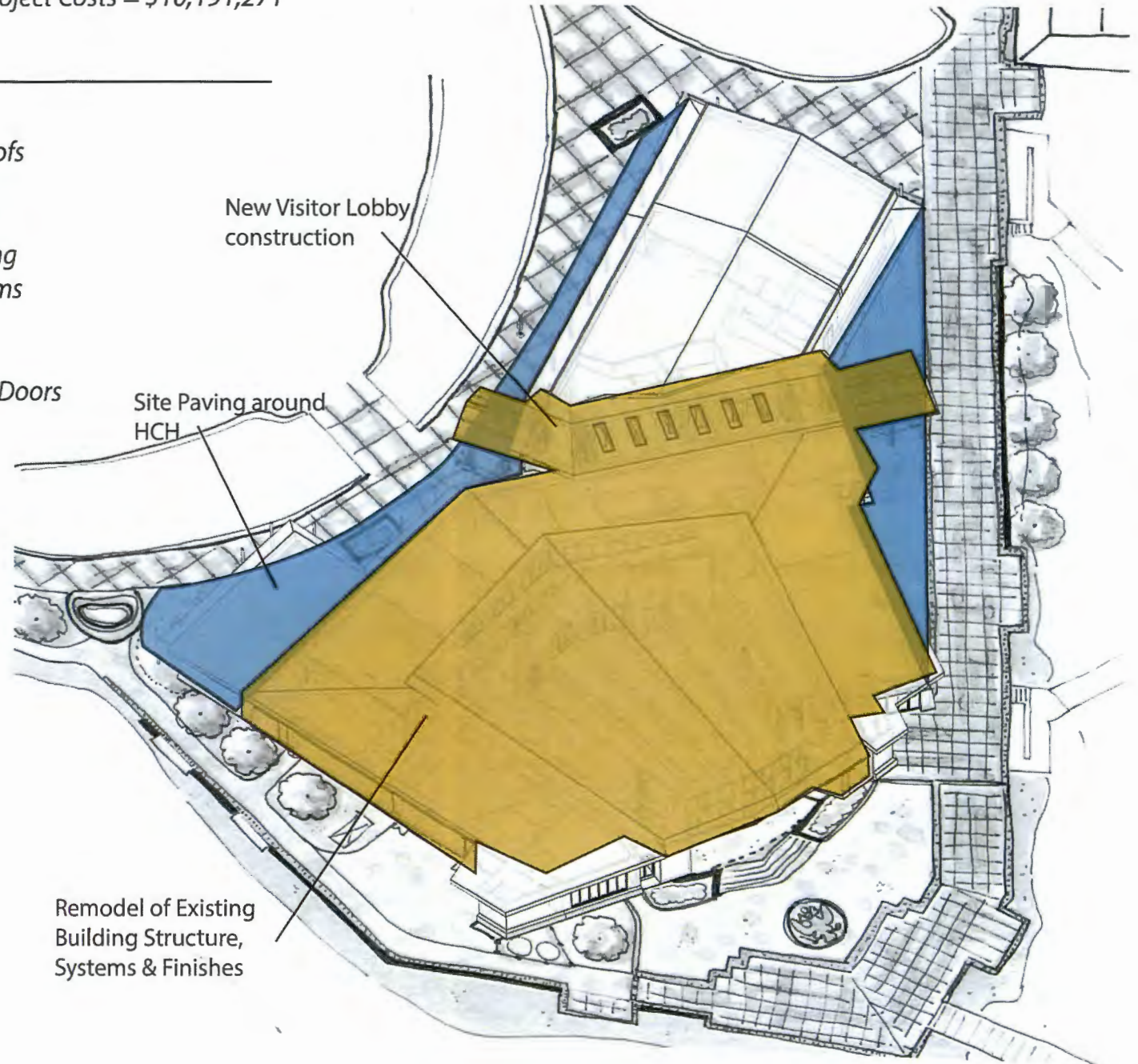
Construction Estimate = \$7,839,439

Project Costs = \$10,191,271

## Included Scope:

---

- Remove Hazardous Material Roofs
- Replacement - Raise Low Roof
- New Wall Insulation and Siding
- New Interiors - Floor, Wall, Ceiling
- Operable Walls at Meeting Rooms
- New Toilet Rooms
- Visitor Lobby Addition
- Replace & Add New Windows & Doors
- New Kitchen & Equipment
- Site Paving Around HCH
- Heat Pump System
- New Plumbing
- New Electrical & Lighting
- New Data Systems



# Additional Scope

**\*Potential Available Funds**

Construction = \$2,159,662  
Project Cost = \$2,807,620

## Included Scope:

- Museum Addition = \$2,148,328
- Exterior Canopies = \$95,599
- Auditorium Slab = \$213,535
- Misc. Small Alternates = \$166,128
- Stage Floor Replacement
- Washer/Dryer
- Window Shades
- Acoustic Panels
- Aluminum Windows
- Large Ceiling Fans
- South Site Work = \$183,970



# Unfunded Scope

**\*Additional Funds Needed**

Construction = \$2,473,059  
Project Cost = \$3,214,977

## Included Scope:

### PHASE 1 (\$1,616,874)

Stage & Meeting 7 Additions = \$543,795

South Sitework Completion = \$295,100

AV Equipment & Stage Curtains = \$596,255

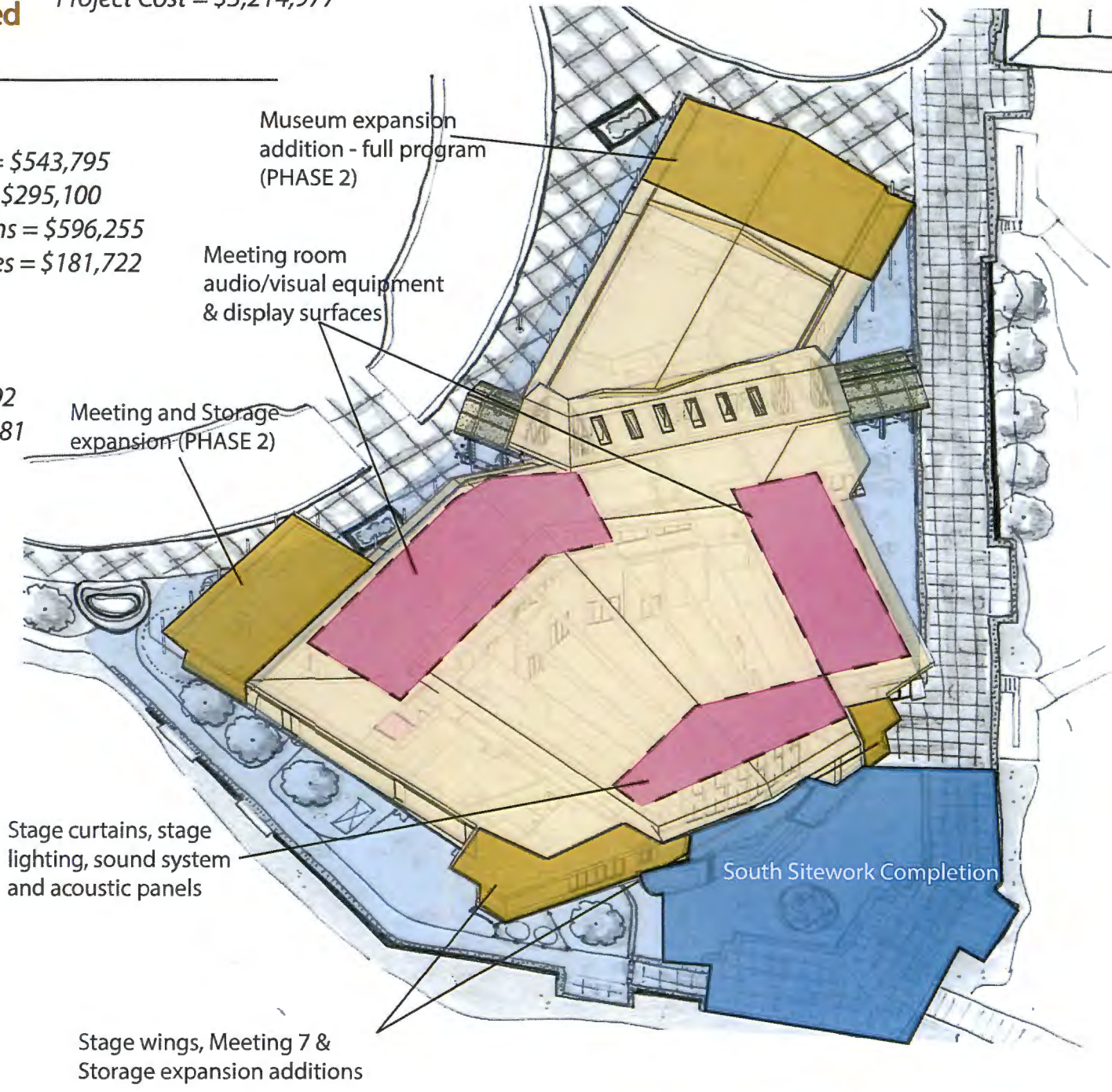
Visual Display Surfaces & Cases = \$181,722

### PHASE 2 (\$1,598,104)

Canoe Shelter = \$226,729

Meeting Expansion = \$481,792

Museum Expansion = \$889,581



Museum expansion addition - full program (PHASE 2)

Meeting room audio/visual equipment & display surfaces

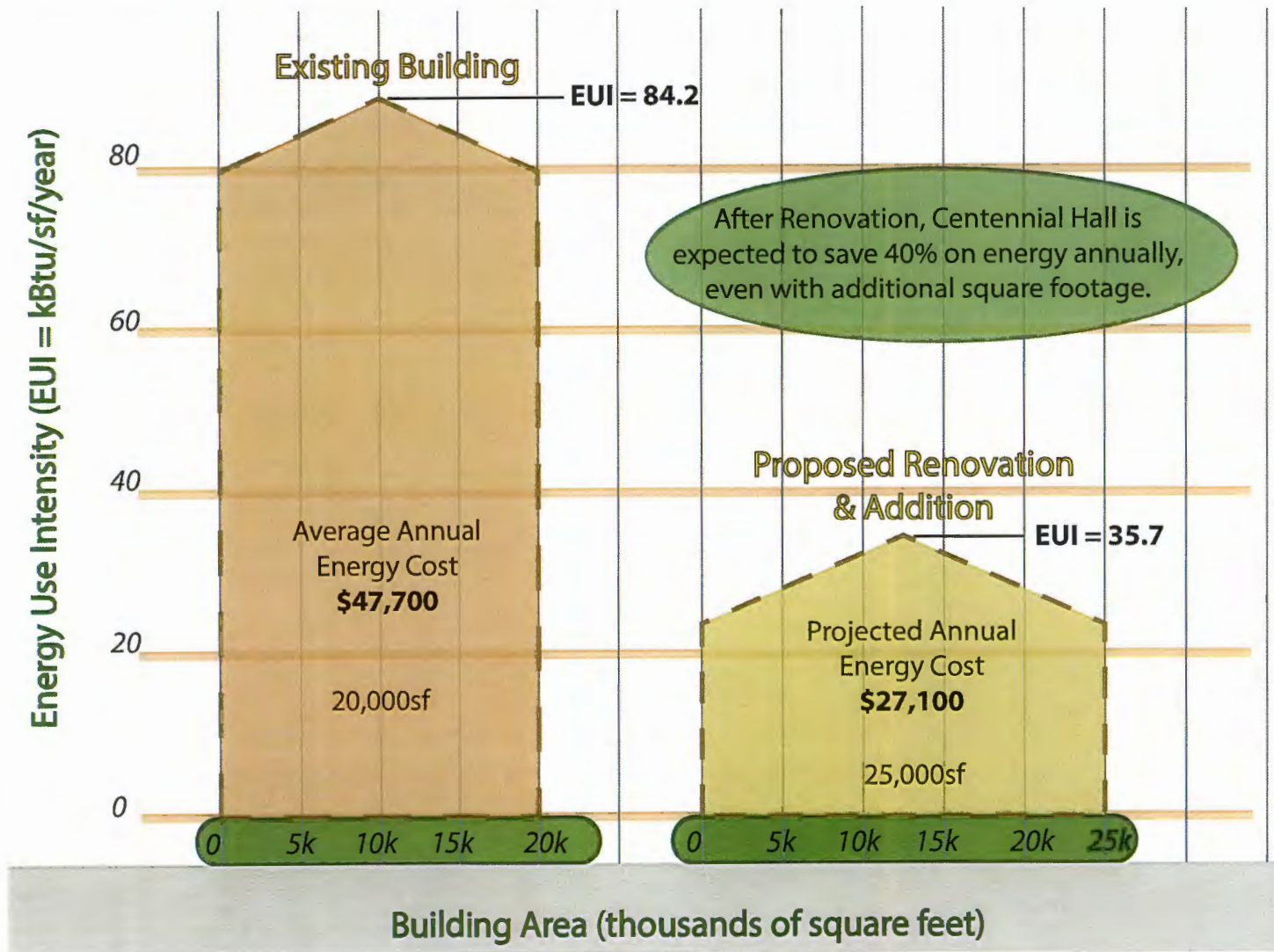
Meeting and Storage expansion (PHASE 2)

Stage curtains, stage lighting, sound system and acoustic panels

Stage wings, Meeting 7 & Storage expansion additions

South Sitework Completion

# Centennial Hall Renewal - Building Energy Use - 35% Estimate





## Legislation Details

---

File #: 14-073      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 4/16/2014      In control: City and Borough Assembly

On agenda: 4/22/2014      Final action:

Title: Approve award of a Professional Engineering Services Contract for the Sawmill Cove Industrial Park Dock Project to Moffatt & Nichol not to exceed \$790,114.00

Sponsors:

Indexes:

Code sections:

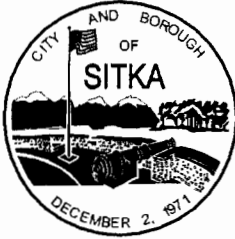
Attachments: [Moffatt Nichol](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

## POSSIBLE MOTION

I MOVE TO APPROVE an award of a Professional Engineering Services Contract for the Sawmill Cove Industrial Park Dock Project (CBS#90748) to Moffatt & Nichol not to exceed \$790,114.00.





# City and Borough of Sitka

PUBLIC WORKS

100 LINCOLN STREET • SITKA, ALASKA 99835

PHONE (907) 747-1804 • FAX (907) 747-3158

---

## MEMORANDUM

---

**To:** Mayor McConnell and Assembly Members  
Mark Gorman, City Administrator

**From:** Michael Harmon, P.E., CBS Public Works Director *MH*  
John P. Flory, P.E., CBS Project Manager *JPF*

**cc:** Garry White, Executive Director, Sawmill Cove Industrial Park  
Jay Sweeney, Finance Director  
Tori Fleming, Contracts Coordinator *TF*

**Date:** 16 August 2014

**Subject:** Award a Professional Engineering Services Contract to the firm of Moffatt & Nichol, for the Sawmill Cove Industrial Park DOCK Project (CBS #90748).

---

### Background

The Sawmill Cove Industrial Park (SCIP) Dock Project is part of a strategic plan for overall waterfront improvements that the SCIP Board of Directors has developed. The plan includes the possibility for various marine-service infrastructure, for which the construction of a multi-purpose docking facility is a central feature. Over the course of the past dozen years there have been several conceptual designs developed for the SCIP site. Most of these structures involved some combination of a bulkhead-type structure, an appended pier to deeper water, and mooring dolphins.

This Project has received high priority for several years in the City & Borough of Sitka (CBS) requests to the Legislature. In 2013 the CBS received a State of Alaska Designated Legislative Grant for the SCIP Dock Project in the amount of \$7,500,000. These monies comprise the total budget for this project, including engineering fees, construction, contract administration and contingencies.

### Analysis

In January of 2014 the City & Borough of Sitka (CBS) advertised a Request for Qualifications for Engineering Services, to include planning, permits, design, assistance with bidding, and (perhaps) construction management services. Two Engineering firms responded to the RFQ. Staff from CBS Department of Public Works reviewed and evaluated the Statements of Qualifications for Engineering Services that were submitted by two well-known firms (Moffatt & Nichol and PND Engineers, Inc.). The firm of Moffatt & Nichol scored highest in the evaluation process; CBS staff have since then negotiated a Scope of Work (see Attachment A) and a Fee Proposal (see Attachment B) for the desired engineering services. The scope and fees that have been successfully negotiated are within industry standards for these services.

Moffatt & Nichol and its team of sub-consultants are qualified to perform this work and are familiar with the Sitka area and the workings of the City & Borough of Sitka.

**Recommendation:**

Approve Award of the Professional Engineering Services Contract for the Sawmill Cove Industrial Park Dock Project (CBS #90748) in the not-to-exceed amount of \$790,114.00, to the firm of Moffatt & Nichol.



moffett & nichol

## **Sawmill Cove Dock**

---

### **Attachment A – Scope of Work (Rev.05)**

**CITY & BOROUGH OF SITKA (CBS)  
SAWMILL COVE DOCK**

**ATTACHMENT A – SCOPE OF WORK**

**A. INTRODUCTION**

The City and Borough of Sitka (CBS) desires to construct a new multi-purpose dock in Sawmill Cove. The site of the work is the Sawmill Cove Industrial Park (SCIP), located on Silver Bay in Sitka. A new multi-purpose dock is needed to support commercial fishing, vessel haul-out and repair, and other water-dependent operations planned for the redevelopment of the Marine Industry Service Center (MISC). We understand that CBS has secured \$7.5 million in funding to cover construction, professional fees, contract administration and all contingencies.

The existing SCIP facilities include two existing, decommissioned docks: the Utility and Pulp Docks, located north and south of the planned dock area, respectively. It is anticipated that all existing infrastructure will remain. Existing dolphins are arranged in a generally southeasterly alignment from about due east of the existing utility dock to just beyond the planned south edge of the planned new dock. The new dock is intended to be comprised of at least 120 lineal feet of direct seaward moorage, with a height from seafloor to top of dock of at least 56-feet.

New dock amenities are expected to include, but not be limited to:

- a. Three-phase shore power distribution for vessels of various lengths and configurations.
- b. Luminaire and/or high level (pole-mounted) lighting.
- c. A combined potable water / fire water system.
- d. A flexible moorage system (bollards, cleats and/or bullrail) for multiple vessels sizes and configurations.
- e. Safety appurtenances including life rings, fire extinguishers and safety ladders.

Moffatt & Nichol (M&N) was selected by CBS to lead all aspects of the work out of its Anchorage, AK office with technical support from its Seattle, WA office. All design tasks will be sealed by Professional Engineers licensed in the State of Alaska. The following professional supporting services will be subcontracted:

- a. Electrical/Lighting: RSA Engineering, Anchorage, AK
- b. Topographic and Bathymetric Survey: DOWL HKM, Juneau, AK

- c. Geotechnical Engineering: Shannon & Wilson, Anchorage, AK
- d. Cathodic Protection: Norton Corrosion, Seattle, WA

All other project tasks will be executed directly by M&N personnel. M&N will integrate all design solution components into a single, coherent construction document package and will serve as CBS liaison to all members of the M&N Team.

---

## **B. SCOPE OF WORK**

The Scope of Work (SOW) will comprise the following work breakdown structure:

<b>Task 1: Project Management</b>
-----------------------------------

Shaun McFarlane will serve as Project Manager for the duration of the contract. Project Management activities will include, but not be limited to:

- a. Team Coordination and Subconsultant Management. Facilitate and direct coordination, and collect and convey information between CBS and the M&N Team.
- b. Public Involvement. Shaun McFarlane, Project Manager, will lead Public Involvement, including all Public and stakeholder presentations and meetings; drawing backup and support from remote team members as needed and appropriate.
- c. Meetings. Schedule and organize project coordination meetings, and produce and distribute informal meeting notes. Weekly M&N Team meetings will be conducted with CBS during the Design, Bid and Construction phases of the project.
- d. Document management. M&N will maintain an organized project ftp server using NewForma Project Center™ for all correspondence and project documents: a user-friendly document management system accessible by the M&N Team and authorized CBS representatives for real-time access to, and email notification of, newly uploaded documents and revisions.
- e. Progress Communication. Provide CBS with monthly reports accompanying project invoices, documenting design (and later, fabrication and installation) progress, anticipated work in the next period, and any special concerns or needs. Reporting will be at a level of detail suitable to inform the State of Alaska of project progress. To this end, M&N will review and recommend payment of progress requests by the Contractor.

- f. Change Management (e.g., scope, project cost, schedule.) Provide clear descriptions regarding how changes to scope, schedule or budget are to be managed and documented.
- g. Schedule Support. Develop realistic design, and construction schedules and maintain an overall schedule for the project; updated with each progress invoice.

## **Task 2: Site Investigation**

### **2.1 Initial Site Visit and Project Intake Meetings**

M&N's Project Manager, Shaun McFarlane will travel to Sitka for two days to perform the following:

- a. A kickoff meeting with the CBS Project Manager and other CBS and SCIP personnel.
- b. A site walk at SCIP with CBS personnel as designated by the CBS Project Manager, in order to comprise a list of preferred features and those to avoid, and to discuss in detail the required levels of electrical, fire and potable water and lighting systems.
- c. A topside and low-tide visual observation of the existing utility dock and existing pulp dock, for general reference.
- d. A project intake meeting with CBS Public Works, Sawmill Cove Industrial Park Board of Directors (SCIP Board) and CBS Harbors and Maintenance personnel to gather initial input and direction.
- e. Meetings with other project Stakeholders as suggested or directed by CBS, for the purpose of gathering input to the project.
- f. A debrief meeting with CBS to discuss findings, recommendations and to clarify direction moving forward.

M&N and subconsultant subject matter experts will be available as needed to dial into these meetings. M&N will record photography and video and post to a project FTP server for reference by the M&N Team.

M&N offers to provide all professional fees and expenses noted in Task 2.1 at no net cost to CBS. Time and expenses will be billed to the project task and subsequently credited against the initial project invoice.

Deliverables: Memorandum summarizing initial site visit and project intake meetings.

## **2.2 Subsurface and Submarine Geotechnical Investigation**

As sub-consultant to M&N, Shannon & Wilson will travel to Sitka to explore the geotechnical subsurface and submarine soil conditions, in an effort to supplement the existing data, as necessary. Additional soils data will be gathered using a combination of borehole drilling and test pit excavation sampling. The exploration effort will be limited in scope to that necessary to complete the assessment of localized geotechnology.

It is anticipated that up to five (5) offshore borings and two (2) onshore borings will be executed in the vicinity of the dock, which may include to the north and to the south of the proposed dock limits. Additionally, test pits may be excavated in number and location as deemed appropriate, depending on the success and field observation of the borehole sampling. Soil samples will be preserved from each borehole and test pit. Shannon & Wilson will then: (a) perform laboratory tests on the retrieved soil samples; (b) conduct a foundation analysis; and (c) work iteratively with M&N Structural Engineers to develop a practical, economical dock design.

M&N has reviewed existing surveys and reports provided by CBS, and this is believed to be the complete record of available information. Notwithstanding we will continue to seek out and review any additional as-built drawings, pile installation logs, subsurface or bathymetric survey data, or other available and relevant information concerning past waterfront construction activities in the vicinity of the proposed dock. Sources to be solicited include, but will not be limited to CBS, ADOT&PF, and Alaska Division of Geological & Geophysical Surveys (ADGGS).

Shannon & Wilson will apply for all applicable Federal, State of Alaska, and local permits needed to perform the investigations. Based on the work to be performed, we anticipate permit coordination with, at a minimum, Alaska Department of Natural Resources (ADNR; including Division of Mining), Alaska Department of Fish and Game (ADF&G), Alaska Department of Environmental Conservation (ADEC; Division of Water), National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), the U.S. Army Corps of Engineers (USACE), and Sitka Coastal District/CSB. Shannon & Wilson will coordinate with the CBS through M&N to notify users of investigation work in order to limit disruption of marine traffic. Laboratory tests will be performed on recovered samples to measure primary soil index testing and rock strengths. Rock strength will be measured using point load and unconfined compression testing.

Findings and recommendations will be summarized in a geotechnical and subsurface geophysical report sealed by a Geotechnical Engineer licensed in the State of Alaska. The report, which will be included as part of the Reference Documents for the bid package, will address:

- a. Geotechnical recommendations for socketed steel piles and/or driven steel sheet piling.
- b. Recommendations for excavation of existing subsea sediment, if applicable.
- c. Pile material, design recommendations, and installation recommendations.
- d. Parameters for LPILE analysis to be conducted by M&N and Shannon & Wilson.
- e. Static and seismic considerations including lateral loading earth pressures and liquefaction, if applicable.
- f. A summary of coordination with M&N Structural Engineers to the date of the report.

A total of seven days of field investigation have been estimated and budgeted. No contingency was included for standby or downtime due to weather. Standby days due to inclement weather will be charged on a per-day cost basis (plus standard sub-consultant mark-up.)

Deliverables: Geotechnical and Subsurface Geophysical Report (Draft and Final)

### **2.3 Site Boundary and Bathymetric Survey**

As subconsultant to M&N, DOWL HKM will conduct a topographic boundary and bathymetric survey in the vicinity of the planned dock to provide site specific information and project control coordinates:

- a. Existing bathymetric data in the vicinity of the planned dock location appears to be complete and current enough to provide value to the present project. As a means of validating this existing data, a pattern of manual soundings will be executed in the area, using locally available small craft. A bathymetric sweep at 1-foot contours will be executed to 150 feet from the planned perimeter of the dock, on all three sides.
- b. A topographic boundary survey will be executed from toe to the top of the slope at waterline, and will extend beyond the top of slope far enough (i.e., approximately 30-feet) for design of the landward edge of the dock (e.g., capwall or deck bearing.)

Existing site monumentation will be located and annotated for horizontal and vertical project control.

- c. Approximate quantity take-off (QTO) of up to six (6) shot rock stockpiles on SCIP site.



DOWL HKM will provide M&N with a point plan in AutoCAD format for the purposes of developing a site base plan. M&N will subsequently prepare a project base plan in AutoCAD, overlaid on a recent aerial photograph of the harbor.

Deliverables: Rock stockpile QTOs summarized in a Memorandum with a plan referencing stockpiles measured.

### **Task 3: Basis of Design and Concept Development**

#### **3.1 Basis of Design (BOD)**

M&N will prepare a Basis of Design (BOD) document for the project based on the input received during the site visit and intake meetings. The BOD will comprise the following:

- a. General functional and operational criteria for the dock
- b. Dock footprint
- c. Codes, standards and design guidelines
- d. Marine Criteria (i.e., design vessels, mooring and berthing forces)
- e. Design Loads (i.e., dead, live, berthing, mooring, equipment, impact, wind, wave, and seismic)
- f. Utilities to be provided on site

The BOD will be presented to CBS for consideration and discussed to determine consensus and a common understanding and direction, moving forward. This document will form the basis for alternatives analysis and detailed design for the project.

Deliverables: BOD document (Draft and Final.)

#### **3.2 Conceptual Alternative Evaluation**

M&N will evaluate bulkhead alternatives for the site specific design criteria established in the BOD. Up to three primary structural systems will be considered, including:

- a. Steel pile-supported dock
- b. Anchored-backfilled steel sheet pile (SSP) bulkhead dock (with up to three anchoring systems evaluated)
- c. Cellular sheet pile (CSP) gravity dock

Consideration will be given to maximizing the dock footprint to the extent possible within the available overall project budget, and to extending the marginal face of the dock into as great a depth of water as practicable and affordable.

An Alternatives Evaluation Report will be issued to CBS for review and comment, and subsequently finalized for inclusion in the CBS Assembly packet. The report shall provide a detailed discussion on each alternative for its adaptability for various functional needs, environmental concerns, ability and ease of obtaining permits, constructability, and comparative Rough Order of Magnitude (ROM) Opinions of Probable Construction Cost (OPCC) with suitable levels of construction contingency, to facilitate the final alternative selection.

M&N Project Manager Shaun McFarlane will travel to Sitka to present the BOD and Alternatives Evaluation Report on consecutive evenings to the SCIP Board and CBS Assembly. The SCIP Board presentation will focus on the relative features, merits and costs of each alternative considered, seeking approval to proceed with the Preferred Alternative. The Assembly presentation will summarize the conceptual development process and will present the Preferred Alternative for approval. Prior to leaving Sitka, M&N will debrief with the CBS Project Manager and Harbor and Maintenance personnel to seek consensus among these parties, and written direction from CBS on specific elements of the Preferred Alternative for specific focus, proceeding towards detailed design.

Deliverables: Alternatives Evaluation Report (Draft and Final.)

#### **Task 4: Environmental Permitting**

M&N will identify, prepare, submit and negotiate on behalf of CBS all required Federal, State and local permits<sup>1</sup>. Work will include a pre-application teleconference with the U.S. Army Corps of Engineers, Alaska District (Regulatory Division), and responding to all agency review comments and questions. The following permits are anticipated to be required:

- a. U.S. Army Corps of Engineers Individual Permit (Section 10 of the Rivers and Harbors Act and Section 404 of the Clean Water Act) for work in waters of the U.S. involving excavation, dredging and/or fill work below the mean high water (MHW) line. The time period anticipated to obtain this permit from the date of application submittal can vary from

---

<sup>1</sup> The SOW is based on an anchored steel sheet pile (SSP) wall. If, following alternative evaluation, another alternative is selected, or a more complex project is anticipated, additional scope and fee may be negotiated for this task.

between 4 and 9 months (on average) following submittal of a completed application package. This timeframe varies depending on the review and comments received by other regulatory agencies during the public notice period (Fish and Game, State Historic Preservation Office, tribal governments, etc.), whether or not a public hearing is required, and the number and types of comments received.

- b. Alaska Department of Environmental Conservation (ADEC) Water Quality Certification (Clean Water Act Section 401) for work that may result in a discharge into waters of the U.S. A waiver may be applicable depending on ADEC review.
- c. ADEC Interim and Final Approvals to operate the potable water system, noting that final design documents are required for ADEC review and approval.
- d. CBS approvals as needed for structural, electrical and fire protection systems (to be obtained by CBS through distribution during the review of the bid documents under development.)

M&N will demonstrate professionalism, cooperation, collaboration and mutual respect in working with permitting authorities: a proven strategy for streamlining the permitting process. A close dialogue will be maintained with CBS on all permitting matters that may impact the project schedule, build-out, facility features or project cost. M&N will make all reasonable efforts to secure the required permits for the work, noting that the successful award of any permit is contingent on external authorities and cannot be guaranteed.

The need for blasting or dredging is not anticipated for this project. We do not expect that any significant regulatory concerns will arise during the permit acquisition process, and have budgeted accordingly. Some incidental riprap work will be needed along the shoreline but substantial excavation below MHW is not anticipated. Sediment testing below the MHW line is not anticipated. Environmental impacts are anticipated to be low to minor and compensatory mitigation is not currently proposed or estimated. This SOW and associated fee reflects the best current estimate based on understanding of the project and its permitting environment, and does not accommodate for: protracted permit negotiations; a capital dredging permit; compensatory mitigation for any potential adverse environmental impacts; or for additional permitting effort required for a different alternative identified during the Alternatives Evaluation process.

Deliverables: Copies of all permit applications and original permits obtained.

## **Task 5: Design and Bid Documents**

The M&N Team will perform the design of all components associated with the Preferred Alternative, noting that design effort can vary based on the selected alternative<sup>2</sup>. The design will include the following:

Analysis and design of the dock structural system will be executed according to governing code and material specification design requirements. The design will consider all applicable dead, live and transient loads, factored and combined as required by code. Manual calculations and analyses by commercially available design software packages will be utilized to complete the design. Structural design will include design for the substructure, anchor system, superstructure (i.e., concrete edge beam), and will include detailing associated with utilities/appurtenances to be terminated at the face of the dock. Berthing and mooring hardware and appurtenances necessary for dock operations will be identified and associated anchorage to the dock designed.

- a. The new dock will include cathodic protection (CP) for a 15-year service life (i.e., before replacement anodes are needed) and will be tailored to the selected dock type, geometry and configuration. A passive (i.e., sacrificial anode) CP system is proposed for the new dock.
- b. A combination potable / fire water line will be designed for dockside service. The new HDPE or ductile iron pipe line is expected to tie in to the existing water system, assuming the existing system has adequate reserve capacity to support dockside fire suppression and potable water service for vessels mooring at the facility.
- c. Electrical and lighting design will include minimum lighting and landward electrical design required to accommodate safe berthing operations. Dockside vessel power supply design will include four (4) receptacles distributed along the dock face. The new shore power system is expected to tie in to the existing three-phase electrical service, assuming the existing system has adequate reserve capacity to support shore power for vessels mooring at the facility.

Engineers of Record for the design will be licensed in their respective disciplines in the State of Alaska.

M&N will prepare construction documents including plans and general and technical specifications outlining requirements for a standard Design-Bid-Build (D-B-B) procurement process, including:

---

<sup>2</sup> The SOW is based on an anchored steel sheet pile (SSP) wall. If, following alternative evaluation, another alternative is selected, or a more complex project is anticipated, additional scope and fee may be negotiated for this task.

- a. Fabrication and installation of all dock components
- b. Landward and underwater excavation (if required)
- c. Rock sockets for dock piling, if needed.
- d. Cathodic Protection (CP) system.
- e. Lighting and landward electrical service.
- f. Dockside vessel shore power.
- g. Dockside potable and fire water systems.
- h. Supplemental fire protection (e.g. extinguishers) and other safety appurtenances (e.g., ladders, life rings.)
- i. Detailed plans for demolition, removal and salvage, if needed.
- j. Detailed plans for the installation of Owner-supplied appurtenances, if any.

M&N will develop and issue an Opinion of Probable Construction Cost (OPCC) accompanying each design review submittal, with contingencies appropriate to the level of design development. The OPCC will be structured to match the project bid form, identifying all line items. M&N will provide an OPCC based on bid tabulations from recent similar projects, adjusted for regional cost differences as appropriate, following industry standard practices including reasonable contingencies for unforeseen conditions. M&N will endeavor to develop a design that is constructible within the available project construction budget; however Contractor's bids are beyond our control. M&N therefore makes no warranty or representation that the project can be completed within the design budget. Design, permitting and bid phase services required to modify the project in light of unaffordable construction bids will be negotiated as Additional Services to the contract.

M&N will prepare a volume of Reference Documents (e.g., background data and reports, project geotechnical/geophysical report) to accompany the bid documents and assist prospective bidders in pricing the work. It is assumed that CBS will prepare up-front contract documents and that M&N will be responsible to provide the plans and general and technical specifications only.

CBS will have the opportunity to provide formal review and feedback on the design at a 35-, 65- and 95-percent level of design development. A single set of coordinated annotated review comments will be provided for each review deliverable (i.e., 35-, 65- and 95-percent) within one week of receipt for review. A MS Excel worksheet will be provided for coordination, response and resolution of comments and the completed worksheet, accompanying a single redlined set of review documents (coordinated to resolve comments from multiple reviewers), will be furnished

to M&N at each stage of design review, and the annotated comment worksheet used to reach consensus on review comments between the M&N Team and CBS reviewers.

Deliverables: Design review documents will be provided to CBS at the following stages of design development:

- a. 35-percent: Plans, an index of technical specification sections, and OPCC.
- b. 65-percent: Plans, general and technical specifications, and OPCC.
- c. 95-percent: Plans, general and technical specifications, and OPCC.
- d. Final: Bid-ready plans, general and technical specifications, OPCC, and Reference Documents.

---

### **C. OPTIONAL SERVICES (NOT AUTHORIZED)**

The following Optional Services have been scoped and estimated for the purpose of project and budget planning but will not be authorized at this time:

#### **Task 6: Bid Phase Services**

CBS will advertise, assemble and distribute bid documents, and maintain an active Planholders List. M&N will provide plans and general and technical specifications to CBS for insertion in the bid document package, and will provide a Bid Form with contract quantities. M&N will assist CBS to prepare Instructions to Bidders and any other pertinent documentation needed to assist interested Contractors in bidding the work.

M&N will travel to Sitka to lead a non-mandatory pre-bid meeting and site walk in Sitka for interested bidders. During the bidding phase, the M&N Team will provide timely responses to scope and technical queries related to the project. Contractual inquiries will be coordinated with CBS and M&N will prepare responses for CBS to distribute to Planholders as Bid Addenda.

M&N will participate remotely in the Bid Opening and will subsequently review all submittals to verify that the bids are in compliance with the instructions and specifications of the contract documents, and to provide a technical analysis of the bid sensitivities to changes in quantities and scope (i.e., bid unbalancing). M&N will then prepare Bid Tabulation and will prepare and issue a Recommendation for Award to CBS for the construction contract.

Deliverables: The following deliverables will be provided during the Bid Phase:

- a. Bid Form with final contract quantities.
- b. Bid addenda as needed (up to three assumed.)
- c. Bid Tabulation.
- d. Recommendation for Award.

## **Task 7: Construction Phase Services**

M&N will provide the following Construction services during the Construction Phase:

### **7.1 Pre-construction Conference**

M&N Senior Engineer and a Resident Inspector will travel to Sitka to conduct a pre-construction conference with the Contractor, CBS and SCIP personnel, to walk the site and address any issues, questions or concerns relating to mobilization and execution of the construction contract.

Deliverables: None.

### **7.2 Resident Inspection**

M&N will mobilize qualified Resident Inspector(s) to Sitka for up to fifteen (15) weeks of construction, assuming 60-hour work weeks. Three (3) round-trips between Anchorage and Sitka or Seattle and Sitka (dependent on Resident Inspector's home office) are assumed to provide schedule fluidity during critical periods of construction (e.g., pile driving), to allow for Resident Inspectors to be changed out, and to accommodate stoppages in the work (e.g., over holidays) and demobilization during non-critical procedures or down periods. Senior M&N staff will support the Resident Inspector(s) as required throughout construction.

M&N Resident Inspectors will provide daily inspection reports detailing the work completed that day with annotated photos, highlighting any outstanding or contentious issues to CBS. Weekly summary reports will be provided to CBS. Daily and weekly reports will be issued within 24 hours and will be maintained at the M&N field office and compiled into an archival record documenting the work. The Resident Inspector(s) will maintain and manage daily and weekly reports in the project site office and through use of NewForma Project Center™ on the project FTP server.

Deliverables: Daily and weekly construction progress reports.

### **7.3 Submittals, Requests for Information and Substitution Requests**

The successful Contractor will be responsible for procurement of all materials of construction, excepting Owner-supplied materials and appurtenances that may be furnished to the contract by direct procurement by the Owner. Prior to fabrication and/or shipment of any materials of construction, the Contractor shall provide all required shop drawings, materials certifications, design calculations and other product data as required in the construction documents for review by the M&N Team. A Submittal Log will be maintained by M&N throughout the Construction Phase.

Submittal review includes review of fabrication drawings (a.k.a. shop drawings), product samples and other Contractor submittals as outlined in the Contract Documents. The proposed level of effort assumes up to thirty (30) items to be submitted and reviewed by the M&N Team (i.e., with each item scheduled for submission, and each resubmittal necessitated by erroneous or incomplete Contractor submittals, counted as a submittal.) An average of six hours per submittal review is estimated from past experience on similar projects.

The anticipated level of effort assumes up to ten (10) Requests for Information (RFI) throughout the course of construction. M&N will develop and issue technical sketches to address clarifications and/or minor changes to the Contractor's scope of work.

M&N will provide review of any substitution requests submitted by the Contractor. Substitution requests will be reviewed for technical adequacy and cost and CBS will be advised of the pros and cons of the substitution and accompany recommendation for acceptance or rejection of the request. M&N assumes two (2) substitution requests to estimate the level of effort.

M&N will maintain and track all Contractor submittals and requests through the use of NewForma Project Center™ on the project FTP server.

The effort to process additional Submittals, Requests for Information and/or Substitution Requests in excess of the estimates noted above may incur additional fees.

Deliverables: Real-time maintained Submittal, Substitution Request and RFI log.

### **7.4 Special Inspections**

M&N's Engineer of Record, or other qualified Senior Engineer engaged in the design of the project, will travel to Sitka to perform inspections identified below:

- a. Substantial Completion Inspection conducted concurrently with the Installation contractor, M&N's Resident Inspector, Electrical Engineer of Record and CBS



personnel. A punch list will be generated at substantial completion and adhered to for final acceptance of the work. Round-trip travel will be required from either Seattle or Anchorage.

- b. Final Inspection conducted concurrently with the Installation contractor, M&N's Resident Inspector, Electrical Engineer of Record and CBS personnel. Round-trip travel will be required from either Seattle or Anchorage

The contract will dictate that the Contractor provide a one-year warranty on the dock structure construction and a three-year warranty on all dock appurtenances (i.e. lighting, power, water, etc.). Warranty inspections are not included in this scope but may be negotiated as Additional Services.

Deliverables:

- a. Substantial Completion Inspection letter report (with punchlist.)
- b. Final Completion letter report.

## **7.5 Project Record Documents**

Upon completion of the project, M&N will solicit from the Contractor (as a required submittal) a single set of annotated Conformed Bid Documents reflecting all recorded deviations and changes to the contract resulting from field modifications and approved substitutions. M&N will subsequently record these modifications in AutoCAD (plans) and MS Word (specifications) to produce a comprehensive set of approved modifications to the contract. Note that the completeness and accuracy of this project record will depend entirely on the Contractor's conformance to the contractual requirement to record any and all significant deviations from the Bid Documents.

Permit applications, annotated review comments, permits obtained, daily and weekly inspection reports, project Submittals, RFIs and Substitution Requests, and other pertinent project correspondence, will be appended as part of the Project Record Documents.

Deliverables: Project Record Documents (electronic format on DVD.)

---

## **D. STANDARD OF CARE**

Included in the above tasks is an appropriate level of Quality Assurance / Quality Control (QA/QC), performed by qualified M&N senior staff and other members of the M&N Team.

Subconsultants are responsible for their own in-house QA/QC and have each committed to following quality standards consistent with those of M&N. The M&N Team will be responsible for the quality of our design and deliverables to the industry's standard of care. QA/QC for the project shall include checking and reviewing M&N's work for consistency with that of other members of the M&N Team to deliver a coordinated set of construction documents. Typical QA/QC tasks include, but are not limited to:

- a. Design Integrity Check. Verification will be made of the adequacy of the design of the main elements of the work. Verification will consist of independent calculations and/or a thorough review of the designer's calculations.
- b. Plan Check. A thorough review of the plans will be made to confirm that sufficient detail has been provided to convey design intent, and that the plans accurately reflect the results of the design calculations, e.g. major controlling geometry, elevations, dimensions are checked. Final quantities and specifications are reviewed.
- c. Constructability Check. A review of the plans will be performed to confirm that the design is constructible and that details and notes are coordinated and unambiguous.

---

## **E. PERIOD OF PERFORMANCE**

CBS desires that the project be completed in its entirety by December 31, 2015, noting that tasks such as environmental permitting rely on the performance and responsiveness of third-party authorities and as such can only be estimated based on past experience on similar projects. Services associated with this Scope of Work will be completed by December 12, 2014. A project schedule will be developed by M&N in collaboration with CBS upon award of the Contract, and updates will be provided by M&N with each milestone. Project milestones and deliverables identified at this time include the following (with dates subject to change):

April 23, 2014	Notice to Proceed
April 25, 2014	Signed Contract to M&N
April 28-29, 2014	Initial Site Visit and Project Intake Meetings in Sitka
May 16, 2014	BOD Document to CBS (Draft)
May 2014	Boundary and Bathymetric Survey
May 2014	Geophysical Subsurface and Geotechnical Investigations
May 30, 2014	Survey Base Map to M&N

June 13, 2014	Alternatives Analysis Report to CBS (Draft)
June 27, 2014	Alternatives Analysis Report to CBS (Final)
August 15, 2014	Design Review Documents to CBS (35-percent)
August 20, 2014	Subsurface Geophysical and Geotechnical Reports to M&N (Draft)
August 22, 2014	M&N Team Review Meeting with CBS (35-percent)
August 22, 2014	Permit Applications Submitted
August 22, 2014	Subsurface Geophysical and Geotechnical Reports to CBS (Final)
October 3, 2014	Design Review Documents to CBS (65-percent)
October 8, 2014	M&N Team Review Meeting with CBS (65-percent)
November 21, 2014	Design Review Documents to CBS (95-percent)
November 24, 2014	M&N Team Review Meeting with CBS (95-percent)
December 12, 2014	Final plans and specifications complete
December 12, 2014	Bid-ready Documents to CBS

---

#### **F. ITEMS TO BE FURNISHED BY CBS**

The following shall be furnished by CBS to M&N to facilitate the work:

1. High resolution electronic file of recent aerial photograph of Sawmill Cove (i.e., Sheet 1/1 in the project RFQ.)
2. SCIP Board, CBS Assembly, Stakeholder and Public meeting advertisement, accommodation, speaker phone connection for remote participants, and meeting coordination.
3. CBS will pay direct costs for Federal, State and local permit applications, and for compensatory mitigation if required.
4. Front-end bid documents for the Final bid package (i.e., M&N to provide plans, general and technical specifications for integration with CBS-developed contract documents.)
5. Bid advertisement for Procurement and Installation bid packages; management of the Planholders list for both contracts; and dissemination of bid documents and addenda.
6. Local transportation to/from Sawmill Cove as needed during trips to Sitka preceding the Construction Phase.

7. Use of a CBS vehicle at no cost to M&N for the exclusive use of M&N Resident Inspector(s) during the Construction Phase. M&N will be responsible for fuel and will provide company magnets affixed to the vehicle to cover the CBS logo (pertains to Task 7, not executed.)
8. Heated office at SCIP with telephone and high speed Internet connection, at no cost to M&N for the exclusive use of M&N Resident Inspector(s) during the Construction Phase (pertains to Task 7, not executed.)
9. CBS will provide information from Construction Phase activities or testing not performed by M&N Resident Inspectors to support applications necessary to obtain Interim and Final Approvals to operate the combined potable/fire water distribution system. This information includes: field inspection reports; photographs; pressure test and disinfection test results; and other construction documentation supporting the certifications and verifications. (Pertains to Task 7, not executed.)



moffatt & nichol

## **Sawmill Cove Dock**

---

### **Attachment B – Fee Proposal (Rev.01)**

Attachment B  
Fee Proposal - Detailed Cost Breakdown



Client: City & Borough of Sitka  
 Proj. # P14258  
 Proj. Name Sawmill Cove Multi-Purpose Dock  
 Proj. Mgr. Shaun McFarlane, PE  
 Proj. Princ. Tom McCollough, PE

Date: 04/14/14  
 Rev: 1

I. MAN-HOUR BUDGET

Task	LABOR CLASSIFICATION/RATES											HOURS	LABOR TOTAL			
	Principal Eng./Sci. P-9, P-8	Supervisor Eng./Sci. P-7	Senior Eng./Sci. P-6	Eng./Sci. III P-5	Eng./Sci. II P-4	Eng./Sci. I P-3	Staff Eng. P-2, P-1	Senior Tech. T-5	Designer T-4	CADD II T-3	CADD I T-2, T-1			Word Processor A-4, A-3	General Clerical A-2, A-1	
1 Project Management													64	452	\$ 84,276	
2 Site Investigation																
2.1 Initial Site Visit and Project Intake Meetings*													4	40	\$ 6,830	
2.2 Geotechnical Investigations																
2.3 Site Boundary and Bathymetric Survey																
3 BOD and Concept Development																
3.1 Basis of Design																
3.2 Alternatives Analysis																
4 Environmental Permitting																
4.1 Compare Alternatives																
4.2 Permit Applications and Agency Coordination																
5 Design and Bid Documents																
5.1 35% design																
Structural Analysis																
Structural Design																
Civil Design																
CADD																
Outline Specifications																
Cost Estimate																
QA/QC																
5.2 65% design																
Structural Analysis & Design																
Civil Design																
CADD																
Specifications																
Cost Estimate																
QA/QC																
5.3 95% Design																
Structural Analysis & Design																
Civil Design																
CADD																
Specifications																
Cost Estimate																
QA/QC																
5.4 Project Bid Documents																
6 Bid Phase Services **Not Authorized**																
7 Construction Phase Services **Not Authorized**																
Preconstruction Conference																
Resident Engineer																
Substantial and Final Inspection																
Submittal Reviews																
RFI's																
Record Drawings																
Submission Requests																
ADEC Permits																
TOTAL MAN HOURS	100	290	206	42	122	20	1	40	10	0	4	20	3,908			
II. MOFFATT & NICHOL LABOR	\$ 22,000	\$ 102,450	\$ 37,024	\$ 66,076	\$ 153,072	\$ 46,620	\$ 5,140	\$ 54,700	\$ 21,100	\$ 2,310	\$ 5,910	\$ 5,100	\$ 579,742			

Breakdown by Hours	2.6%	22.8%	5.3%	10.9%	31.3%	10.7%	0.0%	1.0%	12.0%	0.6%	0.1%	1.8%
Breakdown by Cost	3.8%	31.3%	6.4%	11.3%	26.6%	8.0%	0.9%	9.4%	0.4%	0.6%	0.7%	0.9%

III. OTHER COSTS

A. Subconsultants	Markup	Total
Shannon & Wilson (Geotechnical/Geophysical)	\$ 317,769	\$ 349,546
Dowl HKM (Boundary/Bathymetric Survey)	\$ 12,630	\$ 13,893
Norton Corrosion (Corrosion Protection)	\$ 34,546	\$ 38,001
RSA Engineering (Electrical/Power/Lighting)	\$ 28,500	\$ 31,350
Total Subconsultants	\$ 393,445	\$ 432,790
B. Other Direct Costs (ODCs)		
Airfare (8 roundtrips @ \$680 avg. est.)	\$ 5,440	\$ 594
Lodging: 110 Resident Eng. (Contractor @ \$35/night)	\$ 3,850	\$ 4,235
Lodging: 12 Misc. (Est. \$110/night)	\$ 1,320	\$ 1,452
Per Diem: 110 Resident Eng. (Avg. \$115 Fed. OCONUS rate)	\$ 12,650	\$ 13,915
Meals: 12 Misc. (\$60/day)	\$ 720	\$ 792
Ground Transportation (ANC, SEA mileage, parking)	\$ 400	\$ 440
Outside Reproduction	\$ 600	\$ 660
Postage/Delivery	\$ 120	\$ 132
Other	\$ -	\$ -
Total ODCs	\$ 25,100	\$ 27,610

IV. PROJECT SUMMARY/BREAKDOWN

Proposed Professional Fees (Tasks 1-7)	Moffatt & Nichol Labor	\$ 579,742	55.7%
	Subconsultant Cost	\$ 393,445	37.8%
	Other Direct Costs (ODCs)	\$ 25,100	2.4%
	Mark-up on Subconsultants	\$ 39,345	3.8%
	Mark-up on ODCs	\$ 2,510	0.2%
	Subtotal - Professional Fees (Tasks 1-7)	\$ 1,040,142	
	* Less Moffatt & Nichol Contribution (Task 2.1)	\$ (7,886)	
	<b>Total - Proposed Professional Fees (Tasks 1-7)</b>	<b>\$ 1,032,256</b>	16.7%
Estimated Construction Budget	Overall Project Budget	\$ 7,500,000	
	Less Estimated Professional Fees (Tasks 1-5)	\$ (790,114)	10.5%
	Less Bid Phase Services (Task 6) **Not Authorized**	\$ (19,596)	0.3%
	Less Construction Phase Services (Task 7) **Not Authorized**	\$ (222,546)	3.0%
	Less CBS Administration Cost	\$ (225,000)	3.0%
	Allow 3%		
	<b>Estimated Construction Budget</b>	<b>\$ 6,242,744</b>	
Fee Breakdown (Tasks 1-7)	Task Description	Cost	
	1 Project Management	\$ 84,276	8.2%
	2 Site Investigation	\$ 365,143	35.4%
	3 BOD and Concept Development	\$ 32,085	3.1%
	4 Environmental Permitting	\$ 40,149	3.9%
	5 Design and Bid Documents	\$ 268,461	26.0%
	<b>Total - Proposed Professional Fees (Tasks 1-5)</b>	<b>\$ 790,114</b>	76.5%
	6 Bid Phase Services **Not Authorized**	\$ 19,596	1.9%
	7 Construction Phase Services **Not Authorized**	\$ 222,546	21.6%
	<b>Total - Additional Services (Tasks 6-7) **Not Authorized*</b>	<b>\$ 242,142</b>	23.5%



meffott & nichol

## **Sawmill Cove Dock**

---

**Subconsultant Fee Proposal  
Shannon & Wilson**

April 14, 2014

Moffatt & Nichol  
880 H Street, Suite 208  
Anchorage, AK 99501

Attn: Shaun McFarlane, PE

Phone: (907) 677-7500

**RE: REVISED GEOTECHNICAL ENGINEERING SERVICES, SAWMILL COVE DOCK, SITKA, ALASKA**

This letter presents our revised geotechnical scope of services and schedule in support of the proposed improvements to Sawmill Cove in Sitka, Alaska. Our most recent revision of this proposal was submitted on March 26, 2014 and this revision includes presenting upland test pit explorations and two of the proposed offshore borings as deductive alternates and visual assessment of rock and soil materials in several stockpiles within the project area. The work described in this letter includes subsurface explorations, engineering analyses, and further design support for the project. The improvements will include developing a new dock or bulkhead structure within the Sawmill Cove area just south of Sitka, Alaska. The proposed location of the new structure is on the west side of the cove, just north of the existing Silver Bay wharf structure. At the time of this proposal, a limited amount of subsurface information from the project area, however, our experience in the general project vicinity suggests that the project site likely has shallow bedrock conditions. Given that much of the upland area around the perimeter of the cove has been subject to development, a significant layer of fill soils likely exist within the project footprint. The condition of the fills is likely variable as much of the fill was likely placed in the wet to develop the uplands. Native soils likely consist of either unconsolidated ocean floor sediments, alluvial/estuary soils (deposited by the creek at the head of the cove), or glacial till. It is likely that soil deposits are relatively thin (less than 20 feet thick) given rock exposure around the cove and as noted by dive observations conducted for an existing bathymetric survey provided by the City of Sitka. However, given the glacial terrain of the area, it is possible that significantly thicker soil deposits exist over bedrock.

**PROPOSED APPROACH**

The following describes our proposed approach to provide the engineering recommendations requested for the project. The general approach includes preliminary data review and design/alternatives analysis support, site specific explorations, engineering analysis



and reporting, and design drawing development support. It is our opinion that the scope described herein is consistent with what you requested and the local standard of practice.

**Task 1: Data Review and Preliminary Design Support**

This task includes preliminary design support for the project, consisting of existing data review, participation in an initial site visit, and development of preliminary geotechnical design recommendations to support an alternatives analysis.

The initial portion of this task will include a detailed review of the available subsurface information from the project vicinity. We assume that the City of Sitka will provide all existing geotechnical from the project area that they have on file. We will also search our in-house library and other external sources such as the Alaska Department of Transportation & Public Facilities (ADOT&PF) and the Alaska Division of Geological and Geophysical Surveys (DGGs) for available surface information from the project area. This information will provide the basis for developing an understanding of the likely conditions at the site and our preliminary engineering analysis and geotechnical recommendations.

At your request, we have also included effort for attending a 3-hour kickoff meeting (assumed telecon or attendance in person if it is held in Anchorage) and an on-site meeting at the beginning of the project. We will mobilize our project manager from Anchorage to Sitka to attend the meeting in person. During time on site, our representative will visit the project site and observe surface conditions in and around the project area. In addition, our representative will visually observe approximately six stockpiles of soil and/or rock material that are present on the site. The purpose of the observations is to evaluate the potential uses for the materials for this or other projects. We have assumed that the meeting will require two full days (with one overnight in Sitka) including travel time. We assume that we will be responsible for lodging and subsistence for our personnel, but that you will provide transportation while in Sitka.

Upon completion of our attendance at the site visit and data review, we will develop a brief letter report summarizing our findings and presenting preliminary geotechnical engineering recommendations. The development of these recommendations will likely depend on coordination between our project manager and the rest of the design team as the alternatives analysis is developed. We envision that we will discuss a relatively wide range of alternatives in the letter in general terms, but include more focused discussions and preliminary recommendations on two to three favored alternatives (e.g. anchored sheet pile walls, cellular

cofferdams, pile supported structures, etc.). We will also include a brief narrative of the observations made at the site including a discussion of potential uses for the observed stockpiled materials.

**Task 2: Explorations and Design Recommendations**

This task includes site specific drilling and test pit explorations, laboratory testing, engineering analysis, and development of a geotechnical engineering report. This effort assumes that a preliminary design of the structure will be developed during the alternatives analysis, however, given the possible alternatives, there is likely some flexibility in what type of structure is ultimately addressed in our final engineering report. During this task, we will work closely with the design team to provide information as it becomes available so that adjustments to the approach can be made as soon as practicable.

***Explorations:***

Based on our correspondence, we have included scope and cost estimates for drilling five offshore borings and two onshore borings. Additional test pits (presented herein as a deductive alternate) may be conducted in upland areas to allow for evaluation of near-surface fills. These borings and test pits (if conducted) will facilitate our engineering studies for the proposed dock or bulkhead structure. It should be noted that this is an anticipated effort assuming no existing subsurface information is available. It is possible that if subsurface information of sufficient quality from the project area becomes available prior to explorations, the program could be reduced. Likewise, our effort described in this letter assumes a dock structure that is approximately 250 feet long (total length) and additional explorations may need to be conducted if through preliminary design, the dock length is significantly increased.

We assume that the onshore drill sites are accessible with a truck-mounted drilling rig and that the ground surface is not paved such that a tracked excavator can access the test pit locations. The exact locations of the explorations will be determined after a preliminary design and site layout has been developed. Prior to mobilization of the drilling equipment, coordination with the US Coast Guard (USCG) and the Marine Management service is required to obtain the necessary permits to perform the offshore work. Additional coordination with the US Army Corps of Engineers (USACE) for work under the Nationwide Permit Number 6 is required. We assume that you will procure all necessary permits and permissions to conduct the proposed explorations and that we will work in a support capacity through this process. We also assume

that the proposed boring locations will be accessible in that their locations will not cause obstruction to shipping lanes when the drilling platform has anchored on location. We will coordinate with the utility locate call center to locate potential utilities in the area and assume that the City of Sitka will assist in identifying private utilities (not covered by the public call center) within the project limits.

A truck mounted drill rig supplied by an Anchorage drilling subcontractor will perform the drilling work. The drill rig will be equipped to do auger/casing drilling, wire line rock coring, and soil sampling. A two-person crew from our drilling subcontractor and an experienced geotechnical staff member from Shannon & Wilson will travel to Sitka and conduct the drilling explorations. Note that offshore drilling will be conducted 24-hours per day consisting of two 12-hour shifts per day. A landing craft operator from the Juneau area will support the drill rig and crew for overwater drilling. The landing craft will be equipped with sufficient anchors to hold position during each boring exploration. We assume that the anticipated time frame for the drilling to occur will be between April and May 2014.

We will advance the offshore and upland borings through upper sediment and weathered bedrock layers up to approximately 30 feet into competent bedrock depending on the overburden thickness and rock quality. We estimate maximum boring depths to be approximately 60 to 80 feet below the mudline. In each of the borings, Standard or Modified Penetration Test drive samples (depending on the particle sizes that are being encountered) will be generally taken at 5-foot intervals in overburden soils, and continuous wireline coring will be done when bedrock is encountered.

After drilling is complete, and if the test pit explorations are authorized, we will mobilize a local excavator to the site to advance test pits. The test pits will be advanced to a maximum of approximately 15 feet below the ground surface or shallower if shallow rock or groundwater inhibits excavations. Test pits will only be conducted in areas where damage to existing structures and asphalt/concrete pavements will not be damaged, due to undermining or penetration at the surface. Upon completion, the test pits will be backfilled with cuttings removed during excavations and periodically tamped with the excavator bucket. Note that we have not included backfilling the excavations using moisture/density control.

An experienced engineering or geological specialist will be on site continuously to observe drilling and excavation activities, locate borings and test pits, log conditions encountered, and collect soil and rock samples. The soil samples will be sealed in air tight

containers and transported to our laboratory for testing, as necessary. The rock cores will be placed in 2-foot long core boxes, labeled, photographed, and then shipped back to Anchorage for detailed logging, selective testing, and storage. We plan to measure horizontal boring locations with our handheld, differential GPS unit. Classification of rock and soil samples will be consistent with the State of Alaska DOT standards described in the October 2003 Geotechnical Procedures Manual.

***Lab Testing:***

Laboratory tests will be performed on soil and rock samples to evaluate the material and foundation behavior characteristics of the material encountered. We anticipate that soil samples may have to be tested for natural water content, grain-size distribution, and possibly Atterberg Limits or one-dimensional consolidation tests, if appropriate. A few intact rock cores may be tested for compressive strength (point load or uniaxial compression tests), and hardness using the Schmidt Hammer. We will plan to adjust the types of tests and the testing program based on the actual conditions encountered. ASTM International procedures will generally be followed for all soils and rock testing.

***Engineering and Reporting:***

Upon completion of field work and laboratory tests, we will conduct geotechnical engineering analyses to evaluate the design parameters and provide recommendations needed for the design of the proposed project. Conclusions and recommendations will be tailored to the specific structure selected, but will generally address use of local materials for construction, pile design (sheet and/or pipe as appropriate), rock anchoring, placement of soil or rock fill, global stability, settlement, seismic design considerations, and construction consideration.

Along with the basic geotechnical recommendations, our report will also present a narrative description of the subsurface conditions encountered including a site description, a summary of field explorations, and laboratory test procedures and results. Logs of borings and test pits will support this description. Discussions of groundwater conditions and measured water levels in the explorations will also be included, if encountered. Our report will be performed under and sealed by a registered civil engineer experienced in geotechnical engineering. We will submit an electronic copy of our draft report for review and comment. Upon receipt of comments, we will address and provide four bound copies and one electronic copy of the final report.

**Task 3: Design Support/Meetings**

This task includes follow-on design support and attendance at design meetings throughout the project. The design review support will consist of a labor during development of the drawings and attendance at a 1-day design review meeting for the 65 percent design level. We have also included effort to attend via teleconference twelve weekly design team meetings at one hour each.

**SCHEDULE**

As stated above, we assume that the explorations described herein will take place this spring and summer. We anticipate that the Task 1 activities will be completed in approximately four weeks after receiving notice to proceed. We estimate that the explorations should take approximately seven days (including one day each for loading and unloading the drilling equipment from the drilling platform). This assumes that the offshore drilling will be accomplished expeditiously with no slowdowns due to difficult drilling conditions or weather. Laboratory testing should be completed roughly two to three weeks after explorations are complete. Development of our draft report will likely be a collaborative effort, but we estimate that it should be completed approximately 12 weeks after completion of the field work. Finalizing the report will depend on the nature of the comments received, but typically requires approximately two weeks. If the additive alternate is authorized, the field schedule will increase by approximately five days, but other efforts (lab testing, engineering, reporting, etc.) should not experience a significant lengthening due to the additional work and the total increase in schedule after field work should be less than approximately one week. Throughout this project, we will work closely with the design team to provide preliminary information on a continuing basis as it is developed by our studies. We will also notify you if unexpected conditions are encountered in the field so that the scope of services and/or the budget can be adjusted accordingly.

**ESTIMATE COST AND FEE BASIS**

We are prepared to undertake the above tasks on a time and materials basis as outlined on the attached summary cost estimate. Our fee for the above work and the terms under which our services are offered would be in accordance with a mutually agreed upon contract for professional services. If other services are desired after submittal of the report, such as additional meetings with our staff or inspection of construction; the cost would be in addition to that quoted above. We have included a line item fee for standby time in the event that weather

Sawmill Cove Dock, Sitka, Alaska  
April 14, 2014  
Page 7

SHANNON & WILSON, INC.

prevents demobilization of our crews from Sitka or prevents offshore drilling during storm events. We have also included line items on the cost estimate representing deductive alternates for in the event that the test pit explorations are not authorized or if the offshore drilling explorations are reduced by one or two borings.

To guide you in understanding and evaluating the nature of our work, we have also enclosed for your use *Important Information About Your Geotechnical/Environmental Proposal*. If you have any questions or comments or wish to revise the scope of our services, please contact the undersigned. We look forward to the opportunity to work with you on this project.

Sincerely,

SHANNON & WILSON, INC.



Kyle Brennan, P.E.  
Senior Associate

Attachments: Summary Cost Estimate  
Important Information About Your Geotechnical/Environmental Proposal

32-2-04557r2

**SUMMARY COST ESTIMATE  
GEOTECHNICAL STUDIES**

<b>GEOTECHNICAL ENGINEERING SERVICES</b>				<b>COST</b>
<b>Task 1: Data Review and Preliminary Design Support</b>				<b>\$2,340.00</b>
<b>1. Existing Data Review</b>				
Senior Associate	6	hrs. x	\$170.00 /hr.	\$1,020.00
Sr. Engineering/Geology Staff	12	hrs. x	\$110.00 /hr.	\$1,320.00
<b>2. On-Site Meeting</b>				<b>\$2,366.00</b>
Sr. Associate	8	hrs. x	\$170.00 /hr.	\$1,360.00
Airfare (R/T Anchorage To Sitka)	1	x	\$748.00 each	\$748.00
Per diem (on-site meeting and travel)	2	days x	\$60.00 /day	\$120.00
Lodging (one overnight)	1	days x	\$138.00 /day	\$138.00
<b>3. Kick-off Meeting (in person if in Anchorage or else telecom)</b>				<b>\$1,120.00</b>
Sr. Associate	4	hrs. x	\$170.00 /hr.	\$680.00
Sr. Engineering/Geology Staff	4	hrs. x	\$110.00 /hr.	\$440.00
<b>4. Preliminary Engineering/Reporting</b>				<b>\$5,000.00</b>
Principal	1	hrs. x	\$210.00 /hr.	\$210.00
Sr. Associate	6	hrs. x	\$170.00 /hr.	\$1,020.00
Sr. Principal Engineer	10	hrs. x	\$135.00 /hr.	\$1,350.00
Sr. Engineering/Geology Staff	20	hrs. x	\$110.00 /hr.	\$2,200.00
Clerical/Drafting	4	hrs. x	\$55.00 /hr.	\$220.00
<b>Task 2: Explorations and Design Recommendations</b>				
<b>1. Project Setup and Coordination</b>				<b>\$1,640.00</b>
Sr. Principal Engineer	4	hrs. x	\$135.00 /hr.	\$540.00
Sr. Engineering/Geology Staff	10	hrs. x	\$110.00 /hr.	\$1,100.00
<b>2. Permit Support and Utility Locates</b>				<b>\$1,150.00</b>
Sr. Principal Engineer	2	hrs. x	\$135.00 /hr.	\$270.00
Sr. Engineering/Geology Staff	8	hrs. x	\$110.00 /hr.	\$880.00
<b>3. Shannon &amp; Wilson Mobilization</b>				<b>\$5,248.00</b>
Sr. Engineering/Geology Staff (field prep)	8	hrs. x	\$110.00 /hr.	\$880.00
Sr. Engineering/Geology Staff (travel time)	16	hrs. x	\$110.00 /hr.	\$1,760.00
Sr. Engineering/Geology Staff	16	hrs. x	\$85.00 /hr.	\$1,360.00
Airfare (R/T Anchorage To Sitka)	1	x	\$748.00 each	\$748.00
Equipment/Sample Shipping	1	x	\$500.00 each	\$500.00
<b>4. Explorations</b>				<b>\$256,300.00</b>
Driller mob/demob	1	x	\$34,040.00 each	\$34,040.00
Landing Craft mob/demob	1	x	\$24,288.00 each	\$24,288.00
Drilling (offshore including loading/unloading drill rig)	16	shifts x	\$5,348.00 each	\$85,568.00
Landing Craft (offshore drilling)	8	days x	\$7,728.00 each	\$61,824.00
Drilling (onshore)	2	shifts x	\$5,348.00 each	\$10,696.00
Drilling expendables (bits for auger/casing, coring bits, etc)	1	x	\$9,200.00 each	\$9,200.00
Excavator mob/demob	2	x	\$460.00 each	\$920.00
Excavator (excavate and backfill test pits)	8	hrs. x	\$230.00 /hr.	\$1,840.00
Sr. Engineering/Geology Staff (offshore drilling 12-hour shifts)	96	hrs. x	\$110.00 /hr.	\$10,560.00
Engineering/Geology Staff III (offshore drilling 12-hour shifts)	96	hrs. x	\$85.00 /hr.	\$8,160.00
Sr. Engineering/Geology Staff (onshore drilling 12-hour shifts)	24	hrs. x	\$110.00 /hr.	\$2,640.00
Sr. Engineering/Geology Staff (test pits 12-hour shifts)	12	hrs. x	\$110.00 /hr.	\$1,320.00
Per diem (18 person days work, 4 person days travel)	22	days x	\$60.00 /day	\$1,320.00
Lodging	18	days x	\$114.00 /day	\$2,052.00
Rental Car	18	days x	\$104.00 /day	\$1,872.00
<b>5. Laboratory Testing</b>				<b>\$10,105.00</b>
Moisture Content	120	x	\$15.00 each	\$1,800.00
Grain Size (with hydrometer)	24	x	\$175.00 each	\$4,200.00
Atterberg Limits	7	x	\$190.00 each	\$1,330.00
One Dimensional Consolidation	3	x	\$350.00 each	\$1,050.00
Point Load Tests (bedrock)	35	x	\$25.00 each	\$875.00
Uniaxial Compression	10	x	\$85.00 each	\$850.00
<b>6. Draft Report (Geotechnical)</b>				<b>\$22,940.00</b>
Principal	6	hrs. x	\$190.00 /hr.	\$1,140.00
Sr. Associate	20	hrs. x	\$155.00 /hr.	\$3,100.00
Sr. Principal Engineer	45	hrs. x	\$130.00 /hr.	\$5,850.00
Sr. Engineering/Geology Staff	150	hrs. x	\$82.00 /hr.	\$12,300.00
Clerical/Drafting	10	hrs. x	\$55.00 /hr.	\$550.00

**SUMMARY COST ESTIMATE  
GEOTECHNICAL STUDIES**

<b>7. Final Report (Geotechnical)</b>				<b>\$4,160.00</b>
Principal	2	hrs. x	\$190.00 /hr.	\$380.00
Associate	4	hrs. x	\$155.00 /hr.	\$620.00
Sr. Principal Engineer	10	hrs. x	\$130.00 /hr.	\$1,300.00
Sr. Engineering/Geology Staff	20	hrs. x	\$82.00 /hr.	\$1,640.00
Clerical/Drafting	4	hrs. x	\$55.00 /hr.	\$220.00
<b>Task 3: Design Support/Meetings</b>				
<b>1. Project Setup and Coordination</b>				<b>\$5,400.00</b>
Sr. Associate (ongoing design review)	4	hrs. x	\$170.00 /hr.	\$680.00
Sr. Associate (65 percent review meeting)	8	hrs. x	\$170.00 /hr.	\$1,360.00
Sr. Associate (weekly design team meeting)	12	hrs. x	\$170.00 /hr.	\$2,040.00
Sr. Engineering/Geology Staff (weekly design team meeting)	12	hrs. x	\$110.00 /hr.	\$1,320.00
<b>Total:</b>				<b>\$317,769.00</b>
<b>Deductive Alternate (Removal of one offshore boring and associated lab testing and reporting)</b>				
<b>1. Explorations</b>				<b>\$32,705.00</b>
Drilling (offshore)	3	shifts x	\$5,348.00 each	\$16,044.00
Landing Craft (offshore drilling)	1.5	days x	\$7,728.00 each	\$11,592.00
Drilling expendables (bits for auger/casing, coring bits, etc)	1	x	\$575.00 each	\$575.00
Sr. Engineering/Geology Staff (offshore drilling 12-hour shifts)	24	hrs. x	\$110.00 /hr.	\$2,640.00
Engineering/Geology Staff III (offshore drilling 12-hour shifts)	12	hrs. x	\$85.00 /hr.	\$1,020.00
Per diem (3 person days work)	3	days x	\$60.00 /day	\$180.00
Lodging	3	days x	\$114.00 /day	\$342.00
Rental Car	3	days x	\$104.00 /day	\$312.00
<b>2. Laboratory Testing</b>				<b>\$900.00</b>
Moisture Content	10	x	\$15.00 each	\$150.00
Grain Size (with hydrometer)	2	x	\$175.00 each	\$350.00
Atterberg Limits	1	x	\$190.00 each	\$190.00
Point Load Tests (bedrock)	5	x	\$25.00 each	\$125.00
Uniaxial Compression	1	x	\$85.00 each	\$85.00
<b>3. Reporting (Geotechnical)</b>				<b>\$1,135.00</b>
Sr. Principal Engineer	2	hrs. x	\$130.00 /hr.	\$260.00
Sr. Engineering/Geology Staff	10	hrs. x	\$82.00 /hr.	\$820.00
Clerical/Drafting	1	hrs. x	\$55.00 /hr.	\$55.00
<b>Deductive Alternate Total (Per Offshore Hole Removed, Assumed Not More Than Two Holes Removed):</b>				<b>\$34,740.00</b>
<b>Deductive Alternate (If test pit explorations are not authorized)</b>				
<b>1. Explorations</b>				<b>\$4,358.00</b>
Excavator mob/demob	2	x	\$460.00 each	\$920.00
Excavator (excavate and backfill test pits)	8	hrs. x	\$230.00 /hr.	\$1,840.00
Sr. Engineering/Geology Staff (test pits 12-hour shifts)	12	hrs. x	\$110.00 /hr.	\$1,320.00
Per diem	1	days x	\$60.00 /day	\$60.00
Lodging	1	days x	\$114.00 /day	\$114.00
Rental Car	1	days x	\$104.00 /day	\$104.00
<b>2. Laboratory Testing</b>				<b>\$1,230.00</b>
Moisture Content	12	x	\$15.00 each	\$180.00
Grain Size (with hydrometer)	6	x	\$175.00 each	\$1,050.00
<b>3. Draft Report (Geotechnical)</b>				<b>\$458.00</b>
Sr. Principal Engineer	1	hrs. x	\$130.00 /hr.	\$130.00
Sr. Engineering/Geology Staff	4	hrs. x	\$82.00 /hr.	\$328.00
<b>Deductive Alternate Total (If Test Pits are Not Authorized):</b>				<b>\$6,046.00</b>
<b>Weather Standby (at discretion of barge captain)</b>				<b>\$7,913.00</b>
Sr. Engineering/Geology Staff	8	hrs. x	\$110.00 /hr.	\$880.00
Engineering/Geology Staff III	8	hrs. x	\$85.00 /hr.	\$680.00
S&W subsistence/lodging/car (two people)	2	days x	\$560.00 /day	\$1,120.00
Driller (barge included)	1	day x	\$5,233.00 /day	\$5,233.00





Date: April 2014  
To: Moffatt Nichol  
Re: Sawmill Cove Dock, Sitka, Alaska

## **Important Information About Your Geotechnical/Environmental Proposal**

More construction problems are caused by site subsurface conditions than any other factor. The following suggestions and observations are offered to help you manage your risks.

### **HAVE REALISTIC EXPECTATIONS.**

If you have never before dealt with geotechnical or environmental issues, you should recognize that site exploration identifies actual subsurface conditions at those points where samples are taken, at the time they are taken. The data derived are extrapolated by the consultant, who then applies judgment to render an opinion about overall subsurface conditions; their reaction to construction activity; appropriate design of foundations, slopes, impoundments, recovery wells; and other construction and/or remediation elements. Even under optimal circumstances, actual conditions may differ from those inferred to exist, because no consultant, no matter how qualified, and no subsurface program, no matter how comprehensive, can reveal what is hidden by earth, rock, and time.

### **DEVELOP THE SUBSURFACE EXPLORATION PLAN WITH CARE.**

The nature of subsurface explorations—the types, quantities, and locations of procedures used—in large measure determines the effectiveness of the geotechnical/environmental report and the design based upon it. The more comprehensive a subsurface exploration and testing program, the more information it provides to the consultant, helping to reduce the risk of unanticipated conditions and the attendant risk of costly delays and disputes. Even the cost of subsurface construction may be lowered.

Developing a proper subsurface exploration plan is a basic element of geotechnical/environmental design, which should be accomplished jointly by the consultant and the client (or designated professional representatives). This helps the parties involved recognize mutual concerns and makes the client aware of the technical options available. Clients who develop a subsurface exploration plan without the involvement and concurrence of a consultant may be required to assume responsibility and liability for the plan's adequacy.

### **READ GENERAL CONDITIONS CAREFULLY.**

Most consultants include standard general contract conditions in their proposals. One of the general conditions most commonly employed is to limit the consulting firm's liability. Known as a "risk allocation" or "limitation of liability," this approach helps prevent problems at the beginning and establishes a fair and reasonable framework for handling them, should they arise.

Various other elements of general conditions delineate your consultant's responsibilities. These are used to help eliminate confusion and misunderstandings, thereby helping all parties recognize who is responsible for different tasks. In all cases, read your consultant's general conditions carefully and ask any questions you may have.

### **HAVE YOUR CONSULTANT WORK WITH OTHER DESIGN PROFESSIONALS.**

Costly problems can occur when other design professionals develop their plans based on misinterpretations of a consultant's report. To help avoid misinterpretations, retain your consultant to work with other project design professionals who are affected by the geotechnical/environmental report. This allows a consultant to explain report implications to design professionals affected by them, and to review their plans and specifications so that issues can be dealt with adequately. Although some other design professionals may be familiar with geotechnical/environmental concerns, none knows as much about them as a competent consultant.

### **OBTAIN CONSTRUCTION MONITORING SERVICES.**

Most experienced clients also retain their consultant to serve during the construction phase of their projects. Involvement during the construction phase is particularly important because this permits the consultant to be on hand quickly to evaluate unanticipated conditions, to conduct additional tests if required, and when necessary, to recommend alternative solutions to problems. The consultant can also monitor the geotechnical/environmental work performed by contractors. It is essential to recognize that the construction recommendations included in a report are preliminary, because they must be based on the assumption that conditions revealed through selective exploratory sampling are indicative of actual conditions throughout a site.

Because actual subsurface conditions can be discerned only during earthwork and/or drilling, design consultants need to observe those conditions in order to provide their recommendations. Only the consultant who prepares the report is fully familiar with the background information needed to determine whether or not the report's recommendations are valid. The consultant submitting the report cannot assume responsibility or liability for the adequacy of preliminary recommendations if another party is retained to observe construction.

### **REALIZE THAT ENVIRONMENTAL ISSUES MAY NOT HAVE BEEN ADDRESSED.**

If you have requested only a geotechnical engineering proposal, it will not include services needed to evaluate the likelihood of contamination by hazardous materials or other pollutants. Given the liabilities involved, it is prudent practice to always have a site reviewed from an environmental viewpoint. A consultant cannot be responsible for failing to detect contaminants when the services needed to perform that function are not being provided.

### **ONE OF THE OBLIGATIONS OF YOUR CONSULTANT IS TO PROTECT THE SAFETY, PROPERTY, AND WELFARE OF THE PUBLIC.**

A geotechnical/environmental investigation will sometimes disclose the existence of conditions that may endanger the safety, health, property, or welfare of the public. Your consultant may be obligated under rules of professional conduct, or statutory or common law, to notify you and others of these conditions.

### **RELY ON YOUR CONSULTANT FOR ADDITIONAL ASSISTANCE.**

Your consulting firm is familiar with several techniques and approaches that can be used to help reduce risk exposure for all parties to a construction project, from design through construction. Ask your consultant, not only about geotechnical and environmental issues, but others as well, to learn about approaches that may be of genuine benefit.

The preceding paragraphs are based on information provided by the  
ASFE/Association of Engineering Firms Practicing in the Geosciences, Silver Spring, Maryland



moffatt & nichol

## **Sawmill Cove Dock**

---

**Subconsultant Fee Proposal**

**DOWL HKM**

**COST ESTIMATE PER TASK**

FIRM: DOWL HKM		PROJECT TITLE: Sitka Sawmill Cove Dock									
TASK NO: 1	TASK DESCRIPTION: Marine Survey and Partial Uplands Survey										DATE: 4/11/2014
GROUP:	METHOD OF PAYMENT: FP <input type="checkbox"/>	FPPE <input type="checkbox"/>	T&E <input checked="" type="checkbox"/>	CP <input type="checkbox"/>	PREPARED BY: W. Pence						

SUB-TASK NO.	SUB-TASK DESCRIPTION	Professional Land Surveyor V (BP)	Professional Land Surveyor III	2 Person Crew W/ GPS	1 Person Surv. W/ GPS	Surveyor Party Chief	Survey Tech	AutoCad Tech	Admin.						
1	Project Management	3							1						
	Mob & Travel		6				4								
	Data Reductions, Computations, Research	4	3												
	Field Survey Bathymetry & Uplands			11											
	Field Survey Control			4											
	Site Plan Prep	2						10							
	Pile Quantity Survey	2			9	2		1							
<b>TOTAL LABOR HOURS</b>		11	9	15	9	2	4	11	1	0	0	0	0	0	0
<b>* LABOR RATES (\$/HR)</b>		\$165.00	\$150.00	\$190.00	\$120.00	\$100.00	\$85.00	\$100.00	\$85.00	\$110.00	\$90.00	\$115.00	\$70.00		
<b>LABOR COSTS (\$)</b>		\$1,815.00	\$1,350.00	\$2,850.00	\$1,080.00	\$200.00	\$340.00	\$1,100.00	\$85.00	\$0.00	\$0.00	\$0.00	\$0.00		

SUB-TASK NO.	ITEM(S)	QUANTITY	UNIT PRICE	TOTAL PRICE	COMMENTS:	
1 exp	Per Diem (2 person crew for 2 days)	5	\$68.00	\$340.00	The limits of the bathymetric survey is 150' beyond the limits of the proposed Bulkhead Dock bounded by the uplands. Uplands survey 30' beyond top of bank.  Pile Quantity Survey is Based on 6 material piles at one or 2 locations.	
	Airfare JNU-SIT RT	2	\$352.00	\$704.00		
	Boat Rental	1	\$800.00	\$800.00		
	Lodging	3	\$140.00	\$420.00		
	Fathometer shipping & rental	1	\$900.00	\$900.00		
	Vehicle Rental	3	\$100.00	\$300.00		
				\$0.00		
				\$0.00		
				\$0.00		
				\$0.00		
				\$0.00	<b>FIRM'S TOTAL COST OF LABOR (or Fixed Price):</b>	\$6,820
					<b>IF CPFF, TOTAL INDIRECT COST @</b>	0.00%
					<b>FIRM'S TOTAL EXPENSES (+10% markup)</b>	\$3,810
					<b>FIRM'S TOTAL COST (no Subcontracts or Fee)</b>	\$12,830
<b>SUB-CONTRACTORS: Firm Initials and Price Per Task</b>						
FIRM:						
AMOUNT:					<b>TOTAL SUBCONTRACTOR PRICES:</b>	\$0

\* Labor Rates shall be direct labor (base pay) only if Method of Payment is CPFF; otherwise, Labor Rates shall be total rates (i.e. base pay + benefits + overhead + profit.)

**Sawmill Cove Dock**

---

**Subconsultant Fee Proposal  
Norton Corrosion**



**NORTON CORROSION LIMITED**

8820 222<sup>nd</sup> Street SE, Woodinville, WA 98077  
Phone (425) 483-1616 • Fax (425) 485-1754  
e-mail: pgoodwin@nortoncorrosion.com

April 4, 2014

Paul Wallis  
Moffatt & Nichols  
Anchorage, AK  
pwallis@moffattnichol.com

Ph 907.677.7500  
Cell 907.227.7129

**Subject: CATHODIC PROTECTION ENGINEERING & DESIGN  
SAWMILL COVE INDUSTRIAL PARK DOCK PROJECT  
SITKA, ALASKA**

Dear Paul:

As requested, please consider this revised proposal for your above noted project. Per your comments in your email dated today April 4, 2014, we have taken out all site visits out of our costs noted below. NCL understands that this proposal is to include our efforts in the following areas:

1. Pre-Design Support: Participation in a kickoff meeting. Gathering of samples and site CP design considerations to be provided/verified by others. The following items might be required:
  - a. Water Samples: In addition to samples from the water surface, samples from water depths of 10 ft below the surface may be recommended. Moreover, NCL has concerns regarding possible fresh water influences to the project area.
  - b. AC power availability needs to be verified for possible ICCP system consideration.
  - c. Verification of possible influences of foreign CP systems in the project area.
  - d. Review of the possible effects that a new CP system might have on neighboring structures.
2. Design Phase: NCL is to provide CP design drawings and specifications. We understand that there will be a four step submittal process.
3. Bid Phase: NCL will provide assistance in answering CP related questions during the bid phase and review CP submittals

Please consider the following:

<b>Item</b>	<b>Quantity</b>	<b>Description- NCL's Approach to Project</b>	<b>Rate</b>	<b>Ext. Rate</b>
<b>Pre-Design Work</b>				
1	2 hrs	Review current and historic documents by NCL Principal	\$209.00	\$418.00
2	2 hrs	Project Management/Project Work Plan	\$209.00	\$418.00
3	1 hrs	Project Cost Control	\$209.00	\$209.00
4	4 hrs	Kick-off Meeting & Meeting Follow up: Via conference phone call, NCL to participate in kick-off meeting discuss latest project information, solidify design focus guidelines and provide meeting follow up.	\$176.00	\$704.00
<b>Pre-Design-Estimated Budget</b>				<b>\$1,331.00</b>

**NORTON CORROSION LIMITED**

MOFFATT NICHOLS-ANCHORAGE  
 SAWMILL COVE, SITKA, AK  
 APRIL 4, 2014  
 PAGE 2 OF 3

<b>Design and Specifications 1<sup>st</sup> Submittal-35%</b>				
5	4	hrs	Basis of Design	\$176.00 \$704.00
6	4	hrs	Design Calculations	\$176.00 \$704.00
7	2	hrs	Prepare Specifications	\$176.00 \$352.00
8	4	hrs	Prepare Cost Estimate of materials, manpower, and installation support/assistance needs.	\$176.00 \$704.00
9	4	hrs	Prepare Design Drawings supporting new design (Engineer)	\$176.00 \$704.00
10	8	hrs	CAD Drawings	\$93.00 \$744.00
11	2	hrs	Secretarial Support	\$72.00 \$144.00
12	1	hrs	Principal Review	\$209.00 \$209.00
<b>1<sup>st</sup> Submittal-Estimated Budget</b>				<b>\$4,265.00</b>
<b>Design and Specifications 2<sup>nd</sup> Submittal-65%</b>				
13	4	hrs	35% Submittal Revision Review & Phone Meetings	\$176.00 \$704.00
14	6	hrs	Basis of Design	\$176.00 \$1,056.00
15	12	hrs	Design Calculations	\$176.00 \$2,112.00
16	20	hrs	Prepare Specifications	\$176.00 \$3,520.00
17	8	hrs	Prepare Cost Estimate of materials, manpower, and installation support/assistance needs.	\$176.00 \$1,408.00
18	12	hrs	Prepare Design Drawings supporting new design (Engineer)	\$176.00 \$2,112.00
19	20	hrs	CAD Drawings	\$93.00 \$1,860.00
20	4	hrs	Secretarial Support	\$72.00 \$288.00
21	4	hrs	Principal Review	\$209.00 \$836.00
<b>2<sup>nd</sup> Submittal-Estimated Budget</b>				<b>\$13,896.00</b>
<b>Design and Specifications 3<sup>rd</sup> Submittal-95%</b>				
22	2	hrs	65% Submittal Revision Review	\$176.00 \$352.00
23	4	hrs	Basis of Design	\$176.00 \$704.00
24	4	hrs	Design Calculations	\$176.00 \$704.00
25	12	hrs	Prepare Specifications	\$176.00 \$2,112.00
26	4	hrs	Prepare Cost Estimate of materials, manpower, and installation support/assistance needs.	\$176.00 \$704.00
27	8	hrs	Prepare Design Drawings supporting new design (Engineer)	\$176.00 \$1,408.00
28	10	hrs	CAD Drawings	\$93.00 \$930.00
29	4	hrs	Secretarial Support	\$72.00 \$288.00
30	2	hrs	Principal Review	\$209.00 \$418.00
<b>3<sup>rd</sup> Submittal-Estimated Budget</b>				<b>\$7,620.00</b>
<b>Design and Specifications 4<sup>th</sup> Submittal-Final</b>				
31	2	hrs	95% Submittal Revision Review	\$176.00 \$352.00
32	2	hrs	Basis of Design	\$176.00 \$352.00
33	2	hrs	Design Calculations	\$176.00 \$352.00
34	4	hrs	Prepare Specifications	\$176.00 \$704.00
35	2	hrs	Prepare Cost Estimate of materials, manpower, and installation support/assistance needs.	\$176.00 \$352.00
36	4	hrs	Prepare Design Drawings supporting new design (Engineer)	\$176.00 \$704.00
37	8	hrs	CAD Drawings	\$93.00 \$744.00

NORTON CORROSION LIMITED

MOFFATT NICHOLS-ANCHORAGE  
SAWMILL COVE, SITKA, AK  
APRIL 4, 2014  
PAGE 3 OF 3

38	2 hrs	Secretarial Support	\$72.00	\$288.00
39	2 hrs	Principal Review	\$209.00	\$418.00
<b>4<sup>th</sup> Submittal-Estimated Budget</b>				<b>\$4,266.00</b>
<hr/>				
<b>Bid Support</b>				
40	10 hrs	Research and respond to CP related bid questions	\$176.00	\$1,760.00
41	2 lot	Review contractor CP Submittals (we have allotted for two submittal reviews-if there are more than two each additional review will be \$704.00)	\$704.00	\$1,408.00
<b>Bid Support</b>				<b>\$3,168.00</b>
<hr/>				
<b>Total Estimated Budget-Bid Support</b>				<b>\$34,546.00</b>

Terms: Net 30 days on approved credit. Validity of proposal 60 days. NCL maintains \$3/5 Million professional liability insurance- higher limits are available at additional cost.

Thank you for the opportunity to present this proposal. We look forward to your positive response.

Sincerely,



Philip Goodwin  
Technical Marketing

\_\_\_\_\_  
Authorized by

\_\_\_\_\_  
Date





moffatt & nichol

## **Sawmill Cove Dock**

---

**Subconsultant Fee Proposal  
RSA Engineering**



Engineering, Inc.

*Designing in Alaska for Over 20 Years*

Mechanical & Electrical Engineers

March 20, 2014  
Revised March 28, 2014

Moffatt & Nichol  
880 H Street, Suite 208  
Anchorage, AK 99501

ATTENTION: Shaun G. McFarlane, P.E.

Dear Shaun,

REFERENCE: Sawmill Cove Dock Project Electrical Fee Proposal

RSA Engineering is pleased to offer a fee proposal for electrical engineering services for the referenced project. Our understanding of the scope of work required for this project is based on a meeting held at your offices with Paul Wallis on 3/13/2014:

- The City and Borough of Sitka is pursuing a new waterfront dock facility at the Sawmill Cove location in Sitka, Alaska. Although the exact size and type of dock are unknown at this time, it is anticipated that the structure will consist of a sheet pile bulkhead and/or a pier dock.
- RSA's design will include area lighting, power distribution, electrical service upgrades (if required) and coordination with other disciplines to ensure all items requiring electrical connections are captured.
- Lighting design is anticipated to include the minimum requirements for lighting the dock mooring only. It is our understanding that any additional lighting for work in the area will be determined in later project phases.
- Power distribution design is anticipated to include limited shore power receptacles for vessels of 150' or more. Shore power will be included in 4 locations along the dock face. Additionally, power supply to the cathodic protection system if applicable will be included.
- Our design will also include a new electrical service for the dock as well as coordination with the City and Borough of Sitka Electrical Department for a utility line extension to the new service.
- There will be no electronic security or CCTV systems included in this phase.
- It is our understanding that there will be design document submittals at the 35%, 65% and 95% phases for Owner review, and a final 100% construction document submittal. We anticipate using 2004 CSI specifications with outline specifications to be provided at 65% and edited specs at 95% review and 100% submittal phases.
- This fee assumes that RSA will attend the following design and construction meetings.
  - One 3-hour Design Kick-off meeting
  - Weekly progress meetings during design and construction (24 total).

ANCHORAGE  
WASILLA

2522 Arctic Boulevard, Suite 200 • Anchorage, AK 99503-2516 • p907.276.0521 • f907.275.1751  
191 E. Swanson Avenue, Suite 101 • Wasilla, AK 99654 • p907.357.1521 • f907.357.1751  
www.rsa-ak.com

- o Design review meetings at 35%, 65% and 95%
- We anticipate a limited amount of in office construction administration time will be required for necessary review of submittals and RFIs.
- Our fee proposal includes three (3) site visits, one (1) to be performed at the pre-design phase to determine existing site conditions and two (2) construction phase inspections.

Exclusions:

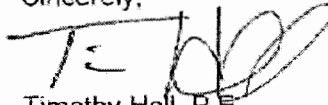
- We have excluded Permitting Services, Commissioning Services, LEED Services, Cost Estimation Services and Reproduction Services from our proposal at this time. If these services are desired in future, we propose to negotiate costs for the work at that time.
- The cathodic protection system design is not included with our fee proposal as it is understood that this service is being designed by another firm. RSA's involvement will be limited to the necessary coordination to provide power to the cathodic protection system.

RSA proposes to provide these service the following fee, which will be billed on a time and expenses basis at our standard hourly rates:

Task Description	Fee	Reimbursables
Pre-Design Site Visit	\$ 1,825.00	\$1,300.00
35% Design	\$ 3,025.00	
65% Design	\$ 4,275.00	
95% Design & Specs	\$ 5,100.00	
100% Design & Specs	\$ 2,075.00	
In-House CA	\$ 4,650.00	
2 Site Inspections	\$ 3,650.00	\$2,600.00
Subtotals	\$24,600.00	\$3,900.00
<b>TOTAL</b>	<b>\$28,500.00</b>	

Please review and advise if this proposal is acceptable by signing below and returning a copy to our office as our notice to proceed. We have attached a copy of our Standard Terms and Conditions to provide guidelines for contractual issues in the absence of a formal contract for this project. We look forward to working with you on this project.

Sincerely,



Timothy Hall, P.E.  
Vice President

db/teh/hhm  
14-0181r/L4034  
Attachment

---

Accepted for the Moffatt & Nichol

## RSA Engineering, Inc. – Standard Terms and Conditions

This document is intended to provide guidelines for contractual issues in the absence of a contract supplied by our client.

### **Performance:**

RSA Engineering, Inc., herein known as RSA and its employees will exercise the degree of skill and care expected by customarily accepted practices and procedures. No warranties, expressed or implied, are made with respect to RSA's performance, unless agreed in writing. RSA is not a guarantor of the project to which its services are directed, and responsibility is limited to work performed for the client. RSA is not responsible for acts and omissions of the client, nor for third parties not under its direct control. RSA shall not be liable for any reason for any special, indirect or consequential damages including loss of use and/or loss of profit. RSA may rely upon information supplied by the client engaging RSA and its contractors or its consultants without independent verifications.

### **Ownership of Documents:**

Documents prepared under this agreement are Instruments of Service for the sole use and benefit of the Owner. RSA retains a property interest in the work products including rights to copy and reuse. RSA grants the Owner a perpetual and non-transferrable license to reproduce the Instruments of Service for their intended use, including the right to reproduce for construction, upkeep, operation and maintenance. RSA will incur no liability from the unauthorized use or modification of the Instruments of Service for other than their original purpose without RSA's written permission. RSA's signatures, professional seals and dates shall be removed from the Instruments of Service when these documents are used for other than their intended purposes.

### **Governing Law:**

This contract shall be governed by the laws of the State of Alaska, and any lawsuits brought thereon shall be filed at the Judicial District Court in Anchorage, Alaska.

### **Insurance:**

RSA maintains errors and omission insurance (claims made basis), commercial general liability insurance, automobile liability insurance and workers compensation and employer's liability insurance for employees performing work under this contract.

### **Indemnity:**

RSA shall indemnify, defend and hold the client, agents and employees harmless from and against any and all claims, demands, suits, liability of any nature under this agreement resulting from negligent acts, errors or omissions of RSA, RSA's officers, agents, and subconsultants who are directly responsible to RSA. RSA is not required to indemnify, defend or hold harmless the client for a claim of, or liability for, independent negligent acts, errors, or omissions of the client. If there is a claim of, or liability for, a joint negligent act, error or omission of RSA and the Client, the indemnification, defense and hold harmless obligation of this agreement shall be apportioned on a comparative fault basis.

### **Dispute Resolution:**

Prior to initiating court action, RSA and the client shall in good faith seek to settle or resolve the controversy by submitting the matter to mediation in Anchorage, Alaska. Such notice shall be within the statutory time limit for commencing a legal action involving the controversy. The independent third party Mediator will be selected by mutual consent of both Parties from a list of available members of the American Arbitration Association.

### **Arbitration:**

At the election of either party, any dispute arising between the parties herein relating to the subject matter of this agreement shall be resolved by arbitration. The results of said arbitration shall be conclusive, final and binding upon all parties and may be entered into any initial Court of Records as a final judgment. Arbitration proceedings shall be conducted pursuant to the administrative procedural rules promulgated by the American Arbitration Association. Any final arbitration award shall include an award for all-reasonable costs and reasonable attorney fees.

### **Proposals:**

Proposals expire 90 days after submission to a client unless a different expiration limit is included in the proposal. RSA may withdraw or modify a proposal at any time prior to acceptance by the client.

### **Payments:**

Payments for RSA Services shall be made after client's approval of RSA submission and invoice. Client shall review and approve each submission and invoice and shall pay the invoice amount within 30 days (or other agreed upon timetable) of approval. If the owner does not approve a submission it shall be returned to RSA for revision.

### **Invoicing:**

RSA will invoice on a monthly basis. All invoices shall be due and payable upon receipt. Interest charges of 1.5% per month may be assessed for unpaid balances beyond 120 days past due unless other arrangements are made. In the event billing is on a pay when paid basis, RSA and the client agree to six months past due prior to assessing interest charges unless other arrangements are made. It is agreed that in the event of failure of the client to make payments in compliance with this agreement, RSA, at its option, may terminate all services in connection with this agreement.

### **Termination:**

This contract may be terminated by either party upon 30 days written notice, should the other party fail to substantially perform in accordance with the terms and conditions herein. In the event of termination the consultant shall be paid compensation for services actually performed and for reimbursable expenses actually incurred. RSA reserves the right to complete analysis and records as are necessary to put files in order, and were considered by us necessary to protect our professional reputation.

## FY2015 CBS CAPITAL IMPROVEMENT PROJECTS STATE REQUEST

### Project Title: SAWMILL COVE INDUSTRIAL PARK WATERFRONT DEVELOPMENT

Total Waterfront Development Project Cost:	\$ 7,100,000
FY2015 State Priority 1 Funding Request:	\$ 7,100,000
Previous Upland Development Funded:	\$ 9,850,000 (Federal)
	\$ 7,500,000 (State)
	\$ 2,500,000 (CBS)
City and Borough of Sitka Federal Tax ID Number:	92-0041163

The City and Borough of Sitka (CBS) requests the State continue to partner with the CBS to develop the waterfront at the Sawmill Cove Industrial Park (SCIP) by providing \$7,100,000. The State recently included \$7.5 million dollars for construction of a bulkhead dock at the SCIP in the November 2012 General Obligation Transportation Project Bond. This central waterfront bulkhead project funding will allow for the construction of a bulkhead dock, fender system, uplands improvements, and other infrastructure improvements to allow barge freight to come over the dock. The CBS is requesting further assistance to construct additional waterfront infrastructure needed to accommodate bulk water tankers and other larger ocean going vessels and continue to complete the multi-purpose docking facility.

In 1993 the Alaska Pulp Corporation mill operation shut down, resulting in the loss of over 400 jobs in the community of Sitka. The City and Borough of Sitka took over the former Alaska Pulp Corporation mill site in 1999. Over \$11,000,000 of Federal, State and CBS funds have been used to complete upland utilities, system upgrades, and paving. The State contributed \$1 million toward a raw water line to allow for bulk water export. The Industrial Park is operational with multiple tenants. Total private investment into the Industrial Park is over \$20,000,000. Development at the Industrial Park has created 60 full time jobs and seasonal employment for over 320 people.

The CBS has plans to develop a marine services industry at the Industrial Park and are currently under contract with Northern Economics to perform feasibility studies to determine the viability. Additionally, the CBS is currently involved in a public-private partnership to complete shoreline stabilization, which will provide much needed shoreline protection, help provide the base for future development, and provide a cost savings to the CBS.

**The Waterfront Development total project cost is \$7,100,000.** The Sawmill Cove Industrial Park has not reached its full potential due to the lack of infrastructure to access the ocean and water based commerce. **Priority 1 includes additional uplands development, breasting/mooring dolphins, and catwalks.** This priority is the second phase to the central waterfront development allowing marine access to the Industrial Park and is critical to future development.

**Past public investments into the Sawmill Cove Industrial Park have resulted in private investment, job creation, and a sustainable tax base for the CBS.** The former Pulp Mill deep water dock formerly served ocean going container ships transiting across the Pacific Ocean. Sitka is closer to open ocean than any other Southeast port yet has no ability to function as a deep water port. The Waterfront Development Project at Sawmill Cove Park is the key to enabling Sitka to develop an economically viable deep water port intermodal facility once again.



## Legislation Details

---

File #: 14-077      Version: 1      Name:  
Type: Item      Status: AGENDA READY  
File created: 4/21/2014      In control: City and Borough Assembly  
On agenda: 4/22/2014      Final action:  
Title: Approve the Police Lieutenant Hire  
Sponsors:  
Indexes:  
Code sections:  
Attachments: [Police Lt Hire](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

## POSSIBLE MOTION

**I MOVE TO** approve the hire of Jeff Ankerfelt for Police Lieutenant at a Grade 32 -- \$85,009.60 annually, with a starting leave bank of 80 hours and a starting leave accrual of 12.67 hours per month, which will increase to 16.67 per month on July 1, 2015. Additionally, he will receive up to \$15,000 in reimbursement of expenses directly related to moving to Sitka.



# City and Borough of Sitka

## POLICE DEPARTMENT

304 Lake Street, Room 102 • Sitka, Alaska 99835

Sheldon Schmitt  
Chief of Police

Business 747-3245  
Fax 747-1075

April 11, 2014

Deputy Chief Jeff Ankerfelt  
1300 Northwest Parkway #330  
New Brighton, MN 55122

Dear Jeff,

On behalf of the City and Borough of Sitka, Alaska, I am pleased to make the following offer of employment to you:

Position:	Police Lieutenant, Grade 32, Full Time, Benefitted
Starting Salary:	The starting pay for this position is \$40.87 per hour (\$85,009.60 annually). You will be eligible for any approved payroll increases when the six month probationary period is completed.
Starting Annual Leave Bank	80 hours, available on first day of employment
Leave Accrual	12.67 hours per month (152 hours per year). July 1, 2015 increase to 16.67 per month (200 hours per year).
Moving Expenses	\$15,000 payable as reimbursement of expenses of direct payment to Moving vendors
Other Benefits	As outlined in the City and Borough of Sitka Personnel Policies Handbook
Starting Date	To be mutually determined, but not later than June 16 <sup>th</sup> , 2014

This employment offer is only binding upon the approval of the Assembly of the City and Borough of Sitka who will vote on this offer in their regularly scheduled meeting to be held on April 22, 2014.

This employment offer will be valid until 5:00 pm Alaska time on April 25<sup>th</sup>, 2014. Please acknowledge your acceptance or rejection of this offer in writing (email will be sufficient). If you need more time to consider the offer, please contact me before the deadline.





# City and Borough of Sitka

## POLICE DEPARTMENT

304 Lake Street, Room 102 • Sitka, Alaska 99835

Sheldon Schmitt  
Chief of Police

Business 747-3245  
Fax 747-1075

The City and Borough of Sitka is extremely delighted at the prospect of having you join our management team. We are excited to have an accomplished and highly skilled executive such as yourself join us and we look forward to working with you.

Sincerely,



Sheldon Schmitt

cf – Mark Gorman  
Mark Danielson