



Alice Ruby, Mayor

*City Council Members*

- Elizabeth Pearch • Paul Liedberg • Bob Himschoot
- Keggie Tubbs • Tracy G. Hightower • Tim Sands

**DILLINGHAM CITY COUNCIL  
MEETING AGENDA**

David B. Carlson Council Chambers

Dillingham City Hall, 141 Main Street, Dillingham, AK 99576 (907) 842-5212

<b>BOARD OF EQUALIZATION MEETING</b>	<b>5:30 P.M.</b>	<b>FEBRUARY 2, 2012</b>
<b>WORKSHOP – ANNEXATION</b>	<b>6:00 P.M.</b>	<b>FEBRUARY 2, 2012</b>
<b>REGULAR MEETING</b>	<b>7:00 P.M.</b>	<b>FEBRUARY 2, 2012</b>

**I. CALL TO ORDER**

**II. ROLL CALL**

**III. APPROVAL OF MINUTES**

A. Regular Meeting, January 19, 2012

**IV. APPROVAL OF CONSENT AGENDA**

**APPROVAL OF AGENDA**

**V. STAFF REPORTS**

A. City Manager Report

B. Standing Committee Reports

**VI. PUBLIC HEARINGS**

A. Adopt Ordinance No. 2012-01, An Ordinance of the Dillingham City Council Levying a 2.5% Tax on Sales of Raw Fish Subject to Voter Ratification

B. Adopt Ordinance No. 2012-02, An Ordinance of the Dillingham City Council Amending the Budget by Adopting Budget Amendment No. 1, and Appropriating Funds for the FY 2012 City of Dillingham Budget

**VII. CITIZEN'S DISCUSSION (Prior Notice or Agenda Items)**

**VIII. ORDINANCES AND RESOLUTIONS**

A. Adopt Ordinance No. 2012-01, An Ordinance of the Dillingham City Council Levying a 2.5% Tax on Sales of Raw Fish Subject to Voter Ratification

- B. Adopt Ordinance No. 2012-02, An Ordinance of the Dillingham City Council Amending the Budget by Adopting Budget Amendment No. 1, and Appropriating Funds for the FY 2012 City of Dillingham Budget
- C. Introduce Ordinance No. 2012-03, An Ordinance of the Dillingham City Council Amending Section 4.20.050 of the Dillingham Municipal Code to Provide an Exemption for Sales Made within that Portion of the City Annexed to Existing City Boundaries after January 1, 2012 and to Provide an Exemption for Sales of Fish Subject to Raw Fish Tax
- D. Introduce Ordinance No. 2012-04, An Ordinance of the Dillingham City Council Amending Chapter 1.12 of the Dillingham Municipal Code By Adoption of A New Section 1.12.030 Limiting the Applicability of Certain Portions of the Dillingham Municipal Code in Areas Annexed To Existing City Boundaries

**IX. UNFINISHED BUSINESS**

- A. Change to Personnel Regulations Section 5.30 Personal Leave
- B. Lease Lots at Boat Harbor
  - 1. Schedule a Workshop for February 23, 2012 at 7:00 PM
- C. Council Comments on Legislative Requests

**X. NEW BUSINESS**

- A. Committee Appointments
  - 1. Planning Commission (Seat E)
- B. Animal Shelter Facility
- C. Schedule a Meeting of the Public Outreach Committee

**XI. CITIZEN'S DISCUSSION (Open to the Public)**

**XII. COUNCIL COMMENTS**

**XIII. MAYOR'S COMMENTS**

**XIV. EXECUTIVE SESSION**

- A. Legal Matter
  - 1. Annexation
  - 2. Gladden vs. City of Dillingham
  - 3. Delta Western Contract

**XV. ADJOURNMENT**

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The Regular Meeting of the City Council was preceded by a workshop at 6:00 p.m. to review the FY 2011 Audit.

**I. CALL TO ORDER**

The Regular Meeting of the Dillingham City Council was held on Thursday, January 19, 2012, at the Dillingham City Council Chambers, Dillingham, Alaska. Mayor Alice Ruby called the meeting to order at 7:03 p.m.

**II. ROLL CALL**

Mayor Alice Ruby was present.

Council Members present and establishing a quorum (a quorum being four):

Paul Liedberg, Seat B  
Bob Himschoot, Seat C  
Keggie Tubbs, Seat D  
Tracy Hightower, Seat E  
Tim Sands, Seat F

Council Members absent:

Elizabeth Pearch, Seat A - excused

Staff in attendance:

Dan Forster, City Manager  
Doug Dombroski, Chief of Police  
Jean Barrett, Port Director  
Jody Seitz, Planning Director  
Carol Shade, Finance Director  
Janice Williams, City Clerk

Guests:

Pat Roth, USAF, Program Manager for Port Heiden Environmental Cleanup Project  
Tommie Baker, USAF, Community Involvement Coordinator  
Mark Sielaff, ADEC, Environmental Program Specialist, Emergency Response Division

**III. APPROVAL OF MINUTES**

- A. Regular Meeting, December 1, 2011
- B. Special Meeting, December 14, 2011
- C. Board of Equalization, January 5, 2012

**MOTION:** Tim Sands moved and Keggie Tubbs seconded the motion to approve the minutes of December 1, 2011, December 14, 2011, and January 5, 2012.

**VOTE:** The motion to approve the three sets of minutes passed unanimously.

**IV. APPROVAL OF CONSENT AGENDA**

- A. Resolution No. 2012-01, A Resolution of the Dillingham City Council Expressing Thanks and a Commendation to Deb Burton
- B. Resolution No. 2012-02, A Resolution of the Dillingham City Council Expressing Thanks and a Commendation to Norman J. Heyano
- C. Resolution No. 2012-03, A Resolution of the Dillingham City Council Expressing Thanks and a Commendation to Fred Torrisi
- D. Resolution No. 2012-04, A Resolution of the Dillingham City Council Amending the Bank Signature Cards for City Bank Accounts Due to a Change in Personnel
- E. Resolution No. 2012-05, A Resolution of the Dillingham City Council Accepting the FY 2011 Year End Audit for the Fiscal Year Ending June 30, 2011
- F. Resolution No. 2012-06, A Resolution of the Dillingham City Council Appointing an Alternate Community Representative to the BBEDC Board of Directors

**MOTION:** Keggie Tubbs moved and Paul Liedberg seconded the motion to approve the consent agenda as presented.

**Discussion:**

- recognized the commendations for Deb Burton, Norman Heyano, and Fred Torrisi.

**VOTE:** The motion to approve the consent agenda as presented passed unanimously.

**APPROVAL OF AGENDA**

City Manager Forster asked to remove the Delta Western Contract to the February meeting.

**MOTION:** Tim Sands moved and Tracy Hightower seconded the motion to approve the agenda as amended.

**VOTE:** The motion to approve the agenda as amended passed unanimously.

**MOTION:** Tim Sands moved and Bob Himschoot seconded the motion to suspend the rules to immediately take up item XIV. Executive Session, items A. Annexation and B. Gladden vs. City of Dillingham, and enter into executive session under DMC, 2.09.050, regarding legal matters [7:07p.m.].

**VOTE:** The motion passed unanimously.

**MOTION:** Tim Sands moved and Keggie Tubbs seconded the motion to come out of executive session [7:20 p.m.].

**VOTE:** The motion passed unanimously.

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**V. STAFF REPORTS****A. City Manager Report**

City Manager Forster reported on the following:

Legislative Priorities – will be emphasizing wastewater improvements before expanding the existing system, harbor and erosion protection, and would provide the entire list of the City's projects;

RFP for Potato House – with negotiations not being successful with Dept. of Labor, the City advertised RFP for someone interested in renting. The City was looking for a positive cash flow, not to subsidize;

RFP for State Lobbying Efforts – copy of RFP was distributed; and

Union Local 71 – initially harbor employees were not eligible to vote, but the city filed a formal protest, and that decision was changed.

Chief of Police Doug Dombroski commented for employees attending the police academy, the state paid for the tuition, and the city's obligation was to pay their salary while attending training. In order to receive the certification, the employee will have to stay with the department for one year after completing the academy.

**B. Standing Committee Reports**

Tim Sands, Chair for Code Review Committee:

- noted the committee had worked on the ordinance on the raw fish tax and the resolution for the special election that were being introduced on the agenda;
- noted a workshop was being scheduled for Feb. 2, to discuss the ordinance, followed by a public hearing, and Council could then adopt the raw fish tax ordinance if they were ready to do so; and
- noted the ordinance to allow sales of liquor on Super Bowl Sunday and when New Year's Eve falls on a Sunday was on the agenda for adoption.

Bob Himschoot, Chair for Finance and Budget Committee:

- listed the items discussed at their recent meeting;
- noted budget amendment would be further reviewed January 30<sup>th</sup>, along with the purchase of a new forklift for the Port to bring a recommendation to the Council at Feb. 2 meeting; and
- reported they had added lease lots to the agenda and would begin preparation for FY 2013 budget.

Mayor Ruby noted another meeting of the BOE was being scheduled for February 2.

Keggie Tubbs, Animal Shelter Facility Advisory Committee:

- noted the committee was waiting for some additional information from the contractor.

**VI. PUBLIC HEARINGS**

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- A. Adopt Ordinance No. 2011-09, An Ordinance of the Dillingham City Council Amending DMC Section 6.08.020.A and DMC Section 6.08.020.B to Allow
  - B. Licensed Bars and Eating Establishments to Serve Alcohol on Super Bowl Sunday and When New Year's Eve Falls on a Sunday

Mayor Ruby opened the public hearing on Ordinance No. 2011-09. There being no comments the public hearing closed.

#### VII. CITIZEN'S DISCUSSION (Prior Notice or Agenda Items)

- A. Tommie Baker, USAF – Supersack Overboard

Patrick Roth represented the group as the Program Manager for the cleanup in Port Heiden which made its way to Dillingham. During a barge to barge transfer in November, one 5 cubic yard sack of PCB contaminated soil fell in the water about 60 feet off the Dillingham City's dock. He described the soil as having low level PCB contamination. The contractor was looking at an April/May timeframe, when conditions would be safer to remove it. He believed the sack was still intact, but given a worst case scenario if the sack was broke, there was a possibility the area would have to be dredged. Two public meetings were being held the next day to answer any questions from the public.

#### VIII. ORDINANCES AND RESOLUTIONS

- A. Adopt Ordinance No. 2011-09, An Ordinance of the Dillingham City Council Amending DMC Section 6.08.020.A and DMC Section 6.08.020.B to Allow Licensed Bars and Eating Establishments to Serve Alcohol on Super Bowl Sunday and When New Year's Eve Falls on a Sunday

MOTION: Tim Sands moved and Paul Liedberg seconded the motion to adopt Ordinance No. 2011-09.

VOTE: The motion to adopt Ordinance No. 2011-09 passed unanimously.

- B. Introduce Ordinance No. 2012-01, An Ordinance of the Dillingham City Council Levying a 2.5% Tax on Sales of Raw Fish Subject to Voter Ratification

MOTION: Keggie Tubbs moved and Bob Himschoot seconded the motion to introduce Ordinance No. 2012-01.

Tim Sands directed the Council to review Section 4.21.135, sections a and b, in preparation for the workshop.

VOTE: The motion to introduce Ordinance No. 2012-01 passed unanimously.

- C. Resolution No. 2012-07, A Resolution of the Dillingham City Council Scheduling a Special Election for Approval of Annexation and Ratification of an Ordinance Establishing a Tax on Sales of Raw Fish

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MOTION: Tim Sands moved and Keggie Tubbs seconded the motion to adopt Resolution No. 2012-07.

Mayor Ruby reported the resolution would set the ballot language for the annexed area and set the election date for April 10, 2012. The resolution would be forwarded to the Department of Justice to obtain their approval for the special election.

VOTE: The motion to adopt Resolution No. 2012-07 passed unanimously.

- D. Introduce Ordinance No. 2012-02, An Ordinance of the Dillingham City Council Amending the Budget by Adopting Budget Amendment No. 1, and Appropriating Funds for the FY 2012 City of Dillingham Budget

MOTION: Keggie Tubbs moved and Bob Himschoot seconded the motion to introduce Ordinance No. 2012-02.

Bob Himschoot reported the ordinance would be further reviewed at the January 30 meeting of the Finance and Budget Committee and would be prepared to make a recommendation at the Feb. 2 meeting.

Finance Director Carol Shade noted she would provide additional information on the PILT monies received from BBHA for the next Council meeting, which was less than budgeted.

VOTE: The motion to introduce Ordinance No. 2012-02 passed unanimously.

## IX. UNFINISHED BUSINESS

### A. Annexation

- 1. Schedule a Workshop for February 2, 2012, at 6:00 p.m.

MOTION: Keggie Tubbs moved and Tim Sands seconded the motion to schedule a workshop on annexation for February 2, 2012 at 6:00 p.m.

Bob Himschoot noted due to travel plans he might not be able to make the meeting.

GENERAL CONSENT: The motion passed with no objection.

### B. Change to Personnel Regulations Section 5.30 Personal Leave

City Manager Forster noted there was nothing to report.

- C. Action Memorandum 2011-17, Approve Lease Agreement with State of Alaska Employment Center for the Potato House – *(Clerk Note: Motion to postpone indefinitely)*

MOTION: Tim Sands moved and Bob Himschoot seconded the motion to postpone indefinitely Action Memorandum 2011-17. *(Clerk Note: The affect of this motion is to kill the motion.)*

VOTE: The motion passed unanimously.

D. Lease Lots at Boat Harbor

City Manager Forster reported the City would be advertising Requests for Proposals to lease harbor lots, and was negotiating favorably with NAPA to move to the harbor area. He was hopeful that interested businesses would be able to locate prior to next season's business. This issue would be discussed at a Port Advisory Committee Meeting that was being scheduled.

Discussion:

- spoke in favor of holding a Council workshop prior to any agreement being made to use one of the lease lots.

X. NEW BUSINESS

A. Committee Appointments

1. Library Board (Seats A, C, and E)

Mayor Ruby recommended the reappointments of Erica Tweet, Dianna Swain, and Loreatta Bamberg to the Library Board.

MOTION: Keggie Tubbs moved and Tim Sands seconded the motion to concur with the Mayor's recommendation.

GENERAL CONSENT: The motion passed with no objection.

2. Planning Commission (Seats B and E)

Mayor Ruby recommended the reappointment of Paul Liedberg, noting there was no conflict of interest with Paul also serving on the Council. The exception would be, in the case of an appeal of a Planning Commission decision that came to the Council, Paul would need to excuse himself from the Council discussion and action.

MOTION: Tim Sands moved and Keggie Tubbs seconded the motion to concur with the Mayor's recommendation.

GENERAL CONSENT: The motion passed with no objection.

3. Parks and Recreation Committee

Mayor Ruby recommended Tim Sands as the council member, the school had nominated Andrew Berkoski as the school rep, was awaiting a name for the student rep, and for the five community members was recommending, Patrick Solana-Walkinshaw, Bernina Venua, Amy Whisler, Kathy McLinn, and Stephanie McCumber.

MOTION: Keggie Tubbs moved and Paul Liedberg seconded the motion to concur with the Mayor's recommendation with Patrick Solana-Walkinshaw as the Chair.

Mayor Ruby noted the committee members were selected from the greater Dillingham area.

Bob Himschoot disclosed that Stephanie McCumber was his daughter.

GENERAL CONSENT: The motion passed with no objection.

4. Schedule a Meeting of the BOE for February 2, 5:30 p.m.

MOTION: Tim Sands moved and Keggie Tubbs seconded the motion to schedule a meeting of the Board of Equalization for February 2.

Mayor Ruby noted the committee members were Keggie Tubbs, Tracy Hightower, and Bob Himschoot, with Tim Sands as the alternate.

GENERAL CONSENT: The motion passed with no objection.

#### **XI. CITIZEN'S DISCUSSION (Open to the Public)**

There was no citizen's discussion.

City Manager Forster used the opportunity to hand out copies of the draft letter to the legislators regarding capital projects and asked the Council to bring back their comments to the Feb. 2 meeting.

#### **XII. COUNCIL COMMENTS**

Bob Himschoot:

- thanked City staff, and in particular, the Finance Department for their audit work and Public Works for maintaining the City through a tough winter.

Tim Sands:

- suggested polling members to reschedule the Code Review meeting to Feb. 23;
- congratulated Public Safety for their recent drug bust;
- suggested an agenda item to schedule a MOU Committee meeting, concerned that those busted for drugs were living in HUD housing subsidized by the City; and
- thanked staff for all their hard work, especially Public Works for dealing with all the maintenance issues caused by the ice and snow conditions.

Keggie Tubbs: no comment

Tracy Hightower: no comment

Paul Liedberg:

- recognized Public Works for operating as well as they have without a director; and
- shared his appreciation to the city staff for all the work they do.

#### **XIII. MAYOR'S COMMENTS**

Mayor Ruby:

- thanked all the staff, recognizing the Finance Director for putting in a lot of meeting hours; and
- asked for a moment of silence to recognize those lost since the last meeting.

**XIV. EXECUTIVE SESSION**

A. Legal Matter

3. ~~Delta Western Contract~~ (*Moved to be taken up at meeting.*)

4. Public Works Director Hire

MOTION: Tim Sands moved and Paul Liedberg seconded the motion to go into executive session under DMC, 2.09.050, regarding legal matters [8:10 p.m.].

GENERAL CONSENT: The motion passed without objection.

*(The meeting recessed at 8:10 p.m. for a three minute break before going into executive session.)*

MOTION: Keggie Tubbs moved and Bob Himschoot seconded the motion to come out of executive session [8:48 p.m.].

GENERAL CONSENT: The motion passed with no objection.

MOTION: Tim Sands moved and Keggie Tubbs seconded the motion to direct the Manager to enter into negotiations with the candidate for the public works position per the Manager's recommendation.

GENERAL CONSENT: The motion passed with no objection.

**XV. ADJOURNMENT**

Mayor Ruby adjourned the meeting at 8:49 p.m.

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Alice Ruby, Mayor

ATTEST:

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Janice Williams, City Clerk

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Approved:



# MEMO

**Date:** January 27, 2012  
**To:** Mayor and City Council  
**From:** Dan Forster, City Manager *DF*  
**Subject:** Monthly Report for January 12 to 27, 2012

## **Legislative Requests**

Materials are being prepared for Council consideration to be discussed at the February 3<sup>rd</sup> Council meeting.

## **Update on Leasing of City Property**

An RFP for the Potato House was issued. Proposals are due by February 3, 2012.

## **RFP for Lobbyist Services**

The city has issued an RFP for lobbyist services. Responses are due by February 10, 2012.

## **Public Works Director**

I am pleased to announce that an offer was extended and accepted by Carter Cole to become Dillingham's new director of Public Works. Carter will begin on February 6.

## **Special Recognition**

The Police Department has suffered another major issue with their building. A power spike believe created by the backup generator burned out electrical components in the building. The Chief of Police along with Department staff with assistance from Public Works continue to show their resilience in meeting these challenges.

## **Manager Schedule**

As indicated earlier, I plan to attend the AML Legislative Conference in Juneau on February 8 and 9, with travel on the 7<sup>th</sup> and 10<sup>th</sup>. I will then attend SWAMC in anchorage on February 16 and 17 normally travel would be taken on the 15<sup>th</sup> and 19<sup>th</sup>. However, due to recent cancelled flights in and out of Dillingham; I am planning to stay in Anchorage on the 13<sup>th</sup> and 14<sup>th</sup> of February (at my expense) saving the cost of a second round-trip flight and avoid the threat of a flight cancelation.

# DRAFT

January 19, 2012



Dear Legislator:

The City of Dillingham has identified and prioritized our current capital request. We need your help to translate these requests into actual improvements. Dillingham is a well-managed but not a well financed city. The City has multiple taxes including 6% sales, 10% bed, and 13 mill personal and real property taxes. But much of our property is exempt from real property tax. Our sales tax is at the limit for what our community members can pay. We will be reviewing fees for services such as water, sewer and landfill charges, but such increases will be marginal. As a consequence we seek legislative appropriations, as well as other forms of assistance that may be available, to address these needs.

Our capital needs list (attached) is upwards of \$41 million. For the 2012 legislative session we have focused on investments in two categories. The first addresses aging water and sewer infrastructure. While there is pressure to expand the system, it is our intent to take care of what we have first so that we do not expand beyond our capacity to maintain.

The second category is to protect our ability to engage with the economic engine that provides the basis of our community's existence--the commercial salmon fishery. Specifically, we want to secure our harbor from erosion and improve the facilities that enhance its utility so that fishers can further develop their operations and efficiently market their harvests. The specific projects are:

- 1) Wastewater projects totaling \$ 8.2 million for:
  - a. relocating the wastewater treatment lagoon outfall line exposed by accelerated erosion and now subject to extreme low temperatures, tides, and ice flows;
  - b. upgrading 2 lift stations which have life/safety issues and improving the overall functioning of the city's wastewater treatment lagoon
  - c. upgrading storm sewer pipes that still contain asbestos.
- 2) Erosion control for the Dillingham Harbor and upgrades to the Snag Point Bulkhead, totaling \$9.3 million for:
  - a. Phase 1: Emergency Bank Stabilization – west side rock revetment and breakwater - to reduce erosion at the mouth and inside the harbor
  - b. Dillingham Harbor East and South Side Bulkhead Planning and Design – for internal stability of harbor, preserving utilities, enhancing upland area; and providing the base for a new float system
  - c. Snag Point Bulkhead Upgrade – protecting upland homes and city infrastructure by stabilizing the bulkhead from accelerated erosion.

Legislative funding for these two categories of projects will assist the City enormously in providing matching dollars to leverage federal funding as well as other types of funds. For further review, we have attached our full CIP needs list. Any of these listed projects are worthy of consideration for funding.

We look forward to working with you to find solutions to these needs.

Sincerely,

Dan Forster  
City Manager

Attachments: Dillingham 2012 Legislative Requests for FY13

Category 1 Wastewater System Projects

	Project	State Request	Total Cost
1.	Planning & Design for Relocating the Wastewater Treatment Lagoon Outfall Line	\$ 100,000	\$ 100,000
2.	Upgrading 2 Lift Stations	\$ 186,900	\$ 186,900
3	Wastewater Treatment Plant Upgrades Phase 1: Septage Disposal Pad	\$ 274,890	\$ 274,890
4	Utilities and Storm Sewer Upgrades	\$ 3,000,000	\$ 3,000,000
	Grand Total	\$ 3,561,790	\$ 3,561,790

Category 2 Erosion/Harbor Projects

	Project	State Request	Federal Contribution	Total Cost
1	Phase 1 Emergency Bank Stabilization -- West Side	\$4,340,000	\$8,060,000	\$ 12,400,000
2	Snag Point Bulkhead Upgrade	\$4,300,000		\$ 4,300,000
3	South and East Harbor Bulkhead Planning and Design	\$ 700,000		\$ 700,000
	Grand Total	\$9,340,000		\$17,400,000

# Dillingham 2012 Legislative Requests for FY13

Capital Project	Request Amount	State Request	Federal Request	Funding in Hand	Total Cost	Notes
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## Facilities

1	Library Roof	\$266,000			\$266,000	
2	Fire Station and Public Safety Building Planning, Design, Land	\$1,040,000	\$1,040,000	\$20,000	\$1,040,000	General Fund set aside for planning
3	Animal Shelter	\$400,000				
<b>Total Facilities</b>		<b>\$1,706,000</b>	<b>\$1,040,000</b>	<b>\$20,000</b>	<b>\$1,306,000</b>	

## Water and Wastewater

1	Water System Improvements Phases 1.3 - 1.4 new well development, design, construction and transmission lines	\$3,809,000	\$3,809,000	\$5,471,000	\$9,280,000	ADEC grants 28305 & 28306 28305 expires in 2013
2	Wastewater Treatment Lagoon Outfall Replacement Cost Estimate and Design	\$100,000			unknown	
3	Wastewater Treatment Plant Upgrades Phase 1 Septage Disposal pad	\$274,800	\$274,890		\$274,890	
4	Lift Stations Phase 1 Tubbs Lift Station	\$64,200	\$64,200		\$64,200	

Capital Project		Request Amount	State Request	Federal Request	Funding in Hand	Total Cost	Notes
5	Lift Stations Phase 2 Smalls Lift Station	\$122,700	\$122,700			\$122,700	
6	Utilities and Storm Sewer Upgrades	\$3,000,000	\$3,000,000			\$3,000,000	
7	Downtown Sewer Expansion (Old Airport Sewer)	\$804,100	\$804,100			\$804,000	
Total Water and Wastewater		\$8,174,800	\$4,365,890	\$3,809,000	\$5,471,000	\$13,545,790	

### Safety and Health

1	E 911 Critical System Upgrade	\$286,674	\$286,674		\$189,000	\$438,000	E911 fund + JAG grant
Total Safety and Health		\$286,674	\$286,674		\$189,000	\$438,000	

### Erosion

1	Snag Point Bulkhead Upgrade	\$4,300,000		\$4,300,000		\$4,300,000	
2	Emergency Bank Stabilization at Harbor West Side	\$12,400,000	\$4,340,000	\$8,060,000		12,400,000	a political and capital project
3	South and East Harbor Bulkhead Planning and Design	\$700,000		\$700,000		\$700,000	May need assessment of utilities/erosion problem
Total Erosion		\$17,400,000	\$4,340,000	\$13,060,000	\$0	\$17,400,000	

### Equipment

1	New Hyster 1050 Fork Lift	\$582,452	\$582,452		\$100,000 trade- in value on current fork lift	\$582,452	
Total Equipment		\$582,452	\$582,452			\$582,452	

Capital Project	Request Amount	State Request	Federal Request	Funding in Hand	Total Cost	Notes
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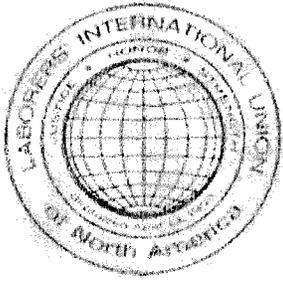
**Roads**

1	Downtown Streets Reconstruction	\$4,000,000	\$4,000,000		\$6,650,000	
2	Seward and D Street Rehabilitation	\$675,000	\$675,000		\$675,000	
<b>Total Roads</b>		<b>\$4,675,000</b>	<b>\$4,675,000</b>		<b>\$7,325,000</b>	

**REQUEST GRAND TOTAL      \$32,824,926      \$15,956,016      \$17,909,000      \$40,597,242**

**Other Projects**

1	Senior Center Renovation				\$2,041,652	
2	Harbor Float Replacement				\$90,000	
3	Territorial School Renovation Building Assessment, Design				\$460,000	
4	Evergreen Cemetery - interior road, survey and lay out plots				unavailable	
5	Nerka Road Rehabilitation				\$3,600,000	
6	Harvey Samuelsen Community Cultural Center				\$4,726,000	
7	Warm Equipment Storage Addition				\$500,000	
8	Roller Compactor				\$100,000	
9	950 H Cat Loader				\$325,000	
10	Fence around Public Works Storage Yard				\$187,000	
11	Renovate City Hall				\$125,000	
12	Hockey Rink Pavilion Planning And Design				\$47,500	
13	Landfill Incinerator and Planning Project				\$1,250,000	
14	Live Fire Training Facility				unavailable	
15	Case 580 M Extendahoe Backhoe				\$118,000	



# ALASKA DISTRICT COUNCIL OF LABORERS

Laborers International Union of North America  
2501 Commercial Drive • Suite 140 • Anchorage, Alaska 99501  
907.276.1640 • Fax: 907.274.7289 • info@alaskalaborers.com

**Heidi L. Drygas**  
General Counsel

January 19, 2012

Patricia A. Vecera, Esq.  
Counsel for City of Dillingham  
Turner & Mede, P.C.  
1500 West 33<sup>rd</sup> Ave, Suite 200  
Anchorage, AK 99503-3502

Dear Ms. Vecera:

I have just received a copy of a Memo dated 1/12/12 from City Manager Dan Forster to the Mayor and City Council which **blatantly and maliciously** misrepresents the Union's position with respect to the inclusion of the Port Employees in the election process. The Memo is attached, and it falsely states that "Local 71 strenuously objected" to the inclusion of the Port employees in the election process. **That is 100% FALSE.** The Memo also states that the City's "objection was sustained" by the Agency. **That is also 100% FALSE.**

As you are well aware, as soon as the Union received a copy of the City's objection letter, I immediately contacted you to clarify that the Union **did not object** to the inclusion of the Port employees in the election process. In fact, **the Union requested that the City stipulate to the inclusion of the Port employees**, because we agreed that they should be part of the election process. The Union's letter to the Alaska Labor Relations Agency memorializing the stipulation is attached.

**The Union demands an immediate written retraction of this Memo from City Manager Dan Forster.** While the Memo is not addressed to the employees, the employees are well aware of the contents and surely this is no accident. Mr. Forster knew these statements were false. His actions were reckless and may have irreparably tainted this election process. While I fear it may be too late to cure the action, the City bears the responsibility of righting this wrong.

Sincerely,

Heidi L. Drygas, General Counsel  
Public Employees Local 71

Cc: Dan Forster, City Manager



# MEMO

**Date:** January 12, 2012  
**To:** Mayor and City Council  
**From:** Dan Forster, City Manager *DF*  
**Subject:** Monthly Report for December 2011 through January 12, 2012

Included in the Council meeting packet are monthly reports from each City Department. This report may highlight those items or bring additional information to the attention of the Mayor and Council. More current information may be brought forward at the Council meeting.

### Legislative Requests

The Council approved the proposed CIP list on December 1, 2011. From that list we have distilled two areas of strategic importance. Water and Sewer upgrades for our current system for state funding and erosion control and harbor upgrades for federal funding with state match. A draft letter to state and federal entities will be prepared for Council comment and for transmittal by those attending the SWAMC conference.

### Update on Leasing of City Property

After a review of the offer from the State of Alaska for the "Potato House" it was determined that the net monthly rental would amount to only a few hundred dollars a month. The State insisted that the City pay for all utilities, provide janitorial service and snow removal, and be responsible for all upgrades even those not code related. A city counter offer was rejected. As a result we will be issuing a new RFP.

The City has contracted to survey the harbor lease lots. We anticipate issuing an RFP within the next month. Negotiations with NAPA are continuing but the results are uncertain. There are several other interested parties.

### RFP for Lobbyist Services

The city is preparing to issue an RFP for lobbyist services. The draft RFP should be available at the council meeting for your information.

### Union Activities

This month, employees in our Public Works and Harbor/Port departments will be voting on whether they wish to be represented by Public Employees Local 71. I have sent memos to staff regarding this matter (attached).

In addition, it should be noted that on December 16, 2011 the city participated in a teleconference with the Alaska Labor Relations Agency regarding the election. The City brought up the fact that since our Harbor/Port employees are seasonal and not currently on the city payroll, they are not eligible to vote given the current definition of eligibility. The City



# MEMO

objected to this definition and advocated that these employees should be allowed to vote as the outcome will directly affect them. Public Employees Local 71 strenuously objected and the Alaska Labor Relations Agency concurred. However, the City, through our attorney, then filed a formal written objection (attached) on December 20, 2011 indicating that the Port/Harbor employees should be allowed to vote. I am pleased to report that that objection was sustained, and those employees will be allowed to vote.

### Customer Service Training

The Alaska Municipal League has agreed to provide Dillingham City staff with training on "Customer Relations" tentatively scheduled for February 29. The training will be open to all employees but particularly those who work directly with the public such as public safety, counter personnel, and those who respond to phone enquiries.

### Public Works Director

Our recruitment effort to identify a new director closed on December 9. Interviews were held for three short listed candidates. Two candidates were invited to come to Dillingham. Initially both accepted but later one declined. That on-site interview occurred January 12.

### Special Recognition

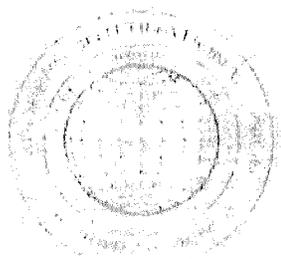
The Police Department suffered a major water leak in their fire suppression system. Flooding ensued. This combined with low temperatures created a difficult situation. But with the assistance of Public Works and Police staff the situation was dealt with. Repairs are being conducted and are covered by insurance.

Carol Shade provided double duty as both Finance Director and as acting city Manager for 3 weeks. My thanks to Carol.

The staff Christmas party at the Senior Center on December 16 was a success. This was in large measure due to the extra effort by Senior Center Staff, Janice Williams, Jayne Bennett, and Sonja Marx.

### Manager Schedule

I have no travel plans through the rest of January. I am making plans to attend the AML Legislative Conference on February 8 and 9, and SWAMC on February 16 and 17. The AML Legislative Conference will provide access for promoting our legislative funding requests. At the SWAMC meetings I anticipate there will be opportunity to interact with Lake and Pen Borough staff regarding the structure and implementation of their fish tax. I have asked our Finance Director, Carol Shade to also attend.



# ALASKA DISTRICT COUNCIL OF LABORERS

Laborers International Union of North America  
2501 Commercial Drive • Suite 140 • Anchorage, Alaska 99501  
907.276.1640 • Fax: 907.274.7289 • info@alaskalaborers.com

**Heidi L. Drygas**  
General Counsel

December 22, 2011

Alaska Labor Relations Agency  
1016 West 6th Ave., Suite 403  
Anchorage, Alaska 99501-1963

[VIA FACSIMILE & MAIL]

Re: Public Employees Local 71, LIUNA (City of Dillingham)  
Case No. 11-1612-RC, Regular Seasonal Employees of Port Department  
to be Included in Unit

Dear Ms. Ward:

The Union is in receipt of the City of Dillingham's letter dated 12/20/11 stating its objection to the exclusion of regular seasonal employees of the Port Department to the election. While the Union understands the confines of 8 AAC 97.130, the Union has no objection to the inclusion of the regular seasonal employees of the Port Department in the election. The Union agrees with the Employer that this would include employees who have a reasonable expectation of reemployment in the foreseeable future.

The Union has spoken with Ms. Vecera, counsel for the City of Dillingham, and the parties have **stipulated** that the regular seasonal employees of the Port Department shall be included on the employee roster. If necessary, a formal stipulation to that effect will be filed with the Agency once executed by both parties.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Heidi L. Drygas  
General Counsel  
Public Employees Local 71

Cc: Patricia A. Vecera, Counsel for City of Dillingham

# Turner & Mede, P.C.

Attorneys at Law

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1500 West 33rd Avenue, Suite 200  
Anchorage, Alaska 99503-3505  
Telephone: (907) 276-3963  
Facsimile: (907) 277-3695

Natalie A. Cale  
William F. Mede  
Terrance A. Turner  
Patricia A. Vecera

December 20, 2011

Jean Ward, Hearing Officer  
Alaska Labor Relations Agency  
1016 West 6<sup>th</sup> Avenue, Suite 403  
Anchorage, AK 99501-1963

Re: *Public Employees Local 71, Laborers International Union of North America v. City of Dillingham*, Case No. 11-1612 RC - Notice of Objection of Exclusion of Seasonal Employees in Mail Ballot Election

Dear Ms. Ward:

The City of Dillingham ("City") requests the Alaska Labor Relations Agency ("Agency") include, as part of the Agency's official record, the City's objection to excluding seasonal harbor/port employees from the secret mail ballot election in the above referenced case. The ballots will be mailed to voters on Friday, January 13, 2012, and will be tallied on February 2, 2012.

There are four (4) port employees who have been laid off due to the seasonal nature of the work required of their positions. Public Employees Local 71 ("Local 71") has specifically included these employees in its representation petition, wherein it seeks to be the exclusive bargaining agent for certain City employees.<sup>1</sup> Despite the fact that those seasonal employees will be rehired in the Spring, as they have in years past, the Agency has indicated that under the applicable state regulations, the City's regular seasonal employees will not be permitted to vote in the representation election because they were not on the City's employment roster as of **Friday, December 16, 2011**.

The City objects to the Agency's position regarding these seasonal employees for several reasons. First and foremost, if Local 71 prevails in the upcoming mail ballot election, it will become the exclusive bargaining representative for all of the petitioned for employees, including the seasonal employees. On that basis alone, the City believes the affected seasonal employees should have a say in deciding whether they want to be represented by Local 71.

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<sup>1</sup> The unit description provided by Local 71 included: "All full-time, part-time and seasonal employees in the Public Works and Port Departments in the City of Dillingham."

Jean Ward  
Alaska Labor Relations Agency  
December 20, 2011  
Page 2

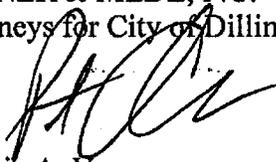
Second, the applicable state regulation, 8 AAC 97.130, is inconsistent with the fundamental purpose of the Alaska Public Employment Relations Act – which is to fully enfranchise employees in the voting process.

Finally, the Agency's position is inconsistent with the voting eligibility of seasonal employees under federal labor law. Specifically, the National Labor Relations Board has consistently held that regular seasonal employees who have a reasonable expectation of reemployment in the foreseeable future are included in the bargaining unit for voting eligibility purposes.<sup>2</sup>

This letter constitutes the City's formal objection to the exclusion of the aforementioned seasonal employees. Please feel free to contact me if you have questions regarding this letter. Thank you.

Very truly yours,

TURNER & MEDE, P.C.  
Attorneys for City of Dillingham



Patricia A. Vecera

PAV/kat

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<sup>2</sup> See e.g., *L&B Cooling*, 267 NLRB 1 (1983), enforced, 757 F.2d 236 (10<sup>th</sup> Cir. 1985); *Maine Apple Growers*, 254 NLRB 501 (1981); *P.G. Gray*, 128 NLRB 1026 (1960); *California Vegetable Concentrate*, 137 NLRB 1779 (1962); *Baumer Foods*, 190 NLRB 690 (1971); *Knapp-Sherrill Co.*, 196 NLRB 1072 fn. 2 (1972).

# Turner & Mede, P.C.

Attorneys at Law

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1500 West 33rd Avenue, Suite 200  
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Telephone: (907) 276-3963  
Facsimile: (907) 277-3695

Natalie A. Cale  
William F. Mede  
Terrance A. Turner  
Patricia A. Vecera

January 20, 2012

Heidi L. Drygas, General Counsel  
Alaska District Council of Laborers  
Public Employees Local 71  
2501 Commercial Drive, Suite 140  
Anchorage, AK 99501

Re: *Public Employees Local 71, Laborers International Union of North America v. City of Dillingham*, Case No. 11-1612 RC

Dear Ms. Drygas:

I am writing to respond to both your email and letter dated January 19, 2012 wherein you allege various "misrepresentations" by City Manager Dan Forster. The City disagrees with those allegations. Although I do not deem it productive to respond to every statement made in your correspondence with which the City disagrees, I do want to clarify both my and the City's position on a few of your allegations.

1. [1/19/12 Email]: *"And I know that he knew these statements to be false, because I distinctly remember that you told me that you requested that he stop a different Memo from going out to the employees containing these false statements."*

This is an inaccurate statement. If you recall, you contacted me after the City filed its objection to excluding the seasonal harbor/port employees from the secret ballot election. You indicated that after further consideration, Local 71 did not object to including the seasonal employees in the election. We then discussed a proposed stipulation that could be submitted by both parties with the Agency, which you agreed to draft after consulting with Jean Ward at the Agency.

During our conversation, I indicated the City Manager had *then* recently prepared a draft memo to City employees to bring them up to date on the status of the election. The draft memo included, in part, a paragraph advising the employees: (i) the City had filed an objection with respect to the exclusion of the seasonal employees; and (ii) the reason why the City objected. In light of your agreement regarding the inclusion of the seasonal employees, I told you that: (i) I did not know whether the memo had been finalized/distributed to the employees; (ii) I would promptly ascertain that information; and (iii) if it had not yet gone out, I would direct the City to delete the aforementioned paragraph. I subsequently ascertained the memo had not yet been distributed, the paragraph was deleted, and the memo was sent to the employees with no

Heidi L. Drygas, General Counsel  
Public Employees Local 71  
January 20, 2012  
Page 2

reference to the seasonal employees. To be clear, however, the City Manager's "draft" memorandum did not contain "false statements" regarding the Agency's or Local 71's position during our December 16<sup>th</sup> joint teleconference.

2. **[1/19/12 Letter]: "As you are well aware, as soon as the Union received a copy of the City's objection letter, I immediately contacted you to clarify that the Union did not object to the inclusion of the Port employees in the election process. In fact, the Union requested that the City stipulate to the inclusion of the Port employees." (Emphasis in original).**

In fact, you and I jointly discussed Local 71 -- not the City -- *stipulating* to the inclusion of the Port employees. The Agency's regulation (8 AAC 97.130) precluded the seasonal employees from voting. The only way for those employees to be able to vote was for Local 71 to stipulate to them doing so. We discussed and agreed upon a joint stipulation, assuming the Agency agreed. You got with Jean Ward and she had no problem with the parties doing so.

3. **[1/19/12 Letter]: "The Union demands an immediate written retraction of this Memo from the City Manager Dan Forster."**

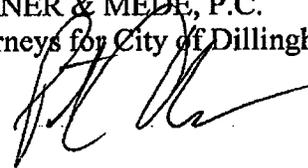
The City will not be issuing any retraction because no "false" statements were communicated to the Mayor and City Council. Although the City Manager may have erroneously stated that the Agency "sustained" the City's objection, as opposed to "accepting" the parties' stipulation, that amounted to nothing more than the use of an incorrect legal term by a lay person. It certainly was not "*blatant and malicious*," as you have alleged.

Finally, the City Manager did perceive that your comments during the December 19<sup>th</sup> teleconference (about the exclusion of the seasonal employees) amounted to a "strenuous objection." The City Manager recalled that after he was permitted to comment about the exclusion of the seasonal employees (i.e., saying they should "*have a say*" in whether they want union representation), that you remarked: "*That ship has sailed.*" He reviewed that remark as a clear and unequivocal objection to the position he was trying to articulate, and represented to the Council what he believed to be the case.

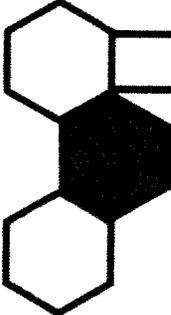
The City considers this matter closed.

Very truly yours,

TURNER & MEDE, P.C.  
Attorneys for City of Dillingham



Patricia A. Vecera



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## AURORA SMC, Inc.

35555 Kenai Spur Hwy #132  
Soldotna, AK 99669  
Cell (760) 567-6868  
Fax (907) 375-2906  
smcropsy@netzero.net  
steve\_cropsy@me.com

TO: Dan Forster, City Manager  
FR: Steve Cropsy, PM/OCR  
RE: Animal Shelter "Ad Hoc" Committee Report

DT: January 26, 2012

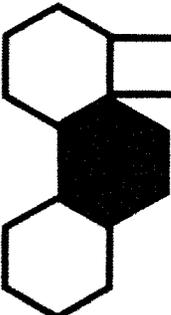
The Mayor appointed an "Ad Hoc" Committee to review the various options for establishing a permanent animal shelter owned and operated by the City and its Animal Control Officer. An RFP was advertised for 30 days, which requested responses from interested parties to provide a shelter facility. All of the responses received were from firms interested in designing and building a building on City owned land located at the landfill. All proposals were deemed "Responsive."

The Committee selected the firm of King's Carpentry with which to negotiate for a design and build building. The Committee asked for several additional features not originally included in King's proposed cost of \$220,000. A list of the additional items and their associated cost is included herewith.

Assuming you agree, the Committee's recommendations are now ready for presentation to the City Council. The Council needs to consider and provide guidance and direction to the staff in order to move the project forward. The following items should be considered:

- **TIMING:** The lease on the current facility expires June 30, 2012.
- **FINANCING:** There appears to be only two immediate options for financing the project. One is from budget reserves and the other is regular bank financing. At current interest rates of (5%) quoted by Wells Fargo Bank the payments on a \$300,000 loan fully amortized over 20 years would be \$1979 per month. Based on a total estimated cost of \$400,000 using bank financing of \$300,000, an additional \$100,000 would have to come from City reserve funds.
- Once the Council approves a firm financing plan, a contract would be prepared for construction of the building by King's Carpentry.
  - Under the terms established in the RFP, King's Carpentry has the obligation of preparing all building construction plans and specifications, which meet the City's requirements and those for permitting by the State Fire Marshall.
- The City is responsible for having a site plan prepared by an engineering firm selected and paid by the City. This plan would include plans to bring all utilities to the building exterior wall line. It is assumed that BEES would be tasked with preparing these plans under their current contract with the City.





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## AURORA SMC, Inc.

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35555 Kenai Spur Hwy #132  
Soldotna, AK 99669  
Cell (760) 567-6868  
Fax (907) 375-2906  
smcropey@netzero.net  
steve\_cropey@me.com

RE: Page 2  
Animal Shelter "Ad Hoc" Committee Report

DT: January 26, 2012

If it is the City Council's intention to proceed with the project the Council should provide specific direction to the staff. In order for the project to proceed on a summer construction schedule such direction should be given as soon as possible. Direction must include:

1. Direct staff to pursue the financing strategy established by the Council.
2. Accept or modify the building configuration including, which if any of the amenities are to be added.
3. Direct that a Contract be prepared for presentation to King's Carpentry. The City Council would then review the contract and resolve to allow the Mayor or City Manager to enter into a contract with King's Carpentry to build the building.
4. At the same time direct that an RFP be secured from BEES pursuant to the task order contract that the City has with BEES for design of a building site plan. Upon receiving this proposal the staff would bring a Resolution for approval by the Council to award the design work to BEES.



**King's Carpentry**

306 Alaska st  
 PO Box 1255  
 Dillingham AK 99576  
 (907) 842-5173  
 27164

**Proposal**

<b>Date</b>	<b>Estimate #</b>
1/10/2012	1
<b>Customer</b>	<b>Job</b>
Steve Cropsey	Animal Control Additives

<b>Customer Information</b>
Steve Cropsey City of Dillingham

Description	Qty	Rate	Amount
Itemized answers to the questions submitted on 12/18/11 by the City of Dillingham regarding the King's Carpentry proposal for the construction of the new City of Dillingham Animal Control Facility.			
FRP wall and ceiling paneling. White or almond installed to 8'			
Material, per SF	720	8.00	5,760.00
Labor, per SF	720	3.20	2,304.00
Chain link fencing. 72 in. high			
Material, per LF	400	22.00	8,800.00
Labor, per LF	400	18.75	7,500.00
Barbed wire topper for galvanized chain link fence. 3 strands on one side, with support arm			
Material, per LF	400	4.00	1,600.00
Labor, per LF	400	1.20	480.00
Electrified galvanized wire mesh fence components. 15 gauge aluminum wire			
Material, per LF	400	1.00	400.00
Labor, per LF	400	7.50	3,000.00
Three additional 8'x 10' office/ rooms			
Material, per SF	240	10.00	2,400.00
Labor, per SF	240	14.70	3,528.00
Wall ex haust fan. 70 CFM, 4.0 sones			
Material, per Ea	2	150.00	300.00
Labor, per Ea	2	150.00	300.00
Liquid curing and sealing concrete compound			
Material, per SF	2,000	0.20	400.00
Labor, per SF	2,000	0.90	1,800.00
Mezzanine storage area. 2 in. x 10 in. joists			
Material, per SF	400	5.00	2,000.00
Labor, per SF	400	4.30	1,720.00
Garage door openers			
Material, per Ea	1	338.72	338.72
Labor, per Ea	1	390.00	390.00

**King's Carpentry**

306 Alaska st  
 PO Box 1255  
 Dillingham AK 99576  
 (907) 842-5173  
 27164

**Proposal**

<b>Date</b>	<b>Estimate #</b>
1/10/2012	1
<b>Customer</b>	<b>Job</b>
Steve Cropsey	Animal Control Additives

Description	Qty	Rate	Amount
Flood light. Cadmium steel plate. Allready included in project.			
Subcontract, per Ea	1		
Concrete entry apron, 15'x 20'. Cost per CY of 4 in. thick concrete, .3 CY job			
Material, per CY	4	350.00	1,400.00
Labor, per CY	4	687.80	2,751.20
Concrete apron for outside dog enclosures			
Material, per CY	7	350.00	2,450.00
Labor, per CY	7	566.80	3,967.60
24 in. eave extention			
Material, per Ea	1	4,000.00	4,000.00
Labor, per Ea	1	8,204.00	8,204.00
Single drop shed roof, 20'x 50'			
Material, per Ea	1	14,000.00	14,000.00
Labor, per Ea	1	17,000.00	17,000.00
<hr/>			
*Project Subtotal			96,793.52
*Project Total			96,793.52
		<b>Total</b>	<b>96,793.52</b>

**I. CALL TO ORDER**

The Code Review Committee met on Thursday, January 12, 2012, in the City of Dillingham Council Chambers, Dillingham, AK. Tim Sands, Chair, called the meeting to order at 5:36 p.m.

**II. ROLL CALL**

Committee Members present:

Tim Sands, Chair/Council Member  
Alice Ruby, Mayor  
Paul Liedberg, Council Member  
Dan Forster, City Manager  
Janice Williams, City Clerk

Committee Members absent:

Elizabeth Pearch, excused

Guest(s):

Attorney Brooks Chandler (*via teleconference*)

**III. APPROVAL OF AGENDA**

MOTION: Paul Liedberg moved and Alice Ruby seconded the motion to approve the agenda as presented.

GENERAL CONSENT: The motion passed without objection.

**IV. APPROVAL OF MINUTES**

A. Minutes of December 8, 2011

MOTION: Alice Ruby moved and Paul Liedberg seconded the motion to approve the minutes of December 8, 2011.

GENERAL CONSENT: The motion passed without objection.

**V. UNFINISHED BUSINESS**

City Clerk Williams reported that materials for item D. Annexation – Prepare Ordinances were available, but there were no updates for the remaining items, and to refer to the minutes of December 8 for their status.

A. Title IV. Revenue and Finance

1. Manager Authority to Settle Unpaid Accounts

2. Chapter 4.15 Real and Personal Property Tax
  - a. 4.15.120 C.2 and F, Membership and procedures of BOE
  - b. 4.15.120 D.1-10 – Conduct of Hearings
  - c. 4.15.360 B. Refund of Taxes
- B. Title VII. Animal Control
  1. *Refer to Animal Control Focus Group – assignment is to compare DMC with State Statutes and bring back recommendations to the Code Review Committee*
- C. Title XI. Vehicles & Traffic and Snowmobiles (*Note: to be reviewed after vote on annexation*)
- D. Annexation – Prepare Ordinances

Atty. Brooks Chandler reviewed the revisions to the proposed raw fish tax ordinance. He noted this ordinance was time critical, because it laid out the tax rate. Future ordinances would include an ordinance to amend the sales tax, and a general ordinance to explain what provisions of city code apply and don't apply to the annexed area.

Discussion ensued, including policy decisions that would have to be made:

- propose a raw fish sales tax rate of 2.5 %;
- the ordinance allows a provision for a tax credit in Section 4.21.055, if fish are caught somewhere else and was subject to a severance tax, and brought into city boundaries for processing, it will be subject to the tax because the sale or transfer of product occurred in Dillingham; this would have to be worked out administratively with another fishing district;
- Section 4.21.135 would allow for a tax refund to two distinct classes of participants in the fishery, those who pay real property tax to the City, and low income fishers;
- for fishers owning real property in Dillingham the total fish tax would be reduced, the refund would be 50% of raw fish tax paid to the City, capped at 50% of the value of their real property tax, and not a credit to the real property tax which is much more restricted by state law;
- will review the federal income guidelines and reduced permit fee application for possible use as a guideline to qualify as a low income fisher;
- staff assigned to call other communities with a raw fish tax and find out when they get paid by the processors to see if the date in the ordinance was practical;
- verified there will be a separate Chapter 4.22, Severance Tax, that it does not have to be approved by the voter, but can be addressed later;
- there will be a new exemption in Chapter 4.20, Sales Tax, for sales of raw fish subject to tax in Chapter 4.21, including exempting tax on sales of groceries and fuel

in the annexed area; Attorney to prepare the revisions for adoption prior to the election;

- include an exemption from raw fish tax in Chapter 4.21.030 for annual sales of raw fish product by a permit holder to themselves as a registered processor of less than \$10,000, which can be ironed out in the application process;
- if annexation passes and if the City intends to set aside a percentage of fish tax collected for Regional Fisheries Improvement Fund, the percentage, suggested 10%, could be incorporated in fiscal year 2013 budget, will provide an ordinance for Council approval that would be contingent on voter approval of annexation;
- Point of Sale is included under Section 4.21.010, Definitions, and defined in "Sale of Raw Fish";
- Ekuk plant the fish tickets are generated on the beach which is outside the City's boundaries, but the fish are severed in the proposed annexed area, the severance tax would apply, which is a separate chapter and will be introduced in February;
- ballot measure does not need to say sales/severance tax, severance taxes are not approved by the voter;
- letter will be submitted to Dept. of Justice for a preclearance review, in which the City will need to set the election date, following adoption of a resolution by the Council at the January 19 meeting setting the election date of April 10, 2012;
- workshop will be scheduled prior to the January 19 meeting to review this material; and
- a separate ordinance identifying which provisions of the code will apply to the annexed area, ex. discharge of fire arms will be presented February 2 for introduction.

E. Tax Incentives (*Note: to be reviewed after vote on annexation*)

F. Personnel Regulations

G. Write-in Ballots, Legislative Changes

## VI. NEW BUSINESS

There was no new business.

## VII. PUBLIC COMMENT/COMMITTEE COMMENTS

There were no public comments.

Mayor Ruby:

- questioned if the code needed to be reviewed to help with enforcing the assessment of the sales tax and requirement to have a business license to conduct business.

Staff noted this was being taken up in the Finance and Budget Committee.

VIII. ADJOURNMENT

The meeting adjourned at 7:30 p.m.

\_\_\_\_\_  
Tim Sands, Chair

ATTEST:

\_\_\_\_\_  
Janice Williams, City Clerk

Approved: \_\_\_\_\_

**I. CALL TO ORDER**

The Finance and Budget Committee met on Monday, January 16, 2012 at the City Council Chambers, Dillingham, AK. Bob Himschoot, Chair, called the rescheduled regular meeting to order at 5:31 p.m.

**II. ROLL CALL**

Committee Members present:

Bob Himschoot, Council Member, Chair  
Alice Ruby, Mayor  
Tracy Hightower, Council Member  
Keggie Tubbs, Council Member  
Dan Forster, City Manager  
Carol Shade, Finance Director

**III. APPROVAL OF MINUTES**

A. Minutes of October 24, 2011

MOTION: Alice Ruby moved and Carol Shade seconded the motion to approve the minutes of October 24, 2011.

GENERAL CONSENT: The motion passed with no objection.

**IV. APPROVAL OF AGENDA**

Finance Director Shade asked to add Budget Amendment FY 2012 to the agenda, item D under New Business.

MOTION: Keggie Tubbs moved and Tracy Hightower seconded the motion to approve the agenda as amended.

GENERAL CONSENT: The motion passed with no objection.

**V. STAFF REPORTS**

City Manager Forster:

- Lease the Potato House – was not able to negotiate a price with State of Alaska Employment Center; wanted the City to pay janitorial services, utilities, snow removal, physical upgrades, resulting in a minimal return to the City. City will be issuing a RFP for interested parties who will generate a positive cash flow.
- NAPA site – discussions are continuing, moving forward with a more specific proposal.

**VI. UNFINISHED BUSINESS**

A. Business Tax Incentives

Mayor Ruby noted the purpose of this item was to look at ways to make the code more business friendly.

MOTION: Keggie Tubbs moved and Alice Ruby seconded the motion to postpone taking up Business Tax Incentives until the August Finance and Budget Meeting.

GENERAL CONSENT: The motion passed with no objection.

B. Health Insurance Coverage – Consultant Report

City Manager Forster reported that this issue was being resurrected in time for budget discussions, and would be assembling staff members to be part of the process to review various options.

C. Fiscal Policy Development

- a. Overall Rate Review
  - i.) Water and Wastewater
  - ii.) Landfill

Finance Director Shade reported the City had budgeted \$20K for a study of water and wastewater rates. It was recommended that the RFP for a rate study be taken up at the next Finance and Budget meeting, and invite Steve Cropsey, Project Manager, who could be involved in putting together the RFP.

Carol Shade noted that staff would put together the research that had been done earlier on the landfill rates and purchasing a scale for a future Finance and Budget meeting.

**VII. NEW BUSINESS**

A. Review FY 2011 Audit Report

Carol Shade reviewed the FY 2011 Audit Report with the committee.

The discussion items for follow up:

- recommended staff review the E911 calculation that was used to set the E911 rate that was increased to \$1.46 over a year ago to be sure it was adequate, suggested this be an annual evaluation, and to ensure phone and cell phone providers billing and collecting the charge on behalf of the City were submitting the revenue to the City on a timely basis; and
- suggested next year that the committee schedule a review of the draft financials submitted by the auditors before the audits were bound.

MOTION: Keggie Tubbs moved and Alice Ruby seconded the motion to recommend approval of the audit report to the Council.

Discussion:

- thanked Carol Shade and her staff for all their hard work.

GENERAL CONSENT: The motion recommending approving of the audit passed without objection.

B. Review MBL Group Report

Mayor Ruby explained that staff had asked MBL Group to provide a final report recapping the salary study that spanned over many transitions of managers and finance directors.

Finance Director Shade reported that the consulting firm had recommended aging pay structures on an annual basis consistent with market trending and the ability of the municipality to pay.

Manager Forster noted the scale established a 2% increase between steps that was more to recognize longevity on the job, but as finances allowed the Council should annually consider a COLA increase.

Discussion:

- noted the University Extension was conducting a study that would show the cost of living compared to other areas; and
- recommended adding review of wages under the FY 2013 budget agenda item.

C. Donation to Beaver Round-Up

Finance Director Shade reported that the Council had budgeted \$5,000 for a BRU donation, but a survey that was later added to line item, Council Contributions, put the contributions over budget by \$2,500.

Mayor Ruby commented that the City is usually asked for the use of various facilities and resources during BRU, which could be donated as in-kind services, and favored having a City staff member on the BRU committee and channeling the requests back to the City Manager.

Discussion:

- spoke in favor of in-kind services to help support BRU and make it successful, and noted since a lobbyist had yet to be hired, could possibly transfer some of that money.

MOTION: Keggie Tubs moved and Alice Ruby seconded the motion to donate \$5,000 to Beaver Round-Up.

Carol Shade reported a fund transfer would be made from another line item.

GENERAL CONSENT: The motion passed with no objection.

D. Review FY 2012 Budget Amendment

Mayor Ruby noted discussion on the amendment could be postponed for a review at the January 30 Finance and Budget meeting, introduced at the January 19 Council meeting, and reported on at the February 2 meeting and adopted with any amended changes.

Chair Bob Himschoot noted he could be available via teleconference for the January 30 meeting at 5:30 p.m. to discuss the FY 2012 Budget amendment.

**MOTION:** Keggie Tubbs moved and Alice Ruby seconded the motion to introduce the FY 2012 Budget Amendment at the January 19, 2012 Council Meeting.

**GENERAL CONSENT:** The motion passed with no objection.

**VIII. PUBLIC/COMMITTEE COMMENT(S)**

Tracy Hightower: no comments

Mayor Ruby:

- asked if the committee needed to evaluate a percentage to contribute to the Regional Fisheries Improvement Fund.

It was concluded that the topic of annexation would be included on future agendas and this item could be discussed at that time.

Mayor Ruby:

- asked that a staff report be prepared in the future on business licenses and sales tax issues, noting what improvements were needed.

Carol Shade:

- noted the enforcement of business licenses and sales tax was an issue.

Keggie Tubbs: no comments

Bob Himschoot:

- appreciated the committee being patient with him as chair.

**IX. ADJOURNMENT**

The meeting adjourned at 8:19 p.m.

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Bob Himschoot, Chair

**ATTEST:**

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Janice Williams, City Clerk

Approved: \_\_\_\_\_

CITY OF DILLINGHAM, ALASKA

ORDINANCE NO. 2012-01

**AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL LEVYING A 2.5% TAX ON SALES OF RAW FISH SUBJECT TO VOTER RATIFICATION**

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WHEREAS, the City of Dillingham has historically devoted substantial public resources for construction, operation and maintenance of public infrastructure intended to support commercial fisheries catching and processing salmon landed in waters of Bristol Bay adjacent to Dillingham; and; and

WHEREAS, much of the infrastructure supporting Bristol Bay commercial fishing was constructed with federal and state grants which do not provide for ongoing maintenance or replacement funds; and

WHEREAS, it is anticipated that there will be a need to improve infrastructure related to commercial fishing and that state and federal grant funds will not be as available as they were in the past; and

WHEREAS, all other municipalities of similar size and with similar fishing related infrastructure needs in the general Bristol Bay area levy a tax on sales of raw fish including, the Bristol Bay Borough, the Lake and Peninsula Borough and the cities of Togiak, Egegik and Pilot Point; and

WHEREAS, the estimated taxable value of commercial salmon harvested in or adjacent to Dillingham ranges between \$20,000,000 and \$30,000,000 annually; and

WHEREAS, a 2.5% tax on sales of raw fish is estimated to generate approximately \$710,000 annually;

BE IT ENACTED BY THE COUNCIL OF THE CITY OF DILLINGHAM:

Section 1. Amendment of Title 4. Title 4 of the Dillingham Municipal Code is hereby amended by adoption of a new Chapter 4.21 to read as follows:

**4.21.010 Definitions.**

When not clearly otherwise indicated by the context, the following words and phrases, as used in this chapter, have the following meanings:

"Buyer" means any person, whether acting as principal, agent or broker, making purchases of raw seafood product from a seller and who is also an individual or entity, according to this Chapter, required and responsible to collect and remit raw seafood sales tax levied by the City of Dillingham, Alaska.

"Collector" in the case of the sale of raw fish is the buyer.

"Processed" or "processing" means cooking, canning, smoking, butchering, freezing, salting, dehydrating and other activities that modify the condition of the fish in preparation of the fish for sale, but does not include decapitating, gutting, gilling, sliming, or icing by the person harvesting the fish if done for the purpose of maintaining the quality of the fish until it can be sold.

"Property tax" means the tax levied under Chapter 4.15 of this Code upon real property owned by the Taxpayer.

"Raw fish" means fin fish and shellfish and includes, but is not limited to: crabs, shrimp, scallops, clams, oysters, sea cucumbers, salmon, herring, halibut, cod, flounder and pollock that have not been processed.

"Raw fish tax" means the tax levied on the sale or use of raw fish under this Chapter.

"Sale of raw fish" occurs without regard to whether delivery by the seller occurred directly or indirectly nor whether delivery of the fish occurred inside or outside the City if the fish are purchased for delivery, or are delivered, to a location inside the City at the time of sale. A sale of raw fish occurs within the City if the fish ticket issued by the buyer to the seller for the sale of raw fish is issued within the City. A sale also includes the performance of services within the City without regard to the place of sale of such services, and includes an event that occurs when a person within the City becomes directly or indirectly obligated to sell or convey property within the City, or to perform services within the City or to lease or rent to or permit the use of property within the City by another, including admissions to a place or event.

"Sale price" in the case of raw fish, includes any indirect consideration such as fuel or supplies furnished directly or indirectly by the buyer or offsets to the cash value for gear furnished, and includes post purchase or post season adjustments or bonuses.

"Sales Tax Administrator" or "Administrator" means the manager or the person designated by the manager as the sales tax administrator or the agent of the administrator.

"Seller" means a person or entity that has caught raw seafood product and sells it to a buyer.

"Taxpayer" is the seller of raw fish.

#### **4.21.020 Imposition; rate.**

There is levied and shall be collected a tax of two and a half percent (2.5%) on all sales of raw fish within the City of Dillingham. The tax levied under this Chapter is an obligation of the seller and collected by the buyer.

#### **4.21.030 Exemptions - enumerated.**

The following sales are exempt from the tax levied under this chapter:

- A. Sales of goods and services except raw fish.
- B. The sale of raw fish, for the sole purpose and use as bait, from one boat to another. This exemption does not apply to sales or purchases of raw fish by seafood processors.

C. The resale of raw fish in essentially the same form as when purchased if the tax under this chapter paid on the prior purchase was at fair market value for the fish under the circumstances of the prior purchase.

D. The sale of raw fish caught by the permit holder to the same permit holder for purposes of resale if:

1. the permit holder is licensed as a catcher-processor by the State; and
2. the permit holder purchases less than ten thousand (\$10,000) dollars annually of raw fish.

**4.21.040 Exemption procedures.**

A. No exemption certificate may be granted except under written application for the exemption on a form established by the City.

B. The burden of establishing any tax exemption is on the buyer.

**4.21.050 Tax – computation.**

The tax due under this chapter shall be computed by multiplying the primary gross sales value by two and a half percent (2.5%). The tax due on a sale shall be rounded to the nearest whole cent with fractions of one half cent and more rounded upward.

**4.21.055 Tax- credits.**

The amount of tax due as computed in accordance with section 4.21.050 shall be reduced by the amount of severance tax levied upon fish caught within the boundaries of another municipal corporation the sale of which is subject to tax under this Chapter.

**4.21.060 Statement of tax.**

A person required to collect a tax under this chapter shall provide the taxpayer with a statement of the amount of tax owing on any taxable transaction and shall retain a copy of such statement for a period of not less than five years following the due date of the payment to the City.

**4.21.070 Obligation to pay tax.**

A. The obligation of the tax is upon the seller. The buyer shall segregate from funds of the buyer an amount equal to the tax due on the sale. Funds required to be segregated under this section are taxes collected or required to be collected under this chapter.

B. Collection is enforceable, by the buyer, as a certified tax collector of the City, provided, however, that this shall not limit the liability of the person liable for the tax.

**4.21.080 Determination of taxability - Liability for errors.**

The collector shall determine initially whether a sale is taxable under this chapter. If the collector fails to collect the tax due on a sale because of an incorrect determination of taxability by the collector or for any other reason, the collector becomes liable to the City for the tax in the same manner as if the tax had been collected.

**4.21.090 Tax funds held in trust.**

All tax monies collected or segregated or required to be collected or segregated by the collector are funds of the City and shall be held in trust by the collector in a fund or account separate from all other funds and accounts of the collector until paid over to the City. Interest earned on such funds while held by the collector may be retained by the collector as compensation for segregating and protecting the funds of the City.

#### **4.21.100 Location of sales made and services provided.**

When the use tax arises on raw fish under Section 4.21.260 (C) because the raw fish caught or harvested within the City is transported by a person who intends to sell the fish to a buyer outside of the City, the buyer is deemed to be located within the City for purposes of the sale, and is required to collect the tax in the same manner as a buyer under Section 4.21.070. Such buyers are required to register with the City under Section 4.21.110 and are subject to the filing procedures and requirements set forth in this chapter.

#### **4.21.110 Registration of sellers and buyers as tax collectors - Certification of registration.**

A. All buyers of raw fish shall file an application for a certificate of registration on a form prescribed by the City not more than ten days after the date of commencing business within the City, or the opening of an additional place of business, provided no registration is required if the business conducted does not require the person to collect a tax under this chapter. The application must contain or be accompanied by:

1. The name and mailing address of the applicant;
2. The location at which the applicant will conduct its business and where transactions subject to the tax under this chapter will occur; if the applicant's business is to be conducted from one or more vessels, the name of the vessels and the general location or areas in which each vessel will operate;
3. If the applicant is a buyer of raw fish,
  - a. The applicant's Alaska Fisheries Business License number;
  - b. A copy of the applicant's most recent Alaska Fisheries Business License Tax filing;
  - c. A copy of the most recent statement provided the state of the amount of fisheries products the person expects to produce during the applicant's license year;
4. The applicant's Alaska Business License number;
5. A statement of the extent of property owned by the applicant in the City against which the tax liability of the applicant may be collected and other information with respect to description, location and value of the property which the City prescribes.

B. Upon receipt of a properly executed application, the sales tax administrator will issue a certificate of registration setting out the name of the registrant, its physical and its mailing addresses, and the place the registrant will be operating from a vessel. The certificate shall authorize the registrant to collect and enforce the collection of the tax required to be collected under this chapter. The certificate must be prominently displayed at the location set out in the certificate or upon the vessel named in the certificate. A separate certificate shall be issued for each vessel or location of an applicant.

C. A certificate of registration is non-assignable and non-transferable and must be surrendered to the sales tax administrator by the registrant to whom it is issued upon the registrant's ceasing to do business at the location or on the vessel named therein. If the business is continued at the same location, but there is a change in its form or organization such as a change of a single proprietorship to a partnership or corporation, or the admission or withdrawal of a partner, or other change, the registrant shall surrender the old certificate to the sales tax administrator with an application for a new certificate. If the business of a registrant is sold, leased or in any other manner transferred to another person, the registrant shall surrender the certificate to the sales tax administrator and the new owner, lessee or other successor to the business shall immediately apply for a new certificate.

D. If there is a change in location of a registrant's place of business, the registrant shall surrender the certificate for the old location to the sales tax administrator along with a statement of the new address. Upon receipt of the old certificate and the new address, the sales tax administrator shall issue a new certificate of registration showing the new location.

E. Before issuing a certificate of registration, the applicant may be required to post a bond, furnish a statement of net worth, or furnish such additional security as may be required by the sales tax administrator to insure full and prompt payment of taxes required to be collected under this chapter.

F. A person applying for a certificate of registration under this section thereby gives consent to an inspection by the City of the applicant's Alaska Fisheries Business Tax returns and other information or records filed by the registrant with the State of Alaska for the purpose of enforcement and administration of the provisions of this chapter.

#### **4.21.120 Rulings and regulations.**

A. The manager may promulgate and amend regulations and may prescribe the use of forms appropriate to the implementation of this chapter. Regulations promulgated by the manager are effective on the date they are promulgated unless a different date is indicated in the regulations; provided, all regulations are subject to repeal or revision by the Council at any time. Prior to promulgation, proposed regulations shall be submitted to the City attorney for review and comment. Upon promulgating a regulation or any amendment to an existing regulation, the manager shall submit the regulation or amendment to the Council at its next regular meeting.

B. If any person who is or may be required to pay or collect a tax under this chapter questions the application of this chapter to a transaction or other situation in which that person is involved or may become involved, the person may apply to the sales tax administrator for a ruling on the question. The sales tax administrator may rule on the question and may seek the advice of the city attorney on the question. Before a ruling of the sales tax administrator is effective or binding on the City, it must be signed by the manager.

C. Rulings having general applicability shall be considered by the manager for promulgation as a regulation.

#### **4.21.130 Payment and remittance - Application of payments - Deduction.**

A. Taxes required to be collected under this chapter during a calendar year are due and payable to the City within 30 days of the last day of the calendar quarter in which any transaction subject to tax under this Chapter has been made. For every calendar quarter in which a transaction subject to tax under this Chapter has been made, every collector shall file with the City on forms furnished by the City a return containing the following information:

1. Name and address of taxpayer;
2. Primary gross sales value (sometimes referred as a primary gross purchase value) of raw seafood product purchased or delivered within the City during the calendar quarter by pounds, average price per pound, and by species;
3. Nontaxable sales during the calendar quarter;
4. Taxes due during the calendar quarter;
5. Interest, penalties, deductions
6. Such other information as may be required on the form.

B. The return shall be signed and its completeness and accuracy sworn to by the collector under penalty of perjury.

C. All sales are presumed to be taxable. An exemption claimed for any sale must be proved or adequately explained by the collector with the submission of the return.

D. The completed return, together with the remittance of the tax required to be collected during the calendar quarter, must be received by the City at the address designated on the return form within 30 days of the last day of every calendar quarter in which a transaction subject to tax under this Chapter has occurred.

E. If the business is sold or transferred to another, whether voluntarily or involuntarily, the person filing the return shall provide on the form the name of the person to whom the business was sold or transferred.

F. Any collector of raw fish sales tax shall be paid an amount equal to two percent (2%) of the gross raw seafood sales tax collected, provided that the tax return is filed and the tax is paid to the City on or before the fifteenth (15th) of each month immediately following the month in which the collection is made; provided, the amount deducted and retained may not exceed \$200.

G. Amounts received with the return shall be applied in the following order:

1. Penalties due, beginning with the oldest penalty;
2. Interest due, beginning with the interest due on the oldest quarter; and
3. Taxes due, beginning with the taxes due from the oldest quarter.

#### **4.21.135 Tax Refunds**

A. Any taxpayer from whom raw fish tax is collected and timely remitted to the city by a tax collector and who also has timely remitted property tax is eligible for a partial refund of raw fish tax. The amount of the refund is equal to fifty percent of the raw fish tax collected from the taxpayer up to a maximum refund of fifty per cent of the property tax paid by the taxpayer.

B. Any taxpayer:

1. from whom raw fish tax is collected and timely remitted to the city by a tax collector during the year for which a refund is requested; and
2. who is not eligible for a refund under Section 4.21.135(A) above; and
3. whose household income, assets, and financial resources fall within the eligibility standards for the food stamp program under 7 U.S.C. 2011 - 2025, as amended; and
4. who has paid a reduced price annual fee for the taxpayer's fishing permit under AS 16.43.160(d) for the calendar year during which raw fish tax was collected from the taxpayer is eligible for a partial refund of fifty per cent of the tax paid under this Chapter.

C. Any person entitled to a partial refund may obtain a partial refund from the City upon completion and submission of a refund application form to be provided by the City together with such supporting documentation as required by the City to establish eligibility for and the amount of the refund.

D. An application for a fish tax refund shall be filed during the period that begins November 1 and ends December 31 of each year. Failure to submit a refund application by December 31 means that no refund is due to the taxpayer for that year.

E. Applications for a refund under Section 4.21.135(B) above shall be treated by the city as confidential documents not subject to disclosure under Section 2.01.040 of this Code.

F. All refund amounts due to a taxpayer shall be paid by the City on or before March 15 each year. Should the City fail to pay any portion of a refund due interest shall accrue from the due date until the date paid at an annual rate of five per cent (5%).

G. The City may offset against any refund due to a taxpayer amounts owed to the City by the taxpayer for sales tax, port and harbor fees, personal property tax, utility charges or any other fines or fees. The amount so withheld shall be identified to the taxpayer in writing on or before February 15 of each year. If the taxpayer believes the offset amount is in error the taxpayer is entitled to an informal hearing before the city manager on or before March 14.

#### **4.21.140 Penalties and interest.**

A. A person who fails to file a return as required under this chapter or who fails to remit all the taxes due the City shall pay a penalty of five percent (5%) of the taxes due with a minimum penalty of \$100 if no return is filed. The penalty is imposed for each month or part of a month during which the delinquency of failure to file exists up to a maximum of fifteen percent (15%); provided, the total penalty for a single calendar quarter shall not exceed three thousand dollars (\$3,000). The filing of an incomplete return shall be treated as the filing of no return.

B. Interest at the rate of ten and one-half percent (10.5%) per annum shall be paid on all amounts due the City that are not received by the City as required under this chapter except interest does not accrue on penalties.

C. A person who fails to apply for a certificate of registration as required by this chapter shall pay a penalty of three hundred dollars (\$300) for the first offense. A buyer, who, after notice, continues to conduct business without obtaining a certificate of authority to collect sales tax, is subject to a penalty of five hundred dollars for each subsequent offense. Such penalty must be paid before the license is issued if the original license was issued before the determination that a penalty was due. A person who fails to apply for a certificate of registration, who engages in taxable transactions after being informed in writing that a certificate of registration is required, shall pay a penalty of four hundred dollars (\$400) before the license is issued or before a renewal or amended license is issued if the original license was issued before the determination that a penalty was due.

D. A person required to collect a tax under this chapter who fails to provide a written statement setting out the amount of the tax due on the transaction shall pay a penalty to the City equal to the amount of the tax due on the sale.

E. A failure of or refusal of a person required to collect a tax under this chapter to produce records or allow inspection at such reasonable times as requested or demanded by the sales tax administrator shall pay to the City a penalty equal to three times any deficiency found or estimated to have occurred by the sales tax administrator; provided, the minimum penalty payment is one thousand dollars (\$1,000).

F. A person required to maintain records under the provisions of this chapter shall immediately notify the City of any fire, theft or other casualty that would prevent the person from complying with the provisions of this chapter. Such casualty is a defense to a civil penalty levied under subsection E. of this section, but does not excuse the person from the liability for payment to the City of taxes required to be collected. Accidental or unexplained loss of funds or records does not excuse a person from the performance of any of the requirements under this chapter.

#### **4.21.150 Forced filing.**

A. If a collector under this chapter fails to file a complete and accurate return or to pay over all the taxes due as required by this chapter, the sales tax administrator may make an estimate of the taxes due based upon any information available. The administrator shall file a return for such collector and shall provide a copy of the return to the collector with a request that the collector file a correct return along with payment of the taxes due. The administrator may require the collector filing the return to provide sufficient information to support the corrected return. If the collector has not filed a correct return satisfactory to the administrator, along with the taxes due, within thirty (30) days of the date of mailing of the forced filing, the amount of any deficiency remaining unpaid on the forced filing is presumed correct and is delinquent from the date originally due; provided, if upon a subsequent audit or inspection of the records of the collector, it is determined that a greater amount was due, the collector shall be liable for payment of such additional amount. A forced filing may be made if the City is unable to ascertain the tax due to be remitted by a collector by reason of the failure of the collector to keep accurate records or to allow inspections of the collector's records, or of the collector's falsification of records.

B. A collector who disagrees with the determination of the administrator shown on the force filed return and refuses to file a corrected return may, within thirty (30) days of the date of mailing of the forced filing, appeal the ruling of the administrator as set out in DMC 4.21.210. A collector who files a corrected return under this section, but who is notified in writing by the administrator that taxes are due in excess of those admitted by the collector may appeal the ruling of the administrator as set out in DMC 4.21.210 but only if appealed within ten (10) days of the date of mailing of the notice from the administrator. Notice of the appeal must be received by the administrator within the time provided herein and be accompanied by payment under protest of the taxes, interest and penalty claimed by the administrator to be due.

#### **4.21.160 Records - Investigation and audits.**

A. Every person required to collect the tax imposed under this chapter shall maintain, keep and preserve such records, books and accounts of all sales made by the person as may be necessary to determine the amount of tax the person is obligated to collect and pay over to the City. Such records, books and accounts shall be preserved for a period of five (5) years following the date all taxes involved in the accounting period were required to be paid to the City.

B. For the purpose of ascertaining the correctness of a return or the amount of taxes owed when a return has not been filed, the sales tax administrator may conduct investigations, hearings and audits and to that end may examine any relevant books, papers, memoranda, records or other writings of any seller or buyer and may require the attendance and sworn testimony of any seller or buyer or any officer or employee of the seller or buyer at a hearing. Upon written demand by the sales tax administrator, a buyer or seller shall make available to the sales tax administrator in the office of the sales tax administrator such books, papers, memoranda, records and other written material as may be set out in the demand unless the sales tax administrator and the person upon whom the demand is made agree to presentation of such materials at a different place.

#### **4.21.170 Liens.**

A. The tax, interest, penalties and other costs due and owing under this chapter shall constitute a lien in favor of the City upon the property and other assets of the collectors and taxpayers liable for the payment of the tax, interest, penalties and other costs.

B. The lien imposed by this section arises and attaches at the time the collector purchases fish from the selling fishermen and continues until the entire amount due has been paid.

C. If delinquent sales taxes, including interest and penalties, are not paid within ten (10) days from the mailing of notice and demand for payment thereof, a notice of lien may be recorded in the appropriate district recorder's office. Once recorded, a lien arising under this section has priority over any other liens except those for special assessments or those granted priority by state or federal law.

D. An action to foreclose the lien created by this section shall be commenced and pursued in the manner provided for the foreclosure of liens in AS 09.45.170 - 09.45.220.

E. The remedy provided in this section is not exclusive and shall be in addition to all other remedies available to collect the taxes, penalties, interests and costs due under this chapter.

F. The failure to record a lien does not constitute a waiver or abrogation of any priorities, rights or interests of the City at law and in equity.

G. Fees for the administrative costs of filing notices of liens and releasing of liens shall be:

1. Filing of notices of lien: twenty-five dollars (\$25), plus recorder's office filing fee.
2. Release of liens: twenty-five dollars (\$25), plus recorder's office filing fee.

H. Upon full satisfaction of payment of all taxes, interest, penalties and costs due and owing to the City, the administrator shall file a certificate discharging the lien.

#### **4.21.180 Accelerated returns.**

A person who is required to file a return and pay taxes to the City who fails for more than thirty (30) days to file a return or pay the taxes due or who has, within a twelve (12) month period, filed or paid taxes late on two or more occasions may be required by the sales tax administrator to file and pay on a monthly basis; provided, the sales tax administrator shall provide to the person a hearing after reasonable notice of the sales tax administrator's intention to require more frequent filing and payment. The person required to file and pay on a monthly basis who fails to file and pay the full amount due within ten (10) days of the date required to such filing and payment or such a person who files late two or more times during a four month period may be required by the sales tax administrator to file on a weekly or more frequent basis after written notice of intent and a hearing as provided in this section.

#### **4.21.190 Termination, sale or transfer of retail business.**

A. A collector whose interest or substantial part thereof in a business registered or required to be registered under this chapter is sold, leased, assigned, or otherwise transferred either voluntarily or involuntarily to another person shall make a final tax return within twenty (20) days after the date of such transfer. The purchaser or other person acquiring the business shall withhold a portion of the purchase or lease money sufficient to pay any tax, interest and penalties which may be due, unless the seller displays a receipt from the sales tax administrator showing that all tax obligations imposed by this chapter, to the date of the sale, transfer or assignment have been paid in full.

B. A person who terminates his business without the benefit of a purchaser, lessee, successor or assign, shall make a final tax return and settlement of tax obligations within fifteen (15) days after such termination.

C. Any person who has filed a sales tax return shall be presumed to be making sales in succeeding quarters unless he or she files a subsequent return declaring the termination or transfer of the business.

**4.21.200 Personal liability of corporate officers.**

A. At the time that a corporate business becomes delinquent in paying the collected taxes, or fails to collect taxes and remit them to the City as required by this Chapter, any officer or other person having control or supervision of sales tax funds collected and held in trust or who is charged with the responsibility for the filing of returns or the payment of sales tax funds collected, segregated and held in trust, shall be personally liable for any unpaid taxes and interest and penalties due from the corporation. For the purposes of this section, any sales taxes that have been paid to the City but not collected shall be deductible from the sales taxes collected or required to be collected but not paid.

B. The officer or other person shall be liable only for taxes collected or required to be collected or which became due and payable to the City during the period he or she had the control, supervision, responsibility, or duty to act for the corporation described in subsection A. of this section, plus interest and penalties on those taxes.

C. This section does not relieve the corporation of its liability for payment of the tax due under this chapter or otherwise impair other tax collection remedies afforded by law.

D. Collection authority and procedures prescribed in this chapter apply to collections under this section.

**4.21.210 Protest of tax by taxpayer.**

A. If a taxpayer believes that a transaction is exempt or otherwise not subject to the tax imposed under this chapter, but the collector has determined the transaction to be subject to the tax, the taxpayer shall pay the tax to the collector under protest. A tax is paid under protest by stating to the collector that the tax is paid under protest and requesting the collector mark any sales slips, receipts, vouchers and other evidence of the sale to indicate that the tax is paid under protest. The taxpayer shall file with the collector and with the sales tax administrator a statement of protest on a form provided to the collector by the City. Failure to file a complete statement of protest with both the collector and the sales tax administrator within thirty (30) days of the date of the sale or to pay the tax constitutes a waiver of the protest and of any other right of the taxpayer to challenge the tax in any other forum. The taxpayer shall clearly set out on the form the terms and conditions of the sale, the amount of the sale, the quantity of fish, other property, or services involved, the location of the sale or other transaction or the place of the performance of the rental or services, and all other information necessary to determine whether the tax does or does not apply. The form shall include the names and mailing addresses of both the taxpayer and the collector and any other party involved in the transaction and must be signed by the taxpayer.

B. Upon receipt of a written protest, the collector shall forward the protest to the sales tax administrator along with any additional statements the collector believes may assist the sales tax administrator in determining the protest. Unless the collector records on the taxpayer's statement of protest facts different from those recorded by the taxpayer on the statement, forwarding the statement to the City by the collector constitutes a confirmation by the collector of the facts set out on the statement to the extent the collector has knowledge of such facts. The written protest must be forwarded to the sales tax administrator as promptly as possible, and in any case not later than thirty (30) days after delivery of the protest to the collector.

C. The sales tax administrator shall issue a written ruling on each protest within thirty (30) days of receipt of the protest from the collector or on such later date as may be required to insure full consideration of the issues raised in the protest. The burden of proof is on the taxpayer. The sales tax administrator may seek the advice of the City attorney on any protest. The ruling will be in writing and must set forth the reason for the grant or denial of the protest. The ruling will be sent to the collector and the taxpayer at the addresses given on the protest.

D. If a protest is granted, the sales tax administrator shall determine whether the tax protested has been received by the City from the collector. If the tax has been received, the sales tax administrator shall refund directly to the taxpayer the amount of the tax to be refunded. If the tax has not been received by the City, the collector shall be instructed to refund to the taxpayer the appropriate amount if the collector has actually collected the tax from the taxpayer. If the challenged tax was upon the sale of raw fish, and the collector has not yet paid for the fish, the collector shall make such adjustment as necessary to the accounts of the taxpayer to reflect the correct amount of the tax due. The collector and the taxpayer may make other arrangements for crediting to the taxpayer the amount of the refund if the collector and the taxpayer reach a mutual agreement as to such alternate procedure.

E. In the event a protest is denied, the taxpayer may, within thirty (30) days of the date of mailing of the notice of denial, appeal the denial to the manager if the manager is not acting as the sales tax administrator. The manager shall receive such additional information, whether written or oral, as the protesting taxpayer may desire to present. The manager may also receive such additional testimony as the sales tax administrator may present. The manager shall render a decision in writing and give notice of the decision to both the taxpayer and the collector. The decision of the manager, whether acting as the manager or as the sales tax administrator, is final and is subject to judicial review on appeal of the superior court under the applicable appellate court rules.

F. Failure to file an appeal or protest as authorized under this section within the time permitted constitutes a waiver of the appeal or protest and of any other right of the taxpayer to challenge the tax, interest, penalty or other charge directly or collaterally in any other forum.

#### **4.21.220 Protest of tax by collector.**

A. If a collector believes that a transaction is exempt or otherwise not subject to the tax imposed under this chapter or believes that a penalty, interest or other charge is not owing but has been informed by the City that such transaction is subject to the tax imposed under this chapter or such penalty, interest or charge is owing, the collector may protest the tax by paying the tax owed to the City on or before the date due and filing with the City at the time of payment a statement of protest setting out all relevant facts and clearly explaining why the transaction taxed or the penalty, interest or charge made is exempt, not otherwise subject to the tax levied under this chapter or not owing. The payment and statement of protest must be received by the City not later than the thirtieth (30)th day following the date the tax was required to be collected from the taxpayer; or, if no tax was collected, the later of the occurrence of the challenged transaction or the date of the notice from the City that the transaction is taxable; or, if the protest is of a disallowance, charge levied, or similar action by the City, the date of the notice to the collector of the City determination. Failure to file a statement of protest and to pay the amount claimed by the City as owing within the time permitted under this subsection or other section of this chapter constitutes a waiver of the right to protest to the Manager or to appeal or otherwise challenge the tax, charge or determination in any judicial or other proceeding.

B. The sales tax administrator shall issue a written ruling on each collector protest within thirty (30) days of receipt of the protest or on such later date as may be required to insure full consideration of the issues raised in the protest. The collector has the burden of proof. The sales tax administrator may permit or require the collector to provide additional information relevant to the protest. The sales tax administrator may seek the advice of the City attorney on any protest. The ruling on the protest must set forth the reason for the grant or denial of the protest. The ruling will be sent to the collector at the address given on the protest.

C. If a protest is granted, the sales tax administrator shall refund to the collector the penalty, interest or charge levied or the tax collected and paid over to the City that was on an exempt transaction or otherwise not subject to the tax levied or the interest, penalty or charge under this chapter. The collector shall immediately refund to each taxpayer from whom the tax was collected the amount of the tax improperly collected; provided, if the collector has failed to directly or indirectly collect the tax but has paid the tax to the City from its own account, the collector may retain the tax refund.

D. In the event a protest is denied, the collector may, within thirty (30) days of the date of the notice of denial, appeal the denial to the manager if the manager was not acting as the sales tax administrator on the protest. The manager shall receive such additional information whether written or oral, as the collector may desire to present. The manager may also receive such additional testimony and material as the sales tax administrator may present. The manager shall render a decision in writing and give notice of the decision of the collector. The decision of the manager, whether acting as the manager or as the sales tax administrator, is final and is subject to judicial review by an appeal to the superior court under applicable appellate court rules.

E. Failure to file an appeal or protest as authorized under this section within the time permitted constitutes a waiver of the appeal or protest and any other rights of the collector to challenge the tax, interest, penalty, or other charge directly or collaterally.

#### **4.21.230 Refund of excess payment.**

A. A taxpayer or collector who, through a clerical or similar error, pays a tax under this chapter that exceeds the amount actually due may receive a refund of the excess payment upon meeting the conditions set out in this section.

B. A taxpayer who has made an excess sales tax payment as set out in subsection shall be given a refund of the excess by the collector if the taxpayer

1. Notifies the collector of the excess payment;
2. Proves to the collector that an excess payment was made; and
3. Provides such notification and proof to the collector prior to the date the collector pays over to the City the taxes collected during the reporting period in which the claimed excess payment was made.

C. A taxpayer who has made an excess sales tax payment as set out in subsection who has been denied a refund by the collector, or who did not meet the requirements of DMC 4.21.230(B)(3) or who has made an excess use tax payment may file with the sales tax administrator for a refund of the excess payment. The taxpayer must file the request for the refund and satisfactory proof of entitlement with the administrator not later than the last business day of the calendar quarter following the quarter during which the claimed excess payment was made. The manager may establish a reasonable fee for processing refund requests under this subsection.

D. A collector who has made an excess tax payment as set out in DMC 4.21.230(A) shall be given a refund of the excess if the administrator receives written notices from the collector of the amount claimed as an excess payment. The administrator must receive the notice and satisfactory proof of the excess payment, in the form required by the administrator, not later than the last day upon which the collector may file a tax return under this chapter for the quarter following the quarter for which the claimed excess payment was made.

E. Upon approval of a refund to a collector, the City may pay the refund to the collector or authorize the collector to take the refund as a credit against future quarterly tax payments; provided, the amount taken as a credit in any one quarter may not exceed thirty percent (30%) of the taxes otherwise due from the collector for the quarter. No interest may be paid on the excess payment.

F. A claim for a refund of an excess payment to which this section applies is forever barred if notice and proof of the excess payment are not given within the time required.

#### **4.21.240 Returns and Information Declared Confidential; exemptions.**

Returns filed with the City for the purpose of complying with the terms of this Chapter and all data obtained from such returns are confidential, and such returns, and data obtained shall be kept from inspection by all private persons, except as necessary to investigate and prosecute violations of this Chapter. Nothing contained in this Section shall be construed to prohibit the delivery to a person or entity, or to their duly authorized representative, of a copy of any return or report filed by them, nor to prohibit the publication of statistics so classified as to prevent the identification of particular buyers or sellers, nor to prohibit the furnishing of information on the reciprocal basis to other agencies of the State of Alaska or of the United States concerned with the enforcement of tax laws.

#### **4.21.250 Time extensions.**

For good cause shown, the sales tax administrator may grant an extension of the time required for the performance of any act under this chapter. The extension shall be subject to such terms and conditions as the administrator finds appropriate. An application for an extension must be filed in writing before the date required for performance.

#### **4.21.260 Use tax levied.**

A. There is levied and shall be collected a use tax equal to the sales tax set out in Section 4.21.020 on the processing, storage, consumption, transportation, or other use of raw fish within the City if such fish has not been the subject of a transaction otherwise taxable under this chapter had the acquisition by the user been a purchase within the City. The tax shall be levied and collected in an amount equal to the rate of levy times the value of the property used.

B. A credit shall be allowed against the tax imposed by this section in an amount that the present user, the user's agent, bailer or donor has paid a sales or use tax or a severance tax with respect to such fish in any other state or political subdivision prior to the use of the fish in the City. The person who processes, stores, consumes, transports, or otherwise uses raw fish subject to taxation under this section is liable for the payment of the tax to the City and shall file a return, obtain a certificate of registration, and remit the taxes due in the same manner and subject to the same requirements for reporting, payment, interest, penalties, inspection of records, enforcement, administration and other applicable provisions of this chapter as are set out for the taxation of sales of raw fish.

C. Under this section, the act of transporting property within the City shall only be considered a taxable use when the property being transported is raw fish caught or harvested within the City

by a person who intends to sell the fish to a buyer, irrespective of whether the buyer is located within the City, and irrespective of whether the person transporting such raw fish has an agreement or obligation to sell the raw fish to any particular buyer at the time the transporting of the fish within the City occurs.

**4.21.270 Authority to contract collection.**

The manager may, with the consent of the city council, contract with a city or a private person to collect the taxes imposed by this chapter.

**4.21.280 Enforcement.**

A. If tax is not paid when due, the City may enforce the payment of the tax, interest and any penalties by any method available in law, including but not limited to the lien and sale of property of the collector or taxpayer and a personal action against the delinquent collector or taxpayer.

B. For the violation of any provision of this chapter the City may bring an action for civil penalties and for any violation or threatened violation an action for injunctive relief. An action for injunctive relief may be brought notwithstanding the availability of any other remedy. Upon an application for injunctive relief and a finding of violation or threatened violation of a provision of this chapter, the superior court shall grant the injunction. Each day that a violation continues is a separate violation.

C. For the violation of any provision of this chapter the City may bring a criminal action without regard to whether any civil remedy is available or has been sought or obtained.

**4.21.290 Violation - Criminal enforcement.**

A. Violation of any of the requirements of this chapter is a misdemeanor. For convictions of a violation of a provision of this chapter, a fine of not to exceed five hundred dollars (\$500) may be imposed; except, for a subsequent violation of any provisions of this chapter, whether similar to or different from the prior conviction, the maximum penalty that may be imposed is a fine of one thousand dollars (\$1,000) or imprisonment for not to exceed thirty (30) days, or both, if the subsequent conviction is for a violation that occurred after, but within three years of the conviction for the prior violation.

B. Each day upon which a violation of this chapter continues is a separate offense.

C. The City may recover taxes, interest, civil penalties and other amounts due in a civil action independent of or in addition to any criminal action filed.

Section 2. Effective Date. This ordinance shall be effective as of June 1, 2012 but only if approved by the voters of Dillingham in a special election to be held on or about April 10, 2012.

PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council on

SEAL:

\_\_\_\_\_  
Alice Ruby, Mayor

ATTEST:

\_\_\_\_\_  
Janice Williams, City Clerk

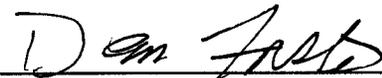
**Subject:** An ordinance of the Dillingham City Council levying a 2.5% tax on sales of raw fish subject to voter ratification

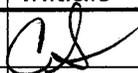
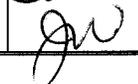
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Agenda of: February 2, 2012

Council Action: Council approved introduction of Ordinance No. 2012-01 at their January 19, 2012 Regular City Council Meeting.
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Manager: Recommend approval.

City Manager:   
Dan Forster

Route To:	Department / Individual	Initials	Remarks
X	Finance / Carol Shade		
X	City Clerk / Janice Williams		

**Fiscal Note:** Yes \_\_\_\_\_ No X Funds Available: Yes \_\_\_\_\_ No \_\_\_\_\_

**Other Attachment(s):**

- Resolution No. 2010-10, adopted February 11, 2010, authorized the Mayor to submit a petition to the State of Alaska Local Boundary Commission (LBC)
- Copy of Notice of Public Hearing advertisement that appeared in the January 25, 2012 edition of The Delta Discovery

**Summary Statement.**

This ordinance was introduced at the January 19, 2012 Regular City Council meeting.

The City Council filed its petition with the Local Boundary Commission June 14, 2010, proposing a 2.5% raw fish tax in conjunction with annexation, rather than relying upon increased State revenue, to enhance its financial sustainability.

Resolution No. 2012-07, adopted January 19, 2012 approved scheduling a special election for April 10, 2012 for voter approval of annexation and ratification of an ordinance establishing a tax on sales of raw fish. A request was submitted to the Dept. of Justice January 25, 2012 requesting preclearance review of the special election.

CITY OF DILLINGHAM, ALASKA

RESOLUTION NO. 2010-10

**A RESOLUTION OF THE DILLINGHAM CITY COUNCIL AUTHORIZING THE MAYOR TO SUBMIT A PETITION TO THE ALASKA LOCAL BOUNDARY COMMISSION FOR ANNEXATION OF COMMERCIAL FISHING WATERS TO THE CITY OF DILLINGHAM – USING THE LOCAL VOTER APPROVAL PROCESS**

---

WHEREAS, fishery resources and the commercial fishing and seafood processing industries are the backbone of Dillingham's economy and integral to many residents' livelihoods and way of life;

WHEREAS, the Dillingham population more than doubles during the peak fisheries months of May through August as summer visitors come to town to commercial fish in Nushagak Bay and other places in Bristol Bay or work in Dillingham-based seafood processing plants; and

WHEREAS, these many people beyond Dillingham residents and fishermen use the City-maintained harbor, docks, boat ramps, restrooms, bath house, and benefit from trash-hauling, street and grounds maintenance needs, etc. harbor, docks, and boat launches; and

WHEREAS, this annexation and its accompanying local severance and sales tax on raw fish will provide more revenue to the City of Dillingham to help pay for services and infrastructure that the region's commercial fishermen and fleet use while in town and will help make the community more financially sustainable; and

WHEREAS, services determined to be essential city services under 3 AAC 110.970 can be provided more efficiently and more effectively by the City of Dillingham than by another existing city or by an organized borough on an area wide basis or non-area wide basis; and

WHEREAS, the territory proposed for annexation is compatible in character with Dillingham; and

WHEREAS, the territory proposed for annexation is contiguous to the existing boundaries of Dillingham and would not create enclaves in the expanded Dillingham boundary; and

WHEREAS, the proposed expanded boundaries of the City includes the Nushagak Commercial Salmon District and Wood River Sockeye Salmon Special Harvest area as justified by the application of the standards in 3 AAC 110.090 – 3 AAC 110.135; and

WHEREAS, annexation to the City is in the best interests of the State under AS 29.06.040(a) and 3 AAC 110.135;

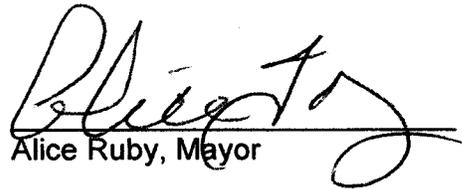
NOW, THEREFORE, BE IT RESOLVED that The Petitioner, the Dillingham City Council, is authorized to file a petition for annexation by local voter approval to the Alaska Local Boundary Commission, of the Nushagak Commercial Salmon District, and, the Wood River Sockeye Salmon Special Harvest area.

The Mayor or City Manager is designated as the representative of the City for all matters relating to the annexation proceeding.

The annexation will be on the terms and conditions in the Petition, as modified during the Local Boundary Commission review and approval process, and then approved by the voters of Dillingham.

ADOPTED by the City of Dillingham City Council on February 11, 2010.

SEAL:

  
Alice Ruby, Mayor

ATTEST:

  
Rosie Pietronave, City Clerk

# CLASSIFIEDS

## For Sale

New Toyostoves Laser 73 \$2100. Laser 56 \$1650 Laser 30 \$1275. GCI Cell 545-1616. (10/10-cnx)(ch)

Jeff Sanders Sells Woodstoves. 3 Blade eco-fans \$140 ppd. (907) 543-2379. (11/5/26-cnx)

**FIREWOOD**  
CUT & SPLIT OR ROUND LOGS  
545-2877 (8/11/23-cnx)

Plastic sled runners available in 4 colors, any length, and many widths. We ship anywhere there is a post office or airport. 543-2379 Ask for Jeff. (26)(10/5-cnx)

Freshly remodeled Trailer for Sale: \$25,000 OBO. 543-2802. (8/8/25-cnx)

For Sale: 3 ea. 10 by 45 Atco vans for storage \$2000.00 each or OBO. 543-2750. (16)(7/6-9/21; cnx)

For sale: 1996 GMC Jimmy SUV, \$2500.00 OBO 543-2750. (18)(12/14-cnx)

Brand new, Alaskan quality, modular homes set up on your lot in Bethel and most villages. See our website, www.alaskasbesthome.com, or call Continental Industries at (380) 886-9933. (27)(12/21-5/9)

For Sale:  
1991 Chevy 2500 series 4x4 Regular Cab Truck. Runs good, muffler and body, needs work. 45,000+ miles. \$5,000.00; Well-McLain gold oil burner, never been used \$2,700.00; 7,000 gallon single wall tank \$4,000.00; 15,000 gallon single wall horizontal tank \$5,000.00; Lot of 35ft. electric poles \$50.00 each; Napakiak Corporation, contact office 589-2227 or 2250. (55)(12/21-cnx)

## Wanted

Wanted: Used desktops and laptops working or not. Some repairs done. 545-0929 evenings. (13)(11/10-cnx)

## For Rent

**OUTSIDE STORAGE SPACE FOR RENT.** EQUIPMENT, BOATS OR VEHICLES. NEAR BOAT HARBOR. FENCED IN AREA. 543-2402. (16)(3/17-cnx)

**Fully Equipped Do-it-Yourself Shop Available.** Rent by the day or hour. Joe's Shop 545-0920. (14)(11/11-cnx)

**STORAGE UNITS.** 5 sizes available. Unclutter your home. Store summer gear and infrequently used items. Celeration. 543-4008. (17)(11/11-cnx; 5/19-cnx)

**Heated storage units for rent,** secured building. \$75 & \$120 per month, depending on size. Inquire at AC Quickstop 543-2640. (20)(12/2-cnx)

**Small Apartments available.** Some utilities paid. 543-2750. (7)(9/1-22; cnx)

**Hawaii Condo for Rent**  
Sweet Retreat for your vacation. Located in Sunny Kihei, Maui, Hawaii. 2 Bed, 2 Bath, Ground floor, handicap and elder friendly. Across the street from Sugar Beach, 5 min. to grocery and restaurants. Only 15 min. from Kahalui Airport. Internet, BBQ, TV, Phone and Pool included. Reasonable Rates. Ask for unit 1A when you call 800-927-7672. (61)(3/2-cnx)

**Duplex for Sale - Tundra Ridge.** Each side: 2 BR/ 1 BA, 2,450 total sq. ft. One side leased at \$1,484 with tenant paying all utilities; other side newly available. Lg. treed lot overlooks lake. Two new boilers / boilermates, ten new Northern windows, new appliances, vinyl & carpeting. Lots of storage. Appraisal in process. Info/Viewing - Phil @ 907-523-4870. (59)(12/28-cnx)

**Large unfurnished building for rent,** approximately 40x60 on commercial lot. Perfect for mechanic business. AS IS, \$900/month. 545-3134. (18)(1/18-2/1)

## Real Estate

For Sale 23,500 square foot lot/downtown location on Chief Eddie Hoffman Highway (or State Highway)

across from Fire Station. Serious offers only. 907-543-3552. (23)(7/28-cnx)

**For sale. Manufactured Home** \$85,000. 6 bedrooms/3 bathrooms/fully furnished. Potential gross income \$4,800 per month. Turnkey. Recover your investment in 3 years. 543-3552. (24)(7/28-cnx)

**BRAND NEW HOUSE FOR SALE**  
3 BED, 1 BATH AT 120 CRANBERRY ROAD. 12,000 SQ. FT. LOT. 1 STORY, 1400 SQ. FT. NICE ARCTIC ENTRY AND DECK. BOILER HEAT, ENERGY EFFICIENT. ALL MAJOR APPLIANCES INCLUDED. SEE BY APPT. ONLY. CALL 543-4483. \$270K. (42)(2/9-cnx)

**For Sale: 28 by 36 Duplex.** Needs work, must be moved \$30,000.00 OBO 543-2750. (14)(7/6-9/21; 9/28-10/28)

**For Sale: 24 by 56 bunk house 4 plex.** \$35,000.00 OBO. 543-2750. (12)(7/6-9/21; 9/28-10/28)

**House for Sale:**  
Great Tundra view. 3 bedrooms, den, 3 bathrooms, 2 car heated garage, Open Living/Dining/Kitchen area, family room. 2852 Sq Ft. Appraised for \$375,000. Serious Offers only. 605-745-4222. (30)(1/18-cnx)

**New Duplex For Sale**  
1200 SQ FT EA SIDE, LG DECKS, LOCATED AT 160 HOFFMAN SUB. BOILER HEAT, ALL APPLIANCES INCLUDED. ENERGY EFFICIENT, 2 BEDROOM, 1 BATH EACH UNIT. EXCELLENT INVESTMENT AT \$445,000. CALL 543-4483 OR 545-1672 FOR APPT. TO VIEW. (41)(12/14-cnx)

## Employment

**Job Opening: Naparyalruar Store Manager**

**Requirements:** Experienced in General Store Purchasing Operations, Gas & Fuel Department, Inventory, Work Place Safety, Supervise and Schedule up to ten (10) employees working rotations, must be familiar with Quick Books, Billing and Receiving Payments, assist Napakiak Corporation Bookkeeper as needed and other duties as directed by the General Manager and the Board of Directors.  
**Experienced Applicants:** Starting Salary \$20.00 per hour up to (8) hours per day, matching pension plans, sick and annual leaves, start after 90 days probationary period.

## BUILDING FOR SALE

907-543-3264



**SMALL HOUSE FOR SALE AS IS FIRST \$7500.00 TAKES IT ALREADY ON THE TRAILER 543-3264**



**FOR SALE -REMOVED OFF A TENDER BOAT. BEST OFFER GETS IT TO YOUR YARD! Call today 543-3264**

This position is not necessarily restricted to the requirements listed above; applicants familiar with General Store Operations may apply, there will be a required 90 day probationary period, starting salary at \$15.00 per hour.

Applications available at Napakiak Corporation Office. Call 589-2227/2250, closing date February 29, 2012. (133)(12/28-2/9)

## Marketing Representative I

United Utilities, Inc., affiliated with United-KUC and Unicom, has an opening for a Marketing Representative in Bethel. This position is responsible for marketing and sales, computer data entry and providing total customer support. Hours are 9:00 a.m. through 6:00 p.m. Monday through Friday. Applicants must: have a high school diploma or GED; a minimum of six (6) months customer service and/or sales experience preferred; excellent communications skills; be skilled with computer operations in a PC environment; be able to prioritize, multi-task, and work independently; and must be able to maintain attendance

*continued on page 18*



## NOTICE OF PUBLIC HEARING

The City of Dillingham will hold a **Public Hearing** on **Thursday, February 2, 2012, at 7:00 p.m. in the City Council Chambers** for the purpose of taking comment from the public on:

- Ordinance No. 2012-01, An Ordinance of the Dillingham City Council Levying a 2.5% Tax on Sales of Raw Fish Subject to Voter Ratification.

This ordinance shall be effective as of June 1, 2012, but only if approved by the voters of Dillingham in a special election to be held on April 10, 2012.

- Ordinance No. 2012-02, An Ordinance of the Dillingham City Council amending the budget by adopting budget amendment No. 1, and appropriating funds for the FY 2012 City of Dillingham Budget

If you have any questions, please forward them to the City Clerk's Office at 842-5212 or email cityclerk@dillinghamak.us.



## PUBLIC NOTICE

The Dillingham City Council adopted the following ordinance at their January 19, 2012 regular council meeting:

- Ordinance No. 2011-09, An Ordinance of the Dillingham City Council amending DMC Sections 6.08.020.A and B to allow licenses bars and eating establishments to serve alcohol on Super Bowl Sunday and when New Year's Eve falls on a Sunday

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**Free Listing Online with each printed classified ad!**

25 cents a word · Deadline: Friday, 5 p.m.  
Office: In the Subway Building - 401 Ridgecrest Drive  
P. O. Box 1028, Bethel, AK 99559  
Phone: (907) 543-4113 · Fax: (907) 543-4116

CITY OF DILLINGHAM, ALASKA

**ORDINANCE NO. 2012-02**

**AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING THE BUDGET BY ADOPTING BUDGET AMENDMENT NO. 1, AND APPROPRIATING FUNDS FOR THE FY 2012 CITY OF DILLINGHAM BUDGET**

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WHEREAS, the City Council has approved the Operating Budget and Capital Improvement Budget for FY 2012 in accordance with Title 4 of the Dillingham Municipal Code pursuant to AS 20.20.500(3); and

WHEREAS, duly advertised public workshops were held and the City Council reviewed the budget amendment recommendations presented; and

WHEREAS, the City Council has set the rate of levy of property tax for the City of Dillingham for FY 2012 budget at 13 mills; and

WHEREAS, the budget presented, reviewed and changed is in accordance with sound and efficient municipal management principles; and

WHEREAS, the City Council should have the power to transfer appropriated monies from one General Government Fund or Special Revenue Fund to another and from one Capital Project to another by resolution and the City Manager should have the power to transfer funds from one line item object to another object code within a fund and within a Capital Improvement Project; and

WHEREAS, the FY 2012 funds are ready for appropriation by ordinance;

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

1. The FY 2012 Operating Budget and Capital Improvement Budget Amendment No. 1 as recommended by the City Manager is hereby adopted for the City of Dillingham.
2. The amounts set forth in the budget as reviewed by the City Council for the respective departments and/or funds shall be, and hereby are, appropriated for the fiscal year ending June 30, 2012.
3. The City Council shall have the power to transfer approved and appropriated General Fund or Special Revenue Fund monies from one to another and from one Capital Project to another by resolution.

4. The City Manager shall have the power to transfer funds from one line item object code to another within a fund and within a Capital Improvement Project.

BE IT ENACTED by the Dillingham City Council that:

Section 1. Classification: This ordinance is a non-code ordinance.

Section 2. Severability. If any portion of this ordinance or any application thereof to any person or circumstances is held invalid, the remainder of the ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Appropriation Summary. The appropriation from the Treasury in Section 4 is a total of \$13,630,216, and the amended appropriation is \$13,806,411.

Section 4. Appropriations.

A. General Fund Government Operations

01	City Council	\$ 106,600
04	Administration	305,901
06	City Clerk	113,139
08	Finance	572,124
10	Legal	200,000
12	Insurance	86,899
13	City School	1,300,000
14	Non-Departmental	220,125
15	Contributions	4,000
16	Planning	144,287
19	Dispatch	451,553
20	Patrol	986,290
22	Corrections	542,107
23	Dept. of Motor Vehicles	90,590
30	Fire & EMS	290,146
40	Animal Control Officer	116,306
42	Buildings and Grounds	298,358
44	Shop	301,689
46	Street	513,425
48	Public Works Administration	133,943
49	Foreclosed Properties	150,000
60	Library	156,852
7x	Bingo Hall/Potato House Rentals	9,905
80	Transfers/Contingencies	844,045
90	Transfers to Equipment/Capital Reserves	<u>170,000</u>

TOTAL GENERAL FUND APPROPRIATIONS \$8,108,284

SPECIAL REVENUE FUNDS & OTHER FUNDS APPROPRIATIONS

06	Water & Sewer	\$457,633
07	Landfill	344,493
08	Port - Dock	369,429
09	Port - Boat Harbor	211,544
10	E-911	-0-
12	Senior Center (Operations)	467,220
12	Senior Center (Water Damage)	387,969
15	Debt Service	1,177,840
34	Mary Carlson Estate Permanent Fund	<u>7,420</u>

TOTAL SPECIAL REVENUE FUNDS  
& OTHER FUNDS APPROPRIATIONS \$3,423,548

CAPITAL APPROPRIATIONS

	Equipment Replacement Capital Project Fund	100,000
	Ambulance Reserve Fund	45,000
	Capital Improvement Projects	<u>1,953,384</u>
	TOTAL CAPITAL APPROPRIATIONS	<u>\$ 2,098,384</u>

TOTAL APPROPRIATIONS \$13,630,216

Section 5. Revenues.

General Fund

Taxes

	Sales Taxes	\$2,550,000
	Alcohol Sales Taxes	250,000
	Transient Lodging Sales Taxes	95,000
	Real Property Taxes	1,470,000
	Personal Property Taxes	506,473
	Penalty and Interest on Property Taxes	50,000
	Foreclosed Properties	338,000
	Penalty and Interest on Sales Taxes	10,000
	Gaming Sales Tax	65,000
	Payment in Lieu Taxes (PILT)	421,879
	Payment in Lieu Taxes (BBHA)	5,720

Other Revenues

	Jail Contract Revenue	460,725
	Revenue Sharing	280,288
	Shared Fisheries	40,000
	Raw Fish Tax	446,588
	Revenues from State of Alaska	282,614
	Revenues from Federal Government	31,757
	Administrative Overhead	309,419

Licenses Fees Fines and Permits	78,500
Lease and Rental Income	39,000
Investment Income	45,000
Other Revenues	<u>112,129</u>

TOTAL GENERAL FUND REVENUES \$7,888,092

SPECIAL REVENUE FUNDS & OTHER FUNDS REVENUES

06 Water & Sewer	\$404,444
07 Landfill	180,607
08 Port - Dock	680,966
09 Port - Boat Harbor	121,482
10 E-911	65,650
11 Asset Forfeitures	10,000
12 Senior Center	555,833
15 Debt Service	924,488
34 Mary Carlson Estate Permanent Fund	<u>7,420</u>

TOTAL SPECIAL REVENUE FUNDS  
& OTHER FUNDS REVENUES \$2,950,890

Capital Improvement Projects

Dillingham Middle/High/Elementary Schools	\$953,384
Tower Road Construction	<u>1,000,000</u>
Total Capital Improvement Projects	<u>\$1,953,384</u>

TOTAL REVENUES \$12,792,366

Section 6. Transfers.

Transfers from General Fund to Other Funds:

Water & Sewer	\$ 53,189
Landfill	163,886
Harbor	90,062
Senior Center	283,556
Debt Service	253,352
Capital Equipment Fund	100,000
Public Safety Building Planning	20,000
Dillingham School District Request	<u>50,000</u>

Total Transfers \$1,014,045

Transfer from E911 Fund 10 to General Fund 01 Dispatch \$0

Section 7. Summary.

Total Revenues	\$13,806,411
Total Appropriations	<u>\$13,630,216</u>
Net (Decrease) to Fund Balances	<u>\$ 176,195</u>

Section 8. Effective Date. This ordinance is effective upon passage.

PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council  
on \_\_\_\_\_.

SEAL:

\_\_\_\_\_  
Alice Ruby, Mayor

ATTEST:

\_\_\_\_\_  
Janice Williams, City Clerk

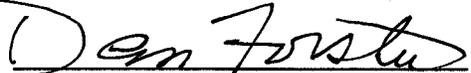
City of Dillingham Information Memorandum No. O2012-02

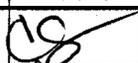
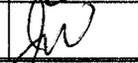
**Subject:** An ordinance of the Dillingham City amending the budget by adopting Budget Amendment No. 1, and appropriating funds for the FY 2012 City of Dillingham budget

**Agenda of:** February 2, 2012

City Council Action: The City Council moved to introduce Ordinance No. 2012-02 was at their January 19, 2012 Regular Council Meeting.

Manager: Recommend approval.

City Manager:   
Dan Forster

Route To:	Department / Individual	Initials	Remarks
X	Finance Director / Carol Shade		
X	City Clerk / Janice Williams		

**Fiscal Note:** Yes \_\_\_ No X Funds Available: Yes \_\_\_ No \_\_\_

**Other Attachment(s):**

**Summary Statement.**

**Appropriations**

The General Fund Appropriations net increase requested is \$319,620. The majority of this increase is due to legal fees and additional foreclosure costs. An itemized narrative for increased appropriations is attached.

The Special Revenues Fund Appropriations decrease was \$17,985. This is due to requesting a decrease in transfers from E-911 to Operations and a decrease in budgeted revenue for E911 and an increase in expenses for Asset Forfeiture.

The net increase in Total Appropriations is \$176,195.

**General Fund**

**Revenues**

Interest Income	\$	(20,000)
6% Gaming Tax		(15,000)
10% Transient Lodging Tax		15,000
Rental Income		2,000
Raw Fish Tax		156,588
Revenue Sharing		2,326
Rent Revenue - Real Prop		22,000
6% Sales Tax		25,000
Real Property Tax		15,000
Penalty & Interest		8,000
Personal Property Tax		29,758

Payments in Lieu of Taxes	14,879
PILT - BBHA	(9,280)
Miscellaneous Revenue	10,000
E-911 Rate Monthly Charge	(45,000)
Court Deposits	1,500
Commissary Revenue	1,500
DMV Commission Revenue	3,000
Title 47 User Fees	12,000
IMLS Native Library Grant	1,000
Library Grant PLA	150
Library Fines and Fees	1,500
Gates Foundation	5,000
Total Revenues Change	<u>\$ 236,921</u>

#### Expenses

City Council	\$ 10,000.00
Legal	160,000
Non-Departmental	12,500
Planning	15,000
Foreclosed Properties	130,150
Library	6,000
Transfer Subsidy for Operations	(14,030)
Total Expenses Change	<u>\$ 319,620</u>

#### Special Revenue Funds

##### Revenues

Penalty & Interest	\$ 4,000
Sewer Connect Fee	150
Contribution from General Fund	(4,150)
Wharfage & Handling	60,000
Labor Income	1,500
Equipment Rental	10,000
Miscellaneous Revenue	(30,000)
Penalty & Interest	500
Boat Harbor Fees	20,000
Harbor Wharfage & Handling	10,000
Contribution from General Fund	(11,000)
BBEDC Ice Grant	(20,000)
Bathhouse Revenue	500
Transfer to General Fund	45,000
Rides and Donations	2,500
Congregate Meals	(2,500)
Home Delivered Meals	250
Guest Meals	(2,500)
Contribution from General Fund	11,120
Aluminum Recycle	50
Room Rental	(5,500)

Miscellaneous Revenue	(3,420)
Water Damage Repair	387,969
Contribution from General Fund	10,000
Surplus Equipment Sales	<u>(15,000)</u>
Total Special Revenues	<u>\$ 469,469</u>

Expenses	
Building Repair - Water Damage	<u>\$ 387,969</u>
Total Special Revenue Expenses	<u>\$ 387,969</u>

# Ordinance 2012-02 Amending FY12 Budget Narrative

## General Fund Budget Increases/(Decreases)

### Expenses - Increase

<p><b>Increase City Council Annexation Public Information Annexation PI</b>                      To reflect estimated cost for Annexation Referendum campaigning                      Original Budget \$96,600 Revised Budget \$106,600</p>	<p>\$ 10,000.00</p>	<p>01-01-750.683</p>
<p><b>Increase Legal to estimated Actual</b>                      To reflect actual and estimated costs for labor relations attorney costs for unionization efforts.                      Original Budget \$40,000 Revised Budget \$200,000</p>	<p>\$ 160,000.00</p>	<p>01-10-850.xxx</p>
<p><b>Increase Non-Departmental</b>                      To increase Contract Labor by \$10,000 for Alaska USA Insurance Brokerage Contract and add \$2,500 for Mikunda Cottrell, Audit Contract, due to additional work performed during audit.                      Original Budget \$207,625 Revised Budget \$220,125</p>	<p>\$ 12,500.00</p>	<p>01-14-750.610</p>
<p><b>Increase Planning</b>                      To reflect actual request during FY2012 budget year for GIS mapping                      Original Budget \$129,287 Revised Budget \$144,287</p>	<p>\$ 15,000.00</p>	<p>01-16-750.610</p>
<p><b>Increase Foreclosed Properties</b>                      To reflect costs related to preparing properties for the foreclosure process. Legal fees, consulting fees.                      Original Budget \$5,400 Revised Budget \$73,297</p>	<p>\$ 67,897.00</p>	<p>01-49-750.610</p>
<p><b>Increase Foreclosed Properties</b>                      To reflect payment to the IRS for one of the foreclosed properties.                      Original Budget \$0 Revised Budget \$62,253</p>	<p>\$ 62,253.00</p>	<p>01-49-700.000</p>
<p><b>Library</b>                      To reflect purchase of a copier that was approved in FY11 budget but did not get purchased until this year.                      Original Budget \$0 Revised Budget \$6,000</p>	<p>\$ 6,000.00</p>	<p>01-60-800.810</p>

### Expenses - Decrease

<p><b>Transfer Subsidy for Operations</b>                      Reduce contribution to Special Revenues funds, due to increase in revenues to those funds. Harbor and Water and Sewer                      Original Budget \$858,075 Revised Budget \$844,045</p>	<p>\$ (14,030.00)</p>	<p>01-80-901.000</p>
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**General Fund Revenues Increase (cont)**

Payment in Lieu of Taxes		\$ 14,879.00	01-08-418
To reflect actual taxes received at 12/31/11			
Original Budget	\$407,000	Revised Budget	\$421,879
Miscellaneous Revenue		\$ 10,000.00	01-08-450
To reflect actual taxes received at 12/31/11			
Original Budget	\$15,000	Revised Budget	\$25,000
Court Deposits		\$ 1,500.00	01-20-335
To reflect anticipated increase in penalties and interest based on 249% of originally budgeted revenues received at 12/31/11.			
Original Budget	\$500	Revised Budget	\$2,000
Commissary Revenue		\$ 1,500.00	01-22-378
To reflect anticipated increase in penalties and interest based on 101% of originally budgeted revenues received at 12/31/11.			
Original Budget	\$2,500	Revised Budget	\$4,000
DMV Commission Revenue		\$ 1,500.00	01-23-375
To reflect anticipated increase in penalties and interest based on 57% of originally budgeted revenues received at 12/31/11.			
Original Budget	\$40,000	Revised Budget	\$43,000
Title 47 User Fees		\$ 12,000.00	01-24-445
To reflect anticipated increase in penalties and interest based on 179% of originally budgeted revenues received at 12/31/11.			
Original Budget	\$8,000	Revised Budget	\$20,000
IMLS Native Library Grant		\$ 1,000.00	01-60-300
To reflect actual funds received at 12/31/11.			
Original Budget	\$6,000	Revised Budget	\$7,000
Library Grant PLA		\$ 150.00	01-60-305
To reflect actual funds received at 12/31/11.			
Original Budget	\$6,350	Revised Budget	\$6,500
Library Fines & Fees		\$ 150.00	01-60-305
To reflect anticipated revenues based on 116% of original budgeted revenues received at 12/31/11.			
Original Budget	\$2,000	Revised Budget	\$3,500
Gates Foundation		\$ 5,000.00	01-60-430
To reflect actual funds received at 12/31/11.			
Original Budget	\$0	Revised Budget	\$5,000

**General Fund Revenues - Decrease**

Interest Income		\$ (20,000.00)	01-00-361
To reflect anticipated revenues based on actual interest rates on investments and the declining 3 year average.			
Original Budget	\$45,000	Revised Budget	\$25,000
6% Gaming Tax		\$ (15,000.00)	01-00-402
To reflect anticipated revenues based on actual gaming revenues of 12% of original budget received to date and a declining 3 year average.			
Original Budget	\$80,000	Revised Budget	\$65,000
PILT - BBHA		\$ (9,280.00)	01-08-419
To reflect actual revenues received at 12/31/11.			
Original Budget	\$15,000	Revised Budget	\$5,720
E-911 Rate Monthly Charge		\$ (45,000.00)	01-19-376
To reflect keeping the E911 revenues in a fund balance for the purpose of using for replacement of E911 equipment.			
Original Budget	\$45,000	Revised Budget	\$0



Original Budget \$1,500 Revised Budget \$2,000

**Special Revenue Fund Revenue Increases (cont)**

**Rides & Donations**

\$ 2,500.00 12-75-380

To reflect anticipated increase in revenues based on 93% of originally budgeted revenues received at 12/31/11 and reflect 3 year average.

Original Budget \$2,500 Revised Budget \$5,000

**Home Delivered Meals**

\$ 250.00 12-75-382

To reflect anticipated increase in revenues based on 145% of originally budgeted revenues.

Original Budget \$150 Revised Budget \$400

**Water Damage Repair**

\$ 387,969.00 12-78-460

To reflect actual estimated revenue from insurance company

Original Budget \$0 Revised Budget \$387,969

**Revenue Decreases**

**Miscellaneous Revenue**

\$ (30,000.00) 08-00-450

To reflect actual estimated revenue for this line item, based on 3 year average

Original Budget \$60,000 Revised Budget \$30,000

**BBEDC Ice Grant**

\$ (20,000.00) 09-31-456

To reflect actual estimated revenue from this grant as grant was not applied for.

Original Budget \$20,000 Revised Budget \$0

**E-911**

\$ 45,000.00 10-00-390

To remove amount to transfer to general fund for dispatch costs, so these funds can build E-911 fund balance for replacing equipment.

Transfer to General Fund

**Congregate Meals**

\$ (2,500.00) 12-75-381

To reflect anticipated decrease in revenues based on 3% of originally budgeted revenues received at 12/31/11.

Original Budget \$6,500 Revised Budget \$4,000

**Guest Meals**

\$ (2,500.00) 12-75-384

To reflect anticipated decrease in revenues based on 6% of originally budgeted revenues received at 12/31/11.

Original Budget \$4,000 Revised Budget \$1,500

**Room Rental**

\$ (5,500.00) 12-78-432

To reflect anticipated decrease in revenues based on 20% of originally budgeted revenues received at 12/31/11.

Original Budget \$9,000 Revised Budget \$3,500

**Speical Revenue Fund Revenue Decreases (cont)**

Miscellaneous Revenue				
To reflect anticipated decrease in revenues based on 11% of originally budgeted revenues received at 12/31/11.				
Original Budget	\$4,420	Revised Budget	\$1,000	
Surplus Equipment Sales				
To correct revenue estimate for surplus sales. This was recorded in Equipment Sales in Fund 01 on original budget.				
Original Budget	\$15,000	Revised Budget	\$0	

12-78-432 \$ (3,420.00)

30-00-480 \$ (15,000.00)

CITY OF DILLINGHAM, ALASKA

ORDINANCE NO. 2012-03

**AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING SECTION 4.20.050 OF THE DILLINGHAM MUNICIPAL CODE TO PROVIDE AN EXEMPTION FOR SALES MADE WITHIN THAT PORTION OF THE CITY ANNEXED TO EXISTING CITY BOUNDARIES AFTER JANUARY 1, 2012 AND TO PROVIDE AN EXEMPTION FOR SALES OF FISH SUBJECT TO RAW FISH TAX**

---

WHEREAS, the City of Dillingham filed a petition to annex territory adjacent to existing city boundaries with the State of Alaska Local Boundary Commission ("LBC"); and

WHEREAS, the LBC approved the City's annexation petition on December 14, 2011; and

WHEREAS, the annexation will not become effective unless it is approved by a majority of city voters; and

WHEREAS, the City Council by Resolution 2012-07 has authorized a special election to be held April 10, 2012 at which both approval of annexation and approval of an ordinance levying a tax on sales of raw fish will be determined by city voters; and

WHEREAS, the proposed tax on raw fish will be levied upon sellers of raw fish thereby increasing their tax payments to the City of Dillingham; and

WHEREAS, the City Council wishes to reduce the overall City tax burden on those taxpayers subject to tax on their sales of raw fish; and

WHEREAS, exempting purchases made within that portion of the City described in the annexation petition from city tax sales levied under Chapter 4.20 will reduce the overall city tax burden on those taxpayers subject to raw fish tax;

BE IT ENACTED BY THE COUNCIL OF THE CITY OF DILLINGHAM:

Section 1. Amendment of Section 4.20.050. Section 4.20.050 of the Dillingham Municipal Code is hereby amended by amending subsection O and adding a new subsection Y to read as follows (additions are underlined and deletions are in [brackets]):

**4.21.010 Exemptions.**

The tax levied shall not apply to the following:

A. The sale of insurance policies, bonds of guaranty and fidelity, and banking services rendered;

B. Funeral charges and services, the sale of medical, dental, optometric or other practices of the healing arts as defined by law, the sale of hospital or assisted living services, the sale of hearing aids, and the sale of prescriptions. This exemption shall not apply to services rendered by veterinarians, barbers, cosmeticians, or masseurs;

C. Except as provided in Section 4.20.020 under "Sale", subsection (3)(n), the sale of property, goods, or services by churches, except where such religious organizations are engaged in business for profit or savings, or competing with other persons engaged in the same or similar business; provided, however, that the tax shall not apply to the sale, of religious publications, Bibles, hymn books, prayer books, vestments and ceremonial raiments, altar and other religious paraphernalia, sacramental chalices, icons and similar church service equipment;

D. Except as provided in Section 4.20.020 under "Sale," subsection (3)(n), sales to churches and bona fide religious and charitable organizations, but not to the individual members or employees thereof for their own personal consumption, use or accommodation;

E. The transportation of students to and from elementary, junior high and high schools in motor or other vehicles;

F. The sale of food and beverages in public, high school or college cafeterias and lunchrooms operated primarily for teachers and students, and not operated primarily for the public or for profit;

G. Carrier sales made directly to consumers or users of newspapers and periodicals;

H. Sales, which the municipality is prohibited from taxing under the respective constitutions and laws of the United States and of the state;

I. Sales to the United States Government, the state and its political subdivisions, the city or any department thereof; provided, however, that the exemption shall not be applicable to the sale of materials and supplies to contractors for the construction or manufacture of property for government agencies on a contract bid award, in which the contractor shall be deemed the buyer or consumer or user subject to payment of the tax;

J. Dues, fees, or tuition paid to clubs, labor unions and fraternal or religious organizations;

K. An isolated sale not made in the regular course of business of the seller;

L. Commissions or fees charged by brokers or agents in the sales of real and personal property which exceed two thousand dollars per transaction;

M. Sales of property at temporary venues for annual civic events which serve to promote Dillingham to residents of Bristol Bay villages or to tourists;

N. Sale of Native arts and crafts by the artist; except that this exemption shall not apply to businesses with a fixed location which sell Native arts and crafts as dealer, broker or agent;

O. Sales of fish subject to tax under Chapter 4.22 of this title [and other marine products to buyers who are not consumers];

P. Steamship and air transportation services;

Q. Charges for long distance telephone conversations, provided, however, that the furnishing of telephone service to subscribers within the city is taxable, and also to subscribers outside the city who are furnished such service from within the city;

R. Sales to public or private charitable institutions operating primarily as bona fide homes for homeless, delinquent, or dependent children of others;

S. The selling price amount of any sale (other than the rental or lease of real or personal property or any provision of services) in excess of two thousand dollars. For purposes of this exemption the following rules apply:

1. For purposes of computing the sales price of multiple items purchased at the same time, which are delivered to the consumer on one date, shall be combined. If the consumer is purchasing a number of items for a construction, improvement, or renovation package the sales price of the multiple items purchased at the same time as a package shall be combined even

though delivery or payment for some of the items may be made at different times. A "package" is defined as an arrangement where the buyer or seller have obtained all required permits, (i.e., city land use permit or other building permit), and there is a written agreement with seller identifying the total price being paid.

2. Each payment for a single item paid for on an installment basis shall be considered a separate sale with the exception that installment payments for snow machines, ATVs, boats, boat motors, and vehicles that are seller financed by a business operating within the city or by a financial institution are subject to the sales tax cap on the total amount of the sale.

3. For purposes of computing the amount of any sale or transaction, items purchased on account or on credit on different days shall not be combined and treated as a single sale or transaction;

T. Dump fees;

U. Wharfage and handling at the city dock;

V. Fees earned for child care services;

W. The sale from a business recognized by the city, to another recognized business within the city, of an item to be used as an ingredient or component part of an end product may be tax exempt provided the buyer has a valid certificate of exemption;

X. The sale of boat harbor fees

Y. Sales of goods and services made within that portion of the City annexed to the city after January 1, 2012.

Section 2. Effective Date. This ordinance shall be effective as of June 1, 2012 but only if a ballot proposition ratifying Ordinance No. 2012-01 is approved by the voters of Dillingham in a special election to be held on or about April 10, 2012.

PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council on

\_\_\_\_\_.

SEAL:

\_\_\_\_\_  
Alice Ruby, Mayor  
City of Dillingham

ATTEST:

\_\_\_\_\_  
Janice Williams, City Clerk

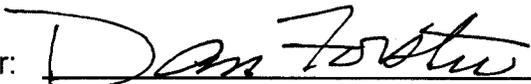
City of Dillingham Information Memorandum No. O2012-03

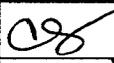
**Subject:** An ordinance of the Dillingham City Council amending Section 4.20.050 of the DMC to provide an exemption for sales made within the portion of the City annexed to existing city boundaries after January 1, 2012 and to provide an exemption for sales of fish subject to raw fish tax

Agenda of: February 2, 2012

Council Action:
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Manager: Recommend approval.

City Manager:   
Dan Forster

Route To:	Department / Individual	Initials	Remarks
X	Finance / Carol Shade		
X	City Clerk / Janice Williams		

Fiscal Note: Yes \_\_\_\_\_ No X Funds Available: Yes \_\_\_\_\_ No \_\_\_\_\_

Other Attachment(s):

Summary Statement.

This ordinance is being introduced at the February 2, 2012 Regular City Council meeting. The Code Review Committee discussed the revised changes, but did not have an opportunity to review the ordinance being introduced.

The sales tax amendment ordinance would:

1. Exempts all sales made in the newly annexed territory from sales tax under Chapter 4.20; and
2. Modifies the existing "raw fish" exemption to apply only to sales subject to tax under the proposed raw fish tax.

The effective date of the ordinance depends on passage of the raw fish tax (but not annexation). This means that if annexation passes but the fish tax does not, the ordinance is NOT effective, and sales made within the annexed area will be subject to sales tax. This effective date was chosen because the underlying rationale for the new exemption is that those paying raw fish tax will have a larger tax burden. If the raw fish tax is not approved, that rationale for the sales tax exemption will not exist. The City Council could make the effective date subject to approval of annexation instead of or in addition to approval of the raw fish tax.

CITY OF DILLINGHAM, ALASKA

ORDINANCE NO. 2012-04

**AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING CHAPTER 1.12 OF THE DILLINGHAM MUNICIPAL CODE BY ADOPTION OF A NEW SECTION 1.12.030 LIMITING THE APPLICABILITY OF CERTAIN PORTIONS OF THE DILLINGHAM MUNICIPAL CODE IN AREAS ANNEXED TO EXISTING CITY BOUNDARIES**

---

WHEREAS, the City of Dillingham filed a petition to annex territory adjacent to existing city boundaries ("the Annexed Area") with the State of Alaska Local Boundary Commission ("LBC"); and

WHEREAS, the LBC approved the City's annexation petition on December 14, 2011; and

WHEREAS, the annexation will not become effective unless it is approved by a majority of City voters; and

WHEREAS, the City Council by Resolution 2012-07 has authorized a special election to be held April 10, 2012 at which both approval of annexation and approval of an ordinance levying a tax on sales of raw fish will be determined by city voters; and

WHEREAS, the Annexed Area is uninhabited and primarily consists of water; and

WHEREAS, the public policy goals of certain City of Dillingham ordinances will not apply in the Annexed Area;

BE IT ENACTED BY THE COUNCIL OF THE CITY OF DILLINGHAM, ALASKA:

Section 1. Amendment of Chapter 1.12. Chapter 1.12 of the Dillingham Municipal Code is hereby amended by adoption of a new Section 1.12.030 to read as follows:

**1.12.030 Code Provisions not Applicable in Newly Annexed Areas**

The following portions of the Dillingham Municipal Code shall not apply within that portion of the City annexed to the City after January 1, 2012:

- Chapter 8.08 Explosives
- Chapter 8.10 Prohibition of Smoking in Public Places
- Chapter 9.74 Curfew
- Chapter 9.86 Discharge of Firearms

Section 2. Effective Date. This ordinance shall be effective June 1, 2012 but only if a ballot proposition approving adding the Annexed Area to the City of Dillingham is approved by the voters of Dillingham in a special election to be held on or about April 10, 2012.

PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council on \_\_\_\_\_.

SEAL:

\_\_\_\_\_  
Alice Ruby, Mayor

ATTEST:

\_\_\_\_\_  
Janice Williams, City Clerk

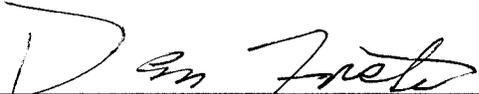
**Subject:** An ordinance of the Dillingham City Council amending chapter 1.12 of the Dillingham Municipal Code by adoption of a new section 1.12.030 limiting the applicability of certain portions of the Dillingham Municipal Code in areas annexed to existing city boundaries

---

Agenda of: February 2, 2012

Council Action:

Manager: Recommend approval.

City Manager:   
Dan Forster

Route To:	Department / Individual	Initials	Remarks
	Finance / Carol Shade		
X	City Clerk / Janice Williams		

**Fiscal Note:** Yes \_\_\_\_\_ No X Funds Available: Yes \_\_\_\_\_ No \_\_\_\_\_

**Other Attachment(s):**

**Summary Statement.**

This ordinance is being introduced at the February 2, 2012 Regular City Council meeting. The Code Review Committee directed the attorney to research the code and find those areas in the code that would be affected by annexation, such as firearms and fireworks, and prepare an ordinance for approval of the Council.

The following chapters of code would not apply to the newly annexed area: explosives (fireworks), prohibition of smoking in public places, curfew, and discharge of firearms.

January 10, 2012

City Clerk's Office  
City of Dillingham  
PO Box 889  
Dillingham, AK 99576

Mayor Alice Ruby,

I would like to serve on the City of Dillingham's Planning Commission. I have a Bachelors degree in Civil Engineering and have studied city planning informally for many years. I am especially interested in how the layout of a community affects the well-being of its residents. I look forward to working with city personnel and residents in implementing some of the ideas contained in the Comprehensive Plan. I feel that my work with the Parks and Recreation Committee will overlap effectively with a position on the Planning Commission. Feel free to contact me for more information on my background and interest.

Sincerely,

Patrick Solana Walkinshaw

**RECEIVED**

JAN 10 2012

CITY OF DILLINGHAM  
CITY CLERK

**From:** Sanders, Andrea (Begich) [[mailto:Andrea\\_Sanders@begich.senate.gov](mailto:Andrea_Sanders@begich.senate.gov)]  
**Sent:** Friday, January 27, 2012 10:37 AM  
**To:** [akalleg@gmail.com](mailto:akalleg@gmail.com)  
**Cc:** Erickson, Agatha (Begich)  
**Subject:** Begich Update on Postal Reform

Greetings,

Camarii. I wanted to take this opportunity to update you on what is going on in Congress with postal reform. As you may have heard, the Senate will be considering S. 1789, the *21<sup>st</sup> Century Postal Service Act* very soon. We predict in the next week or two.

Senator Begich is committed to taking action on effective postal reform this year. If Congress fails to act, the Postmaster General has stated he may be unable to pay the bills this fall. The postal service is vital to Alaskans and our way of life. Additionally, it is crucial to our economy and commerce. You know best that rural Alaskans depend on the postal service to provide everyday basic needs.

Senator Begich continues to work with the sponsors of this legislation to make sure this bill works for Alaska. When this bill was debated in the Homeland and Government Affairs Committee in November 2011, Senator Begich introduced language which would establish more transparent standards for post office closures or consolidations. Additionally, this provision would require the USPS to set retail standards it would need to consider before altering service anywhere in the country. These standards would have to include consideration for geography, road access or lack thereof, demographics, and weather conditions.

In December, Senator Begich was part of a group which negotiated an agreement with the Postmaster General to keep all post offices currently being considered for closure open until **May 15<sup>th</sup>**, by which time we hope these service standards will be implemented. While we were successful in removing the village post offices from the closure list last fall, there are still five post offices being considered for closure in Alaska.

As Congress continues to look for efficiencies in postal operations, there are some members who have begun targeting the Alaska bypass mail system as an unnecessary program. We know this not true. Currently, S. 1789 does not make any changes to bypass mail and service to rural Alaska. However, the House of Representatives has a different postal reform bill which would have a negative impact on bypass mail. I will work to ensure that that language does not find its way into the Senate version, or any bill sent to the President. Bypass mail is essential for many reasons and part of the constitutional mandate that the USPS provide universal service across the United States, including rural Alaska.

Quyana (thank you) to all of the individuals, organizations, and communities that submitted resolutions and photos to my office. They have proven to be helpful in the Senator's efforts.

Please feel free to stay in touch with us as this legislation is considered in the Senate.

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