



Alice Ruby, Mayor

Council Members

- Holly Johnson (Seat A) • Chris Maines (Seat B) • Misty Savo (Seat C)
- Curt Armstrong (Seat D) • Tracy Hightower (Seat E) • Paul Liedberg (Seat F)

DILLINGHAM CITY COUNCIL

David B. Carlson Council Chambers

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

WORKSHOP – AUDIT PRESENTATION	6:00 P.M.	FEBRUARY 5, 2015
WORKSHOP – MID-YEAR BUDGET REVIEW	6:30 P.M.	FEBRUARY 5, 2015
REGULAR MEETING	7:00 P.M.	FEBRUARY 5, 2015

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

- A. Regular Council Meeting, December 4, 2014page 5
- B. Regular Council Meeting, January 15, 2015page 11

IV. APPROVAL OF CONSENT AGENDA

- A. Adopt Resolution No. 2015-09, A Resolution of the Dillingham City Council to Offer Thanks and Commendation to William “Bill” McLeod for His Service as Superintendent of Dillingham City Schoolspage 19

APPROVAL OF AGENDA

V. STAFF REPORTSpage 21

VI. PUBLIC HEARINGS

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

VIII. ORDINANCES AND RESOLUTIONS

- A. Introduce Ordinance No. 2015-01, An Ordinance of the Dillingham City Council Amending the Budget by Adopting Budget Amendment No. 1 and Appropriating Funds for the FY 2015 City of Dillingham Budgetpage 61
- B. Introduce Ordinance No. 2015-02, An Ordinance of the Dillingham City Council Amending Chapter 4.20 of the Dillingham Municipal Code to Clarify Application of City Sales Tax Laws to Sales of Fuel by Sellers Located in Dillingham to Buyers Outside Dillingham and Requiring Sellers to Report Such Sales in a Uniform Manner and to Remit Appropriate Sales Taxes to the City.....page 71

- C. Introduce Ordinance No. 2015-03, An Ordinance of the Dillingham City Council Amending Title 7, Animals, to Add a Definition for Adoption Eligible to Chapter 7.02, to Amend Chapter 7.09, Impoundment, to Remove Redundant Language, to Add a Reference for Adoption Eligible, and to Cross Reference Chapter 7.11, Euthanasia.....page 77
- D. Adopt Resolution No. 2015-06, A Resolution of the Dillingham City Council Appointing an Alternate Community Representative to the BBEDC Board of Directorspage 93
- E. Adopt Resolution No. 2015-10, A Resolution of the Dillingham City Council Changing the Division of Motor Vehicle (DMC) Hours to Four Hours a Day, Monday through Fridaypage 95
- F. Adopt Resolution No. 2015-11, A Resolution of the Dillingham City Council Accepting the Year End Audit for the Fiscal Year Ending June 30, 2014page 99
- G. Adopt Resolution No. 2015-12, A Resolution of the Dillingham City Council Amending the Process for Approving the Operational Procedures and Rules Recommended by the Library Advisory Board and Repealing Resolution No. 2013-71..... page 103
- H. Adopt Resolution No. 2015-13, A Resolution of the Dillingham City Council Opposing the Nomination of the Aleutian Islands National Marine SanctuaryPage 107
- I. Adopt Resolution No. 2015-14, A Resolution of the Dillingham City Council Supporting the Reinstatement of a Full \$60 Million into the Revenue Sharing Fund on a Yearly Basis with a One-Year Appropriation of \$8 Million to the Fund with an Effective Date of Prior to June 30, 2015..... page 137

IX. UNFINISHED BUSINESS

- A. Citizen Committee Appointments
 - 1. Cemetery Committee, 4 Seats Open
 - 2. Planning Commission, 1 Seat Open
 - 3. Parks and Recreation Committee, 2 Seats Open
- B. Council Committee Appointments
- C. Annexation Update

X. NEW BUSINESS

- A. Municipal Regulation of Marijuana page 141
- B. Action Memorandum No. 2015-02, Award Contract to Coastal Surveyors to Render Professional Surveying Services to Complete an Exchange of Land Between Choggiung Limited and the City for the City Landfill..... page 157

C. Love Your Library Month – Fine Amnesty

D. Reschedule a Workshop for Strategic Planning Session

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

XII. COUNCIL COMMENTS

XIII. MAYOR'S COMMENTS

XIV. EXECUTIVE SESSION

A. Legal Matters – Knutsen vs. City of Dillingham

XV. ADJOURNMENT

I. CALL TO ORDER

A special meeting of the Dillingham City Council was held on Thursday, December 4, 2014, at the Dillingham City Council Chambers, Dillingham, Alaska. Mayor Alice Ruby called the meeting to order at 7:00 p.m.

II. ROLL CALL

Mayor Alice Ruby was present.

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

Tracy Hightower	Holly Johnson	Misty Savo
Chris Maines – attended via teleconference		Paul Liedberg

Staff in attendance:

Rose Loera – attended via teleconference	Carol Shade
Janice Williams	Jody Seitz
	Sergeant-at-Arms Rodney Etheridge

III. APPROVAL OF MINUTES

A. Minutes of November 6, 2014 Regular Council Meeting

MOTION: Tracy Hightower moved and Holly Johnson seconded the motion to approve the minutes of November 6, 2014.

VOTE: The motion passed unanimously by roll call vote.

IV. APPROVAL OF CONSENT AGENDA

A. Resolution No. 2014-64, A Resolution of the Dillingham City Council Expressing Thanks and a Commendation to Keggie Tubbs for Serving on the City Council Since 2000

MOTION: Paul Liedberg moved and Holly Johnson seconded the motion to approve the consent agenda.

VOTE: The motion passed unanimously by roll call vote.

APPROVAL OF AGENDA

Mayor Ruby reported the Code committee was asking to delay action on Ordinance No. 2014-17, to allow for a further review.

MOTION: Holly Johnson moved and Tracy Hightower seconded the motion to approve the amended agenda to remove Ordinance No. 2014-17.

VOTE: The motion passed unanimously by roll call vote.

V. STAFF REPORTS

Manager Loera reported on the following:

- Confirmed that the City had received its new fire truck, and the City had yet to make a decision on the purchase of new ambulance that was included in the budget;
- Library Advisory Board recommended appointing Erica Schneider as presiding officer and to change Friday's hours from noon to 7 PM to 11 AM to 6:30 PM;
- Recommended sending the Library Advisory Board Resolution [No. 2013-71] back to code to review some of the duties as being more appropriate as managerial functions.

MOTION: Paul Liedberg moved and Misty Savo seconded the motion to approve the Library Board's recommendations

VOTE: The motion passed unanimously by roll call vote.

Paul Liedberg, Chair of Code Review Committee meeting, referred to the minutes of the Nov. 13 Code meeting and highlighted several items:

- Ordinance regarding improper dumping of prohibited waste at landfill and of fish waste;
- Clarification on animal control issues, abandoned and unwanted animals; and
- Application of sales tax on fuel deliveries made outside city limits.

Mayor Ruby, Chair of Finance and Budget Committee, reported on the following:

- Discussed pros and cons of fluoridating water;
- Reviewed proposed equipment rental rates;
- Reviewed water and sewer rates focusing on the size of the pipe serving the building; some may be overbuilt and no longer serving its original purpose resulting in higher rates;
- Discussed sales tax applied to fuel deliveries made outside of Dillingham city limits; law allows 2 communities to work with each other to establish a comprise rate.

Mayor Ruby, Chair of Port of Dillingham Advisory Committee, reported on the following:

- Studying whether there should be restrictions on alcohol consumption in the harbor;
- Reviewing proposed increases in harbor and dock rates that will be coming before the Council for approval.

VI. PUBLIC HEARINGS

There were no public hearings.

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

There was no citizen's discussion.

VIII. ORDINANCES AND RESOLUTIONS

- A. Introduce Ordinance No. 2014-17, An Ordinance of the Dillingham City Council Amending Title 7, Animals, to Add a Definition for Adoption Eligible to Chapter 7.02, and to Cross Reference Chapter 7.09, Impoundment, with Chapter 7.11, Euthanasia

- B. Adopt Resolution No. 2014-57, A Resolution of the Dillingham City Council Authorizing the Mayor to Submit a Petition to the Alaska Local Boundary Commission for Annexation of the Nushagak Commercial Salmon District and the Wood River Sockeye Salmon Special Harvest Area by the Legislative Review Method (*Postponed to January 15, 2015*)
- C. Adopt Resolution No. 2014-65, A Resolution of the Dillingham City Council Urging Swift Congressional Action to Exempt Vessels Less Than 79 Feet and All Fishing Vessels from EPA Permits for Discharges Incidental to the Normal Operation of the Vessel

MOTION: Paul Liedberg moved and Tracy Hightower seconded the motion to adopt Resolution No. 2014-65.

VOTE: The motion passed unanimously by roll call vote.

- D. Adopt Resolution No. 2014-66, A Resolution of the Dillingham City Council to Accept a Rasmuson Grant for the Senior Center in the Amount of \$25,000

MOTION: Tracy Hightower moved and Holly Johnson seconded the motion to adopt Resolution No. 2014-66.

Manager Loera reported the total cost of the stove and dishwasher was more than the \$25,000, by a little more than \$1,000, but the City could use the increase it received in its Nutrition and Transportation Grant to make up the difference.

VOTE: The motion passed unanimously by roll call vote.

- E. Adopt Resolution No. 2014-67, A Resolution of the Dillingham City Council Approving the Downtown Streets Agreement

MOTION: Tracy Hightower moved and Holly Johnson seconded the motion to adopt Resolution No. 2014-67.

Manager Loera reported the DOT downtown streets agreement was reviewed by the City's Attorney. The agreement recognizes the City is taking care of its share of the cost of the project and firms up the agreement that the City will take on the maintenance and ownership of the streets that are part of the project, Main Street and D Street.

VOTE: The motion passed unanimously by roll call vote.

- F. Adopt Resolution No. 2014-68, A Resolution of the Dillingham City Council Approving a Long Term Encroachment Permit for Utilities to Serve the Landfill Incinerator Building

MOTION: Holly Johnson moved and Tracy Hightower seconded the motion to adopt Resolution No. 2014-68.

VOTE: The motion passed unanimously by roll call vote.

- G. Adopt Resolution No. 2014-69, A Resolution of the Dillingham City Council Approving a Requests for Proposals for a Survey to Complete the Landfill Exchange with Choggiung Ltd

MOTION: Holly Johnson moved and Tracy Hightower seconded the motion to adopt Resolution No. 2014-69.

Manager Loera reported the landfill exchange between the City and Choggiung Ltd had never been finalized, which included the road leading to the landfill. As part of the process the City was going out for a RFP for a survey. A portion of the funds would have to come from a mid-year budget amendment.

VOTE: The motion passed unanimously by roll call vote.

IX. UNFINISHED BUSINESS

- A. Citizen Committee Appointments
1. Cemetery Committee, 4 Seats Open
 2. Planning Commission, 1 Seat Open
 3. Parks and Recreation Committee, 1 Seat Open + School Rep Seat Open

There were no letters of interest on file.

- B. Borough Formation Update

Mayor Ruby referred to a letter from BBNA executive Ralph Andersen looking to form an interim task force to advance conducting a Borough Feasibility Study.

MOTION: Paul Liedberg moved and Chris Maines seconded the motion to appoint Mayor Ruby to the Interim Task Force.

VOTE: The motion passed unanimously by roll call vote.

X. NEW BUSINESS

- A. Action Memorandum No. 2014-18, Approve Administrative Leave for Christmas and New Year Holiday

MOTION: Tracy Hightower moved and Misty Savo seconded the motion to approve Action Memorandum No. 2014-18.

Mayor Ruby noted the City had started this several years ago, because it did not have the ability to pay bonuses or gifts to show its appreciation. If the admin holiday fell on a work day for some employees, they would take another day off. The administrative leave was for straight time only.

VOTE: The motion passed unanimously by roll call vote.

- B. Action Memorandum No. 2014-19, Award Contract to NRC Emerald for Oil Spill Container and Equipment

MOTION: Paul Liedberg moved and Holly Johnson seconded the motion to approve Action Memorandum No. 2014-19.

Manager Loera reported the Homeland Security grant funding the oil spill container equipment required the City go out for an RFP. The cost of the equipment and freight above \$25,000, around \$7,300, would come from the Port fund.

VOTE: The motion passed unanimously by roll call vote.

- C. Reschedule the January 1, 2015 Council Meeting to January 15, 2015

MOTION: Holly Johnson moved and Tracy Hightower seconded the motion to reschedule the January 1 meeting to January 15.

VOTE: The motion passed unanimously by roll call vote.

- D. Appoint Council Member to Seat D – Interim Appointment

Mayor Ruby reported the City had received five letters of interest. She was basing her recommendation on someone with former Council experience, because the City was going to be faced with some hard financial decisions this coming year, with revenue sharing and PILT getting cut, and was recommending Curt Armstrong.

MOTION: Misty Savo moved and Chris Maines seconded the motion to concur with the Mayor's recommendation.

VOTE: The motion passed unanimously by roll call vote.

- E. Council Member Committee Appointments

Mayor Ruby recommended Chris Maines as chair of the Code Review Committee, with Holly, Misty, herself, the manager, and the city clerk as members, and Paul Liedberg as chair of the Finance and Budget Committee, with Tracy, Curt, herself, the manager and the finance director as members. The mayor pro tempore was Tracy Hightower with the longest sitting time as a Council member.

MOTION: Holly Johnson moved and Tracy Hightower seconded the motion to concur with the appointments to the Finance and Budget and Code Review Committee.

VOTE: The motion passed unanimously by roll call vote.

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

There was no citizen's discussion.

XII. COUNCIL COMMENTS

Chris Maines:

- Thanked the Council for appointing him as chair of the Code Review Committee.

Paul Liedberg:

- Congratulated Chris on his new baby;
- Thanked staff and wished everyone best of holidays; and
- Reminded all of the Christmas lighting downtown on Saturday at 6 PM.

Tracy Hightower:

- Congratulated Chris on his new baby and wished him a Happy Birthday.

Holly Johnson:

- Congratulated Chris; and
- Noted the Veterans Memorial was almost trash free, the volunteers were clearing limbs from power lines, and would get with the City Manager regarding some structural repairs.

Misty Savo:

- Congratulated Chris;
- Thanked Holly for working on the Veterans Memorial;
- Congratulated Curt for his appointment to the Council and thanked all those who submitted a letter of interest; and
- Wished Chris a Happy Birthday.

XIII. MAYOR'S COMMENTS

Mayor Ruby:

- Echoed Paul's comments about getting out to the Christmas tree lighting ceremony;
- Thanked staff, especially when everyone else is at home and they are at work; and
- Asked for a moment of silence to recognize those who had passed, noting former resident Perry Atkinson had made a huge influence on her life encouraging her to be an EMT, and was the first teacher to be selected as Teacher of the Year in Dillingham.

XIV. EXECUTIVE SESSION

There was no executive session.

XV. ADJOURNMENT

Mayor Ruby adjourned the meeting at 7:39 p.m.

ATTEST:

Mayor Alice Ruby
[SEAL]

Janice Williams, City Clerk

Approval Date: _____

I. CALL TO ORDER

A regular meeting of the Dillingham City Council was held on Thursday, January 15, 2015, at the Dillingham City Council Chambers, Dillingham, Alaska. Mayor Alice Ruby called the meeting to order at 7:02 p.m.

II. ROLL CALL

Mayor Alice Ruby was present.

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

Holly Johnson	Chris Maines	Misty Savo
Curt Armstrong	Tracy Hightower	Paul Liedberg

Staff in attendance:

Rose Loera	Jean Barrett
Bernadette Packa	Dan Pasquariello

III. APPROVAL OF MINUTES

A. Minutes of December 4, 2014 Regular Council Meeting

MOTION: Holly Johnson moved and Tracy Hightower seconded the motion to postpone approval of the minutes of December 4, 2014.

VOTE: The motion passed unanimously by voice vote.

(Clerk Note: The minutes will be amended to add the consent agenda item that was omitted in error and to correct the voice votes to read as roll call votes.)

IV. APPROVAL OF CONSENT AGENDA

There was no consent agenda.

APPROVAL OF AGENDA

MOTION: Chris Maines moved and Holly Johnson seconded the motion to approve the agenda as presented.

VOTE: The motion passed unanimously by voice vote.

V. STAFF REPORTS

City Manager Loera reported on the following (these items were in addition to the Manager's report in the packet):

- Scheduled a meeting to Anchorage the next day to discuss finalizing the design on the incinerator building;

- Met with Jeff Laughlin of the State Trooper's WAANT unit, and expressed support to have that position filled in Dillingham;
- Final Audit would be presented at a workshop prior to the February Council meeting;
- Reminded of the Strategic Session planned for Saturday and Mayor/Council Members, Manager and Dept. Heads to attend;
- Noted the Library Advisory Board was recommending the Council take action on the three policies put forward: survey community for library services, youth policy and computer use policy.

MOTION: Paul Liedberg moved and Holly Johnson seconded the motion to approve the three action items from the Library [Advisory] Board.

VOTE: The motion passed unanimously by voice vote.

VI. PUBLIC HEARINGS

There was no public hearing.

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

Chris Napoli, representing BBEDC, asked that the Council table action on annexation until the borough feasibility study could be completed.

J.R. Dull, BB permit holder, felt fishers were being targeted, that they already contributed to other tax sources, didn't see non-residents not contributing more as justification for the raw fish tax. He urged the Council to stop the annexation process and find other ways to collect funds from non-residents.

Melvin Andrew, representing the City of Manokotak, noted their residents objected strongly to the draft annexation petition and asked the Council to postpone action, or at least recognize their concerns and amend the petition to drop the Igushik area.

Diane Wetter, local fisher, noted the fish were a regional resource and belonged to the region. The beaches of Clarks Point, Nushagak, Igushik and Ekuk, which were already spoken for and the water did not need to be part of the City of Dillingham, and asked the Council not to take something that did not belong to the City, that it was morally wrong. She was requesting that the Council wait for the borough study even if it was the more difficult process, because the villages had already said no to annexation without revenue sharing.

J.P. Amo, on behalf of Northland Services, Alaska Marine Lines, asked the Council to reconsider the harbor tariff rate increases being proposed, 20% increase being the base rate, but some of the rates drastically increased for 20 and 40 foot containers by more than 74-84%, and to consider incremental increases instead across the board. He voiced his concern that his firm already had contracts in place for the season.

Luke Donkersloot, on behalf of Northland Services, Alaska Marine Lines, commented the numbers were jarring, and asked that the proposed tariff rate increases be reworked, realizing

there needed to be some increase. He noted it would make it difficult for their firm and its customers to do business if the proposed rates were adopted.

Dan Dunaway noted he understood there was a borough study in progress, but approved the City moving forward with its annexation petition in the meantime. He noted these issues had been going on for years, but something needed to be done. As a member of the harbor committee [Port of Dillingham Advisory Committee], they had wrangled a long time over the fees, and felt the proposed skiff fees were pretty fair, but it was his understanding the rates for container vans were grossly undercharged and had recommended incremental increases.

Tom Tilden spoke in support of annexation, noting the timing was perfect what with the state's huge budget deficit, oil prices down, and because the voters had approved the annexation. He saw it as an opportunity to update the harbor services from its basic services.

Steven Davis, fisher, noted he was all for annexation, all for high-tech services, but he was not in favor where annexation didn't benefit the other villages.

Holly Wysocki commented she strongly opposed the fish tax. As a long-time fisher, she was frustrated that she would be saddled with another expense when it was already a hard way to make a living.

Tessa Nickerson had traveled from Manokotak with three other residents opposing the annexation. Commercial fishing from the Igushik Beach was the main income for many of the residents in Manokotak, and they could not afford another expense. She suggested Dillingham could tax the outsiders only, not the local people who were struggling. Suggested those that were in favor of annexation could donate to the City of Dillingham.

VIII. ORDINANCES AND RESOLUTIONS

- A. Adopt Resolution No. 2014-57 (AM), A Resolution of the Dillingham City Council Authorizing the Mayor to Submit a Petition to the Alaska Local Boundary Commission for Annexation of the Nushagak Commercial Salmon District and the Wood River Sockeye Salmon Special Harvest Area by the Legislative Review Method

MOTION: Paul Liedberg moved and Curt Armstrong seconded the motion to adopt Resolution No. 2014-57 (AM).

Mayor Ruby referred to the handout summarizing a meeting of the Interim Task Force which was set up to assess whether a borough was feasible. The group determined this project would be moderate to long term. A letter of invitation would go out to the communities in the Dillingham census area and the two school districts to see if there was an interest in looking at borough feasibility, and identifying the financial support that would be needed from each.

Discussion ensued:

- Recommended that the Council see if there was interest in forming a borough before voting on the annexation petition.

Mayor Ruby commented the petition would need to be before the legislature the first 10 days of the session, which would begin around January 15. If the Local Boundary Commission took the maximum time period for each of the steps required when they received the petition, it could take nine months or longer, recognizing appeals or delays in the process. It was anticipated that the LBC's review and approval process would be done in time for the 2016 legislative session.

Discussion:

- Noted there had not been much said about people's expectations if the borough was formed and operating a borough formation would require substantial financial support;
- Commented a huge factor in supporting annexation was that the community had voted for it;
- Recommended continuing with the annexation process and with the borough assessment as well;
- Recommended focusing on the borough, concerned if the City went forward with annexation all conversations of a borough would cease;

Mayor Ruby commented the annexation process had been in progress for four years with probably one to two more years before it would get to the legislature. Unlike other communities, Dillingham had implemented a partial exemption for low income fishers and for real property owners in Dillingham, and had created two funds, one for a borough study, and one for infrastructure improvements. She noted based on past experience she felt there would be no incentive to go forward with a borough study if the annexation petition was not approved. She voiced her concern with the state's deficit budget predictions for the next several years, and losing revenue sharing after this year. She encouraged Manokotak and Clarks Point to go forward with their petitions, and the borough feasibility to go forward so they could discuss their concerns with boundary issues and such.

VOTE: The motion passed 4 to 2 with Paul Liedberg, Curt Armstrong, Chris Maines, and Misty Savo in favor, and Holly Johnson and Tracy Hightower opposed.

- B. Adopt Resolution No. 2015-01, A Resolution of the Dillingham City Council Approving Lease Rates for Use of City Vehicle/Equipment for Rent, Insurance Work, or on Grant Funded Capital Improvement Projects

MOTION: Holly Johnson moved and Chris Maines seconded the motion to adopt Resolution No. 2015-01.

Manager Loera reported an audit finding had identified a problem with the way the rates were structured. A policy for renting vehicles and equipment was included under New Business.

VOTE: The motion passed unanimously by voice vote.

- C. Adopt Resolution No. 2015-02, A Resolution of the Dillingham City Council Approving an Increase in Harbor and Dock Rates

MOTION: Paul Liedberg moved and Curt Armstrong seconded the motion to adopt Resolution No. 2015-02.

Manager Loera noted the rates had not been revised since 2007.

Discussion ensued over an understanding that there would be incremental rate increases, but mainly the rates on the 20 and 40 foot container vans that lagged way behind when comparing other like harbors. The remaining items would increase by around 20% as proposed.

MOTION: Misty Savo moved and Tracy Hightower seconded the motion to amend the rate sheet appended to Resolution No. 2015-02, to change the rate, effective February 1, 2015, for 20' container vans from \$280 to \$180 and the amount for 40' container vans from \$400 to \$276.

VOTE: The motion to amend Resolution No. 2015-02 passed unanimously by voice vote.

VOTE: The motion to adopt the amended resolution No. 2015-02 passed unanimously by voice vote.

- D. Adopt Resolution No. 2015-03, A Resolution of the Dillingham City Council Adopting an Alternative Allocation Method for the FY15 Shared Fisheries Business Tax Program and Certifying that this Allocation Fairly Represents the Distribution of Significant Effects of Fisheries Business Activity in FMA 5:Bristol Bay

MOTION: Chris Maines moved and Holly Johnson seconded the motion to adopt Resolution No. 2015-03.

Manager Loera reported this was a routine resolution that would be forwarded to the State.

VOTE: The motion passed unanimously by voice vote.

- E. Adopt Resolution No. 2015-04, A Resolution of the Dillingham City Council Amending the Bank Signature Cards for Wells Fargo Checking Account Due to a Change in the Council Members

MOTION: Holly Johnson moved and Tracy Hightower seconded the motion to adopt Resolution No. 2015-04 and Resolution No. 2015-05.

VOTE: The motion passed unanimously by voice vote.

- F. Adopt Resolution No. 2015-05, A Resolution of the Dillingham City Council Amending the Investment Signature Authority Forms for City Investment Accounts Due to a Change in Council Members
- G. Adopt Resolution No. 2015-06, A Resolution of the Dillingham City Council Appointing an Alternate Community Representative to the BBEDC Board of Directors

Mayor Ruby asked to postpone action until the next meeting.

MOTION: Chris Maines moved and Holly Johnson seconded the motion to postpone action on Resolution No. 2015-06 until the next meeting.

VOTE: The motion passed unanimously by voice vote.

- H. Adopt Resolution No. 2015-07, A Resolution of the Dillingham City Council Approving the Purchase of a Backhoe for Public Works Department

MOTION: Paul Liedberg moved and Holly Johnson seconded the motion to adopt Resolution No. 2015-07.

Manager Loera reported she was asking for Council approval to move forward to purchase a backhoe that would be financed from a State legislative grant.

VOTE: The motion passed unanimously by voice vote.

- I. Adopt Resolution No. 2015-08, A Resolution of the Dillingham City Council Approving the Purchase of a Forklift for the Dock

MOTION: Paul Liedberg moved and Misty Savo seconded the motion to adopt Resolution No. 2015-08.

Manager Loera reported one of the forklifts used extensively at the dock was in need of replacement. The item would be purchased from the Equipment Replacement Capital Project Fund. The forklift being replaced would then be used minimally at the shop.

VOTE: The motion passed unanimously by voice vote.

IX. UNFINISHED BUSINESS

A. Citizen Committee Appointments

- 1. Cemetery Committee, 4 Seats Open
- 2. Planning Commission, 1 Seat Open
- 3. Parks and Recreation Committee, 2 Seats Open

Mayor Ruby recommended reappointing Andy Andersen to the Planning Commission.

MOTION: Tracy Hightower moved and Holly Johnson seconded the motion to concur with the Mayor's recommendation and reappoint Andy Anderson to the Planning Commission.

VOTE: The motion passed unanimously by voice vote.

B. Council Committee Appointments

There were no additional Council committee appointments.

- A. Action Memorandum No. 2015-01 – Adopt Vehicle/Equipment Rental Policy

MOTION: Chris Maines moved and Holly Johnson seconded the motion to adopt Action Memorandum No. 2015-01.

Manager Loera reported the Vehicle and Equipment Rental Policy was tailored after the policy on the Fleet Management Operating Procedures.

VOTE: The motion passed unanimously by voice vote.

- B. Liquor License Renewals

1. Sea Inn Bar (beverage dispensary)
2. Windmill Grille (restaurant / eating place)
3. Olsen's Liquor Store (package store)

Manager Loera reported that the licenses were current, taxes were current, with one entity late on their utility payment, but it was being addressed. Mayor Ruby reported the State allowed that the Council could object to renewing the licenses based on the criteria presented if they could justify their action, or not take any action. The Council took no action.

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

There was no citizen's discussion.

XII. COUNCIL COMMENTS

Misty Savo:

- Thanked those who had come out to speak on the dock and harbor fees; and
- Thanked those who had come out to speak on annexation, noting she understood annexation was not favorable to some especially when it hit their pockets, and hoped borough formation and annexation could go forward with the community's support and input.

Paul Liedberg:

- Echoed Misty's comments, thanking everyone who participated in the meeting; and
- Thanked staff and volunteers for keeping the City running.

Curt Armstrong:

- Thanked everyone who had come out and participated, and encouraged participation in the borough meetings if the opportunity arose; and
- Commented he was pleased to work with the Council members.

XIII. MAYOR'S COMMENTS

Mayor Ruby:

- Thanked all those who had come out and participated in the meeting, commenting it had been a long and difficult haul for everyone;
- Commented on recent discussions with Rep. Edgmon that this was going to be a serious year financially, and possibly the last year for receiving revenue sharing from the State;
- Noted Manager Loera was planning a trip to Juneau, February 9, 10, and 11, and was there one or two Council members willing to accompany her;
- Reminded everyone of the Strategic Planning session scheduled for Saturday;
- Reported she had extended an invitation to PenAir to share their business plans; and
- Asked everyone to join in a moment of silence to recognize those lost since the last meeting.

XIV. EXECUTIVE SESSION

A. Legal Matter

1. Public Safety Department – Investigations Report

MOTION: Paul Liedberg moved and Holly Johnson seconded the motion to enter into executive session to discuss Public Safety Department-Investigations Report [8:49 p.m.).

VOTE: The motion to enter into executive session passed unanimously by voice vote.

(The meeting recessed for a short break.)

Mayor Ruby invited Manager Loera and Police Chief Pasquariello into the executive session.

MOTION: Misty Savo moved and Chris Maines seconded the motion to come out of executive session [9:15 p.m.].

VOTE: The motion to come out of executive session passed unanimously by voice vote.

XV. ADJOURNMENT

Mayor Ruby adjourned the meeting at 9:15 p.m.

Mayor Alice Ruby

ATTEST:

[SEAL]

Janice Williams, City Clerk

Approval Date: _____

CITY OF DILLINGHAM, ALASKA

RESOLUTION NO. 2015-09

**A RESOLUTION OF THE DILLINGHAM CITY COUNCIL TO OFFER THANKS AND
COMMENDATION TO WILLIAM "BILL" MCLEOD FOR HIS SERVICE AS
SUPERINTENDENT OF DILLINGHAM CITY SCHOOLS**

WHEREAS, Bill McLeod will have served as the Superintendent of the Dillingham City School District from July 1, 2010 to February 28, 2015; and

WHEREAS, Bill McLeod demonstrated great personal commitment and energy in all aspects of his position, whether it was to join students in school day celebrations, work with parents and parent groups, work with student groups, make presentations to legislative leaders or represent educators in a variety of settings; and

WHEREAS, his most important accomplishment was his contribution to the quality of education in our school district; and

WHEREAS, his dedication to the quality of education in our school is reflected in the scores of the district's testing and rating by the state; and

WHEREAS, the residents of the community of Dillingham greatly benefited from Bill McLeod's dedication and leadership; and

WHEREAS, Bill McLeod's commitment to the school district and the community will be greatly missed by the children, parents, and residents of Dillingham;

NOW, THEREFORE, BE IT RESOLVED that the City Council on behalf of the residents of Dillingham adopts this Commendation for William "Bill" McLeod in recognition of his leadership and selfless commitment to the education of our children.

PASSED and ADOPTED by the Dillingham City Council on February 5, 2015.

Alice Ruby, Mayor

ATTEST:

[SEAL]

Janice Williams, City Clerk

Mayor
Alice Ruby

Manager
Rose Loera



Dillingham City Council
Holly Johnson
Chris Maines
Misty Savo
Curt Armstrong
Tracy Hightower
Paul Liedberg

MEMORANDUM

Date: January 30, 2015
To: Mayor and City Council
From: Rose Loera, City Manager
Subject: January Report

Vacancies – Library Aide and Finance Director. The Finance Director has extended her retirement date to July. This will allow her to be here for the first auditor's visit for FY 2015 and gives us more time to recruit. We have one applicant that we have done a phone interview with. Since the council needs to confirm a finance director we should appoint a council member(s) to participate in the interviews.

Contracts/Agreements Signed – submitted the Fire Department Registration Application to the State of Alaska.

Grants – none

Landfill – we have all agreed on the design of the landfill building with a few items that may need a change order. We also received the Fire Marshall certificate of approval for the building design and the construction schedule. The schedule is 2/2 – 3/5 Framing; 3/5 – 3/20 Siding and Roofing; 3/5 – 3/30 Electrical and 3/30 – 4/1 Punch List and Final. The contract will need to be amended since it was supposed to be complete by mid-February. I'm working with Brooks on the amendment which will be tied to the schedule that they provide.

Annexation Petition – Brooks will be reporting on the timeline for the annexation petition that he and I hand delivered to the Local Boundary Commission on January 22, 2015.

Strategic Planning – Mike Walsh, Foraker Group, is available for our third attempt at strategic planning March 21 or April 4.

Lake Road Fire Station – received a request from Chief Norman Heyano about adding an addition to the Lake Road Fire Station. The addition would allow us to move an ambulance & tanker from the airport station and close the airport station. It will also allow us to house the State ARFF truck there if we are able to get it from surplus sales from the State. I would like to recommend that we move this request to Finance & Budget Committee for further discussion.

*Our Vision. By 2015 to have an infrastructure that supports a sustainable, diversified and growing economy. * We will take a leadership role and partner with others to achieve economic development and other common goals. * We will develop a high quality City workforce to serve the community. * We will promote excellence in education.*

Out of the Office – I will be out of the office on 2/9 – 12 on a trip to Juneau and a presentation in Anchorage on the Landfill at the Alaska Forum on the Environment. I will also be out on personal leave from 2/26 – 3/13. I will not be able to attend the March council Meeting, but should have everything in place for that meeting before I leave. Staff would be able to sit in for me. I would like to suggest that we move the Code Committee meeting to March 19th so that I could attend as we are working on a number of ordinances.

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City of Dillingham
House District 36 / Senate District R

~ 1/29/15 ~

29th Alaska State Legislature ~ 1st Session
JANUARY 2015 – LEGISLATIVE REPORT

Cliff Stone and Ian Fisk / City Lobbyists

~ *Martin Luther King Day was observed on January 19th* ~
~ *29th Alaska State Legislature convened on January 20th* ~

Representative Mike Chenault of Kenai begins an unprecedented 4th term as Speaker of the House. Senator Kevin Meyer of Anchorage takes over the helm as Senate President. Senator Berta Gardner of Anchorage will lead the Senate Minority this year. Representative Chris Tuck also of Anchorage will continue as Minority Leader on the House side.



POLITICAL LANDSCAPE

Here are several topics to watch during the session

Budget/Revenue Sharing – The current year deficit has been estimated at \$3.5 billion, which is 2.1 billion more than May 2014 when the FY15 budget was signed. This topic will overshadow and intrude upon all others. Next years deficit is forecasted to be comparable. Cuts to the operating budget are to be expected and not much in the way of a capital budget. The governor is proposing a budget of \$57 million this next fiscal year for municipal revenue sharing. That is \$3 million less than the current year's budget. There is more about this topic later in the report.

Medicaid expansion – This will certainly be part of the budget discussions as well. Since it is a high priority of the governor, expect to see this subject sharing the front burner all session.

Marijuana – Pot consumption becomes legal on Feb. 24th and the recreational use of this drug will be the law of the land if you're 21 years of age and older. The state has another nine months to come up with regulations. Numerous bills have already been introduced that will address marijuana issues in many different ways. More later in this report.

Gasline – The shakeup of the board of the Alaska Gasline Development Corp. riled some lawmakers. With this backdrop, talks will continue at the highest levels in the administration and the legislature to work towards a gasline and commercialize our vast natural gas reserves.

National Guard – The governor just announced a special investigator to take a comprehensive look into the circumstances surrounding the allegation of sexual abuse and harassment within the Guard. Both the House and Senate Judiciary Committees will undoubtedly hold hearings in this matter. At least one bill has been introduced to address some of these concerns.

Education – Last session the legislature passed a comprehensive education plan contained within HB278. The governor’s proposal eliminates the one-time funding of \$32.2 million from the K to 12 in FY16 and wants to reduce the forward funding element in FY17 to 90% of the current spending.



BUDGET BREAKDOWN

The beginning of session has been focused almost entirely on the fiscal crisis due to the slump in oil prices. On Thursday January 22, Governor Walker gave a State of the Budget speech to the legislature, a tradition he has resurrected from the past. The governor is taking a comprehensive approach to reducing spending and addressing the issue head-on, but he is trying to sound a cooperative tone, and a sense that while real cuts must occur, they should be done thoughtfully. Prior to session he had already placed a stop to new spending on a variety of “mega-projects” such as the Susitna Dam, the Juneau Access Project, and several others.

Our deficit this year (Fiscal Year ‘15) is roughly \$3.5 billion. Pat Pitney, the new OMB director, presented several oil price and revenue scenarios to Finance Committees in the first meetings of the session. Depending on when and to what level oil prices rise back up, Alaska’s savings accounts (besides the permanent fund principle) will be exhausted before a natural gas pipeline can begin producing revenue. In the worse case scenario, savings accounts will be depleted by July of 2017, the beginning of FY 18. This revelation created very somber reactions from Finance Committee members. Pitney presented the initial look at what Governor Walker is planning in the way of budget reductions this year. A significant number of government jobs are most certainly going to be lost, especially in Juneau and Anchorage. It is quite possible that certain programs are going to go away. The reaction of some legislators was that even the outlined budget cut targets the Governor is proposing won’t be enough, and there will need to be more cuts. Rep. Thompson, the House Finance Co-Chair, noted that in his opinion it wouldn’t be long before new tax revenues will have to be a real part of the discussion. The general stance of the legislature is that significant program cuts will have to occur before any new taxes are considered.

The Governor and his agency budget staff have a deadline of February 18 to submit their amended budget, based on the original Parnell Administration budget from December and including the Walker Administration additional proposed cuts. The House Finance Budget Sub-Committees have already begun to scrutinize agency budgets, and will present their proposals to the full House Finance Committee by February 27. So over the next few weeks we will see more details of which programs will be affected and to what extent.

Like the early uncertainty about operating budget outcomes, the capital budget is unclear at this point. We know it is going to be very “bare bones.” OMB Director Pat Pitney outlined a \$150 million general fund capital budget that is strictly limited to required state matches for federally funded projects, and a few very limited agency capital projects that are in progress. The sense is that no one should expect new capital funding this year. However, it is good that Dillingham maintains an actively updated CIP list that focuses on completing on-going projects that are focused on core government services. Now is not the time to be silent about the very real issues you face.

We will work with you to politely remind legislators that sewage must still be pumped and treated, that legal requirements must still be met by local governments, and that real world problems will not go away while state revenue is severely reduced. Having your projects prepared in the CAPSIS system is always wise, as it is always possible that some funding will be prioritized, and dealt with through spending of savings or bonds. We will stay in close contact with you as the session progresses. The operating budget is always first out of the gate in the House Finance Committee, and the Senate will again develop the first draft of the Capital Budget.

At this early stage of the session there are many things that remain unclear in terms of the budget, and it is too early to draw specific conclusions.



MUNICIPAL REVENUE SHARING

It looks as though Governor Walker will not propose an immediate end to this fund source to communities. He has indicated however that he'll not propose additional deposits to the fund. This year he'll only propose a \$3 million cut to the overall amount available for formula distribution. This means \$57 million would be available for distribution in FY16. However, Senate President Kevin Meyer has already indicated his willingness to zero out revenue sharing entirely. This will be a negotiating item that will likely not be resolved until the final day of session as part of the final budget agreement. Just to be clear, if no new deposits are made to the fund this session, then revenue sharing could drop to \$38 million next year (FY17). After that, it is anybody's guess.

In FY15, Dillingham received \$210,000 through this program. It can be expected that at the very least there will be a reduction in this amount for the next budget year.

Meanwhile, the Alaska Municipal League (AML) is considering various ways to lessen this reduction and to work with the legislature and Gov. Walker to keep the program alive. It will be important to continue coordinating with AML and other city governments in our approach on this issue. One idea discussed at the initial AML Lobbyists meeting January 21st is to request that the legislature eliminate the senior property tax exemption on the first \$150,000 of property value. However, we and other small community advocates, reminded everyone at the table that this mechanism will be less effective for smaller and rural towns where the tax base is smaller, and where there are fewer options and services available for seniors.

There was also discussion of the relative effect of the Ketchikan Gateway Borough's lawsuit versus the state on requiring local contributions to education funding. The superior court judge in the case issued a final rule against the state, stating that this local contribution requirement is unconstitutional. The problem in the bigger funding picture is that if indeed the legislature cannot require local contributions and must fund 100% of education costs, there will be a roughly \$230 million additional hit on the state budget. As a result we can expect that other forms of assistance such as revenue sharing and the state cost share of local PERS/TRS costs (the state pays 78% of those costs) will likely go away entirely or be reduced very significantly. It was noted by at least one other municipal lobbyist that local governments might not like the eventual loss of local input in educational decision-making that may result from 100% state funding. This issue is one that would be good to consider before your Juneau visit in early February. We will continue to be in communication with all parties relating to funding municipal government programs.

LATE BREAKING NEWS – Posted 1/29 The State of Alaska will seek a stay of Superior Court Judge Carey's decision on Ketchikan's lawsuit above while the appeal moves through the judicial process.



MARIJUANA ISSUES

The Senate State Affairs Committee is already holding hearings on a bill (SB 30) to clear up some issues with Ballot Measure 2. The sense is the need to clarify prohibitions on selling pot to minors, having pot in open containers in vehicles, and consumption in public places. So far it appears the intent is to keep such restrictions along the same lines as those in place for alcohol. Pro-legalization advocates are monitoring this bill closely to ensure it does not change the intent of the measure passed by voters.

It looks like the legislature does intend to create a separate Marijuana Control Board, as a separate body from the ABC (Alcoholic Beverage Control) Board. This will be addressed in a separate bill.

AML will be holding a “marijuana summit” on February 17 as part of its annual Juneau meeting in mid-session. We are asking AML to ensure that this will be teleconferenced or video-conferenced for local governments who will not be in Juneau that day. We also hope that state law enforcement personnel will attend to be part of the discussion in terms of coordinating with local law enforcement. It will be important for all concerned to be “on the same page.”

LATE BREAKING NEWS – Posted 1/29 Bills that would decriminalize small amounts of marijuana have been put on hold while lawmakers wait for a new bill draft that better reflects the intent of voters.



NEW LAWS FOR THE NEW YEAR

- With the passage of Ballot Measure 3, Alaska’s minimum wage will increase by \$1.00 an hour to \$8.75 starting February 24, 2015. The rate will increase again on January 1, 2016 by another dollar to \$9.75.
- Ballot Measure 2 also passed this last November. This initiative legalizes the use of marijuana in the State of Alaska. On February 24, 2015 – recreational marijuana use becomes legal for those people 21 years of age or older. The initiative also mandates that regulations be in place by November 24, 2015. The road to commercial sales will be longer as that isn’t likely until at least May 2016 as the ballot measure gives many months for the state to form and implement its own regulations on growing, testing, and sales. Meanwhile, old statutes still apply for any marijuana activity that is not explicitly addressed under the initiative.



GOVERNOR'S CORNER

<http://gov.alaska.gov>

Read Governor Bill Walker’s State of the State Address at:

<http://www.gov.state.ak.us/Walker/press-room/full-press-release.html?pr=7059>

Read the governor’s State of the Budget Address at:

<http://www.gov.state.ak.us/Walker/press-room/full-press-release.html?pr=7061>

Governor Bill Walker and Lieutenant Governor Byron Mallott released the Transition Team Conference reports to the public via the Governor’s website (link below). A common theme among the 17 working groups is a call for an open, accountable and participatory government.

Link to Transition Report: <http://gov.alaska.gov/Walker/transition-2014.html>

Governor Walker has named the following individuals to his cabinet. They will still have to be confirmed by the full Legislature. That vote typically happens in the middle of April.

Commissioner designees as of January 23, 2015

- Department of Administration: Sheldon Fisher
- Department of Commerce, Community & Economic Development: Chris Hladick
- Department of Corrections: Ron Taylor
- Department of Education and Early Development: Mike Hanley
- Department of Environmental Conservation: Larry Hartig
- Department of Fish and Game: Sam Cotten
- Department of Health and Social Services: Valerie Davidson
- Department of Labor and Workforce Development: Heidi Drygas
- Department of Law: Craig Richards (Attorney General)
- Department of Military and Veterans Affairs: Brigadier General Mike Bridges*
- Department of Natural Resources: Mark Myers
- Department of Public Safety: Gary Folger
- Department of Revenue: Randall Hoffbeck
- Department of Transportation and Public Facilities: Marc Luiken

*Note: As of this date, General Bridges is still only acting adjutant general and commissioner



PRE-FILED BILLS

<http://www.akleg.gov>

As always, there are numerous pre-filed bills that are posted before any session begins. After combing through the myriad of bills filed, I've listed the ones below that could have an impact on you. Although there are several other municipal related bills, it doesn't appear they will affect you at this juncture in the process. There are several education related bills as well, but we haven't listed any of those as they only have an indirect relationship to you. We will continue to monitor these bills, current legislation already in play, and any future bills introduced. We will report progress on any of these that will affect Dillingham and/or the surrounding area. Please bring to our attention any House or Senate legislation that you want us to track and report on.

FY 16 Budget Bills

- HB 71 / SB 26** – Capital Budgets
- HB 72 / SB 27** – Operating Budgets
- HB 73 / SB 28** – Mental Health Budgets
- Pending / Due by Day 15 (Feb. 3rd) – Supplemental Budgets

Last year we coordinated several reappropriation requests between house, senate, and administrative offices on your behalf. All of these transactions were successful. Let us know at your earliest if you have any similar requests that will be going forward to your legislative offices this session.

Municipal Issues

- HCR 1 / Edgmon** – Urges the Governor to acknowledge the sovereignty of Alaska tribal governments.
- HJR 2 / Hawker** – Proposal to manage Permanent Fund with Percent of Market Value (POMV) method.
- HJR 3 / Edgmon** – Urges Congressional delegation to introduce legislation similar to the Alaska Safe Families and Villages Act of 2013 and support tribal courts.
- HB 21 / Josephson** – Authorizes the creation of regional transit authorities.

HB 47 / Foster – Provides relief for local PERS contribution by muni’s in which the population decreased by 25% between 2000 and 2010. (I’ve listed, but I doubt this would pertain to you)

HB 75 / H. C&RA – Proposes municipal regulation of marijuana by increasing local control.

HB 77 / Thompson – Proposes disability training for VPSO’s and other public safety officers.

SB 1 / Micciche – Proposes a statewide ban on smoking in work places and public places.

SB 13 / Wielechowski – Prohibits the state and muni’s from using assets to assist in warrantless searches of electronic data.

SB 19 / Coghill – Allows local road service area(LSRA) to include or exclude lots partially within LSRA.

SB 22/ Giessel – Reduces state share from 8% to 5.5% to collect muni motor vehicle registration taxes.



COMMITTEE HEARINGS

If you are planning to testify on any particular bill or subject matter, it is a good idea to check the committee calendar the day of or the day before the scheduled hearing as sometimes a bill is rescheduled at the last minute. http://www.legis.state.ak.us/basis/hearing_form.asp?session=29

Go to: <http://www.legis.state.ak.us/basis/start.asp> for a complete description of a bill that is up in committee, any fiscal notes, and also additional backup material that the legislative office has posted in regards to that particular bill. Remember – Bills that have already been heard or previous scheduled in committee can come back before that body without prior notification.

Live on the Web

Most committee hearings can be seen and heard on Gavel Alaska. It is broadcast on both local access TV and on the Internet. You can also access online archives from the following website:

www.360north.org

Streaming Video

Most committee hearings are also teleconference and available for viewing on the following website:

<http://alaskalegislature.tv>

Testifying

If you can’t attend a hearing in person or at your local LIO you can participate by using the following numbers. It is always a good idea to check the committee schedule however to ascertain if they are accepting public testimony. In addition, please be advised that the Legislature wants you to participate in the process, but the toll-free number can only be used if you have had prior approval to call in from the appropriate committee chair.

The toll free number in Alaska: 1-855-463-5009. In Juneau: (907) 463-5009.



BILLS ON THE MOVE

Other than meetings held on SB 30/Marijuana as noted above, there were no pertinent bill hearings or other specific legislation acted on this past week.



IMPORTANT DATES

15th Legislative Day (Feb. 3, 2015) Deadline for Governor’s Supplemental budget requests.

30th Legislative Day (Feb. 18, 2015) Deadline for Governor to submit Amendments to the FY16 Budget.

CAPSIS Deadline for capital projects submitted by communities is typically in early February,

Closeouts Deadline for House Finance Subcommittees is normally late February.

Alaska Permanent Fund Dividend (Filing Deadline: March 31, 2015)

Apply online at: pfd.alaska.gov

Energy Council Meeting - The Energy Council meetings in Washington, DC are scheduled this year from March 5th through March 8, 2015. Quite a few of the other legislators who don't attend the D.C. meetings will take advantage of this break and return to their home districts to meet with constituents. Floor sessions, hearings and other business will continue in the Capitol during this timeframe.



WEBSITES OF INTEREST

For a current list of legislators and contact information, click on the following link:

<http://akleg.gov/docs/pdf/whoswho2015.pdf>

House & Senate Committees for 2015: <http://akleg.gov/docs/pdf/commlist.pdf>

2015 1st Session Legislator & Staff Contact List (*Under development*)

House and Senate Finance Sub-committee Members (*Under development*)

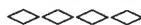
The full Legislative Publications List is at: <http://akleg.gov/publications.php>

Legislative Finance Website: <http://www.legfin.akleg.gov>

This link provides you with options to view specifics for the Capital and Operating Budgets.

For a copy of the Legislative Finance Division's 175-page overview of the Fiscal Year 2016 Governor's budget request, go to <http://www.legfin.state.ak.us/Overview/Overview2016.pdf>

Governor's OMB FY15 Budget Website: <https://omb.alaska.gov/html/budget-report/fy-2016-budget/fy2015-management-plan.html>



COMING NEXT MONTH

- Updated Website for contacting current and new legislators and their staff
- Website listing all of the House and Senate Finance Sub-committee members



We're looking forward to your visit in Juneau on February 10 and 11th.
~ Cliff and Ian

~ End Report ~

Mayor
Alice Ruby

Manager
Rose Loera



Dillingham City Council
Holly Johnson
Chris Maines
Misty Savo
Curt Armstrong
Tracy Hightower
Paul Liedberg

MEMORANDUM

Date: January 28, 2015
To: Rose Loera, City Manager
From: Janice Williams, City Clerk
Subject: Monthly Report

I am ramping back up after being away for two weeks in January on vacation. The Code Review Committee met January 27, and is recommending to the Council the introduction of two ordinances that were vetted through the committee:

- Clarify the code for the time period before an animal is put down, and what is considered feral.
- Review sales tax on sales of fuel delivered outside of Dillingham.

City Facebook and Website. I am always looking for feedback on our Facebook and Website to make it better. The advertisement on Fireworks Allowed for New Years Holiday that was posted on Facebook reached over 300 people. The recent rate increases for harbor and dock and water and sewer services effective February 1, 2015 has been advertised on both media.

The IT Committee and Landfill Committee did not meet in the January, but will be scheduled to meet in February.

STANDING ITEMS:

Liquor License Renewals/Transfers/New Licenses.

Indicate any licenses due to expire within 60 days.

- No licenses pending.

Records Retention.

Nothing to report.

Commission/Board Seats Vacant.

- Cemetery Committee – will be recommended to sunset. There have been only two letters of interest filed since the City began advertising to fill 6 vacant seats in October 2012. The Council in December 2012 approved appointing the seats

City of Dillingham

Page 1 of 2

*Our Vision. By 2015 to have an infrastructure that supports a sustainable, diversified and growing economy. * We will take a leadership role and partner with others to achieve economic development and other common goals. * We will develop a high quality City workforce to serve the community. * We will promote excellence in education.*

when there was a full board, and unless extended by the Council, the committee would expire October 31, 2014.

- Parks and Recreation Committee – 1 seat open, plus the school rep seat is vacant, and the ex-officio non-voting member seat is vacant. No letter of interest in the packet.
- Planning Commission - 1 seat open. There are no letters of interest on file.

City Hall Entryway ADA Accommodations. At the next meeting of the Facility and Equipment Committee, I will be recommending that we include this item in the facility evaluation.

TIPSTER(S).

Motion to Introduce an Ordinance – The motion to introduce an ordinance should state a date specific for a public hearing as well. The date of the public hearing is written in the history located on the top right corner of the first page.

Example. I move to introduce Ordinance No. XXX and schedule for a public hearing (date).

Mayor
Alice Ruby

Manager
Rose Loera



Dillingham City Council
Holly Johnson
Chris Maines
Misty Savo
Neil C. Armstrong
Tracy Hightower
Paul Liedberg

MEMORANDUM

Date: January 27, 2015
To: Rose Loera
City Manager
From: Carol Shade
Finance Director
Subject: December 31 Financial Report

As of the end of December 2014, we should have received 50% of the FY15 budgeted revenues and not have spent more than 50% of the FY15 budgeted expenditures. As you can see by the chart below at December 31, 2014:

- General Fund Revenues were 71% and Expenditures were 51%
- Special Revenue Fund Revenues were 57% and Expenditures were 52%

In comparison as of December 31, 2013:

- General Fund Revenues were 70% and expenditures were 48%
- Special Revenue Fund Revenues were 47% and Expenditures were 57%

Following is a schedule showing the comparison of revenues and expenditures by category:

<u>Category</u>	<u>FY15 Budget</u>	<u>FY15 Actual</u>	<u>FY1 5 %</u>	<u>FY14 Budget</u>	<u>FY14 Actual</u>	<u>FY14 %</u>
Revenues						
General Fund	\$8,027,441	\$5,713,050	71%	\$8,247,416	\$5,791,254	70%
Special Revenues	2,251,058	1,293,592	57%	2,146,127	1,381,859	47%
GF & SRF Revenues	\$10,278,499	\$7,006,642	68%	\$10,393,543	\$7,173,113	69 %
Expenditures						
General Fund	\$8,228,250	\$4,210,461	51%	\$8,044,870	\$3,884,340	48%
Special Revenues	2,353,444	1,223,074	52%	2,525,045	1,443,648	57%
GF & SRF Expenses	\$10,581,694	\$5,433,535	51%	\$10,569,915	\$5,327,988	50%

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Capital Projects Revenues	6,209,283	1,398,503	23%	3,301,124	2,146,951	65%
Capital Projects Expenses	6,190,262	2,158,539	35%	3,693,559	2,393,045	65%

Below shows what remains of the \$738,419.70 of property tax receivables for taxes that were assessed for the 2012 and prior tax years as of December 31, 2014.

<u>Real</u>	<u>Personal</u>	<u>Combined</u>	<u>Total Decrease</u>	<u>% Collected</u>
\$ 133,165.41	\$71,902.35	\$205,067.76	\$533,351.94	72.23%

2013 & 2014 property taxes received through December 31, 2014:

<u>Year</u>	<u>Invoiced to include Personal & Real Property</u>	<u>Real Property Balance to be Collected</u>	<u>Personal Property Balance to be Collected</u>	<u>Total Collected</u>	<u>% Collected</u>
2013	\$2,181,347.60	\$64,153.07	\$10,807.83	\$2,106,386.70	97%
2014	\$2,217,301.56	\$147,880.92	\$37,574.18	\$2,031,846.46	90%

As you can see by these charts there is a total of \$205,067.76 remaining receivables from the 2012 and prior year Real and Personal Property accounts. In comparison, there is only \$74,960.90 for 2013 and \$185,455.10 for 2014 remaining in receivables from Real and Personal property taxes. Combining all the years together results in a total of \$465,483.76 in Real and Personal property tax receivables remaining to be collected.

The Collections specialist sent out 17 letters to delinquent sales tax filers and completed 7 additional promissory notes and mailed 38 promissory note reminders during the month of December. There remained about 71 people on the denied service list.

The Receivables technician sent out 232 utility bills for the December billing and 115 miscellaneous Accounts Receivable bills, and trained staff on two payrolls. In addition she sent out 519 property tax reminders.

The Payables Technician about 216 payables vouchers, 109 checks were produced for an amount of \$421,054.37 and 21 purchase orders were processed. She also trained on processing two payrolls.

The Accounting Tech IV technician assisted with eight computer issues, spent about 12 hours on grants, and spent about 20 hours preparing deposits and 17 hours reviewing data entry from cashiers. She reviewed timesheet auditing, and daily cash counts and deposits. In addition she helped out with HR concerns during the HR Assistant's leave.

The Finance Director prepared the mid-year budget amendment which will be presented in a workshop before the Council Meeting. In addition, she spent time reviewing the draft audit which will also be presented in a workshop prior to the Council meeting.

With that being said attached statements reflect the City's financial status as of December 31, 2014.

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City of Dillingham
Revenues and Expenditures As of December 31, 2014
Unaudited Figures

REVENUES:	December 31, 2014				December 31, 2013	
	Budget - FY15	MTD	YTD	Percent	YTD	INC/(DEC)
<u>General Fund Revenues</u>						
General Sales Tax	\$ 2,700,000	233,325	1,250,379	46%	\$ 1,169,034	\$ 81,344
Alcohol Sales Tax	300,000	28,390	127,375	42%	131,816	(4,441)
Transient Lodging Sales Tax	85,000	5,437	46,390	55%	40,971	5,420
Gaming Sales Tax	78,000	5,424	22,424	29%	29,715	(7,290)
Total Sales Tax	3,163,000	272,576	1,446,568	46%	1,371,536	75,032
Real Property Tax	1,500,000	1,056	1,659,498	111%	1,578,248	81,250
Personal Property Tax	500,000	(233)	562,742	113%	524,540	38,202
Total Property Taxes	2,000,000	823	2,222,240	111%	2,102,788	119,453
Telephone Gross Receipts State Tax	75,000	-	-	0%	-	-
Raw Fish Tax	350,000	-	407,654	116%	276,513	131,141
Nushagak Fish Tax (Proportion transfer in)	-	-	-	-	310,000	(310,000)
Shared Fisheries	30,000	-	-	0%	-	-
Revenue Sharing	208,636	-	210,165	101%	210,704	(539)
Payment in Lieu of Taxes (PILT)	420,000	-	446,844	106%	422,987	23,857
State Jail Contract	641,300	-	329,282	51%	480,975	(151,693)
Admin Overhead	375,029	101,677	201,883	54%	215,432	(13,548)
PERS on Behalf	294,526	(21,091)	243,357	83%	190,814	52,544
Other Revenues	469,950	24,749	205,056	44%	209,506	(4,451)
Total	2,864,441	105,335	2,044,242	71%	2,316,930	(272,689)
Total General Fund Revenues	\$ 8,027,441	\$ 378,735	\$ 5,713,050	71%	\$ 5,791,254	\$ (78,204)
<u>Special Revenue Funds Revenues</u>						
Nushagak Fish Tax	-	-	13,727	-	319,203	(305,476)
Water	215,412	33,958	113,636	53%	115,087	(1,451)
Sewer	284,242	27,411	165,437	58%	122,414	43,024
Landfill	512,783	74,099	176,701	34%	214,521	(37,820)
Dock	490,327	22,089	470,132	96%	273,178	196,954
Dock Insurance Payment	-	-	-	-	-	-
Boat Harbor	244,979	34,481	97,666	40%	97,907	(241)
E-911 Service	76,000	6,259	40,057	53%	38,870	1,187
Senior Center (Grant)	138,100	37,814	73,240	53%	68,712	4,527
Senior Center (Non-Grant)	289,215	77,458	142,996	49%	131,968	11,028
Total Special Revenue Funds Revenues	\$ 2,251,058	\$ 313,570	\$ 1,293,592	57%	\$ 1,381,859	\$ (88,267)
Fisheries Infrastructure	-	-	-	-	17,739	(17,739)
Borough Study Fund	-	-	-	-	10,644	(10,644)
Asset Forfeiture Fund	-	-	-	-	-	-
City Shoreline Erosion Control	-	-	5,479	-	34,750	(29,271)
WasteWater Treatment Plant	2,000,000	-	16,840	1%	1,349,309	(1,332,469)
Force Main	-	-	-	-	91,187	(91,187)
Library Grants	85,773	30,546	62,228	73%	13,880	48,348
Library Building Upgrades	-	-	-	-	138,284	(138,284)
E911 Critical System Upgrades	133,787	-	133,787	100%	-	133,787
EMPG	10,000	-	614	6%	-	614
FEMA Fire Truck	405,000	-	-	0%	-	-
Jail Corrections Grant (Equipment)	-	-	-	-	20,000	(20,000)
SHSP Camera Upgrades	114,791	-	3,687	3%	-	3,687
SHSP Public Safety Equipment	74,800	-	-	-	-	-
JAG Grant (WAANT Officer)	-	-	-	-	-	-
Pollock Grant	-	-	-	-	-	-
BBEDC Interns	19,152	-	26,451	138%	-	26,451
BBEDC (Various Projects)	250,000	-	3,232	1%	52,111	(48,878)
Ambulance Reserve Capital Project Fund Reve	67,294	-	-	-	-	-
Equipment Replacement Capital Project Fund	115,000	-	115,000	100%	100,000	15,000
School Bond Project	-	-	-	-	650	(650)
Public Safety Planning	20,000	-	20,000	100%	20,000	-
Mary Carlson Estate Permanent Fund Revenue	4,596	(1,715)	(1,660)	-36%	1,289	(2,949)
Debt Service Fund Revenue	1,176,090	-	273,045	23%	296,265	(23,220)
Landfill Oxidation	1,300,000	-	609,592	47%	-	609,592
BBEDC (Landfill)	250,000	-	35,208	14%	-	35,208
Landfill Reappropriation	183,000	-	95,000	52%	-	95,000
Landfill Phase 3	-	-	-	-	845	(845)
Total Capital Project Revenues	\$ 6,209,283	\$ 28,831	\$ 1,398,503	23%	\$ 2,146,951	\$ (748,448)
Total Revenues	\$ 16,487,782	\$ 721,135	\$ 8,405,145	51%	\$ 9,320,063	\$ (914,919)

City of Dillingham
Revenues and Expenditures As of December 31, 2014
Unaudited Figures

EXPENDITURES:	December 31, 2014				December 31, 2013	
	Budget - FY15	MTD	YTD	Percent	Actual	INC/(DEC)
General Fund Expenditures						
City Council	\$ 86,864	\$ 7,899	\$ 37,346	43%	\$ 22,857	\$ 14,489
City Clerk	130,310	9,960	65,775	50%	65,609	166
Administration	309,809	21,844	150,038	48%	136,154	13,884
Finance	619,503	46,462	295,708	48%	281,964	13,744
Legal	77,000	4,109	34,212	44%	33,844	368
Insurance	110,618	-	112,615	102%	100,773	11,842
Non-Departmental	185,400	12,912	122,097	66%	129,833	(7,737)
Planning	142,563	9,338	64,675	45%	68,129	(3,454)
Foreclosures	10,000	832	13,681	137%	21,632	(7,951)
Meeting Hall above Fire Station	3,575	218	1,370	38%	1,788	(418)
Public Safety Administration	178,356	9,053	99,050	56%	96,778	2,272
Dispatch	468,894	39,824	226,925	48%	200,373	26,551
Patrol	831,789	67,182	403,930	49%	368,612	35,318
Corrections	692,590	54,979	344,053	50%	315,697	28,356
DMV	134,171	12,021	71,799	54%	45,336	26,463
Animal Control Officer	113,326	8,533	50,567	45%	56,123	(5,555)
PS IT	21,700	2,134	7,791	36%	12,865	(5,074)
Fire	294,448	17,172	124,927	42%	94,419	30,508
Public Works Administration	201,794	17,332	95,151	47%	65,488	29,663
Building and Grounds	286,991	17,574	140,620	49%	150,080	(9,459)
Shop	162,018	11,206	68,269	42%	89,875	(21,606)
Street	659,803	41,478	256,518	39%	325,227	(68,709)
Library	138,797	9,531	59,690	43%	58,888	802
City School	1,300,000	325,000	975,000	75%	650,000	325,000
Transfers to Other Funds	1,067,931	142,304	388,655	36%	491,994	(103,339)
Total General Fund Expenditures	\$ 8,228,250	\$ 888,897	\$ 4,210,461	51%	\$ 3,884,340	\$ 326,122
Special Revenue Funds Expenditures						
Nushagak Fish Tax	-	-	-	-	283	(283)
Water	215,412	22,900	113,636	53%	115,667	(2,031)
Sewer	284,242	27,180	147,848	52%	122,536	25,312
Landfill	512,783	36,761	176,902	34%	215,674	(38,772)
Dock	622,513	68,907	474,152	76%	403,659	70,493
Dock (ATD Damages)	-	-	-	-	271,339	(271,339)
Boat Harbor	244,979	13,464	97,115	40%	99,148	(2,033)
E-911 Service	42,200	-	7,130	17%	-	7,130
Senior Center (Grant)	138,100	9,994	73,489	53%	82,978	(9,490)
Senior Center (Non-Grant)	293,215	34,345	132,803	45%	132,647	155
Total Special Revenue Fund Expenditures	\$ 2,353,444	\$ 213,552	\$ 1,223,074	52%	\$ 1,443,648	\$ (220,574)
Capital Project Funds Expenditures						
Asset Forfeiture Fund	-	-	-	-	515	(515)
Fisheries Infrastructure Fund	-	-	-	-	-	-
Borough Study	-	-	-	-	-	-
City Shoreline Erosion Control	-	-	6,923	-	123,391	(116,468)
WasteWater Treatment Plant	2,000,000	150	21,482	1%	1,383,736	(1,362,254)
Force Main	-	-	-	-	17,714	(17,714)
Library Grants	85,773	4,046	33,052	54%	13,501	19,551
Library Building Upgrades	85,000	8,710	19,625	23%	141,196	(121,571)
EMPG	10,000	1,888	2,501	25%	-	2,501
FEMA Fire Truck	405,000	1,925	369,641	91%	697	368,945
SHSP Camera Upgrades	114,791	-	3,687	3%	407	3,280
SHSP Public Safety Equipment	74,800	9,429	10,043	13%	-	10,043
JAG Grant (WAANT Officer)	-	2,732	5,652	-	-	5,652
E911 Critical System Upgrades	133,787	-	133,787	100%	407	133,380
Pollock Grant	-	-	21	-	-	21
BBEDC Interns	-	-	26,111	-	-	26,111
BBEDC (Various Projects)	-	4,367	11,689	-	123,075	(111,386)
Ambulance Reserve Capital Project Fund	269,000	-	-	0%	360	(360)
Equipment Replacement Capital Project Fund	103,425	-	-	-	155,757	(155,757)
School Bond Project	-	-	12,182	-	36,117	(23,935)
Public Safety Planning	20,000	-	11,918	60%	2,558	9,361
Mary Carlson Estate Permanent Fund	4,596	898	3,882	84%	2,849	1,033
Debt Service Fund	1,176,090	-	273,045	23%	288,045	(15,000)
Landfill Oxidation	1,300,000	134,650	999,177	77%	19,615	979,562
BBEDC Landfill	250,000	-	119,121	48%	-	119,121
Landfill Reappropriation	183,000	-	95,000	52%	-	95,000
Landfill Phase 3	-	-	-	-	83,621	(83,621)
Total Capital Project Funds Expenditures	\$ 6,215,262	\$ 168,794	\$ 2,158,539	35%	\$ 2,393,045	\$ (234,506)
Total All Expenditures	\$ 16,796,956	\$ 1,271,243	\$ 7,592,074	45%	\$ 7,721,032	\$ (128,958)
Revenues Over (Under) Expenditures	\$ (309,174)	\$ 580,069	\$ 813,070		\$ 1,599,031	\$ (785,960)

City of Dillingham
Revenues and Expenditures As of December 31, 2014
Preliminary Figures

	<u>Fund Bal.</u> <u>6/30/2014</u>	<u>FY'14</u> <u>Revenues</u>	<u>FY'14</u> <u>Expenditures</u>	<u>Add or (-)</u> <u>Fund Bal</u>	<u>Fund Bal.</u> <u>12/31/2014</u> <u>Unaudited</u>
General Fund	\$ 4,161,194	\$ 5,713,050	\$ 4,210,461	\$ 1,502,589	\$ 5,663,783
Nushagak Fish Tax	286,068	13,727	0	13,727	299,795
Fisheries Infrastructure Fund	67,023	-	-	0	67,023
Borough Study	37,188	-	-	0	37,188
Water	-	113,636	113,636	-	-
Sewer	14,917	165,437	147,848	17,589	32,506
Landfill	2,450	176,701	176,902	(201)	2,249
Dock	667,391	470,132	474,152	(4,019)	663,372
Boat Harbor	-	97,666	97,115	551	551
E-911 Service	79,606	40,057	7,130	32,927	112,533
Senior Center	-	216,236	206,291	9,944	9,944
Asset Forfeitures Fund	6,072	-	-	-	6,072
City Shoreline Erosion Control	(170,200)	5,479	6,923	(1,444)	(171,644)
Pollock Land Grant	14,732	-	21	(21)	14,711
WasteWater Treatment Plant	-	16,840	21,482	(4,642)	(4,642)
Force Main	-	-	-	-	-
Library Grants (Books, Erate, etc.)	-	62,228	33,052	29,176	29,176
Library Roof	-	-	19,625	(19,625)	(19,625)
JAG Grant (WAANT Officer)	-	-	5,652	(5,652)	(5,652)
E911 Critical System Upgrade	-	133,787	133,787	-	-
EMPG	-	614	2,501	(1,888)	(1,888)
FEMA Fire Truck	-	-	369,641	(369,641)	(369,641)
SHSP Camera Upgrades	-	3,687	3,687	-	-
SHSP Public Safety	-	-	10,043	(10,043)	(10,043)
BBEDC Interns	-	26,451	26,111	340	340
BBEDC (Various Projects)	-	3,232	11,689	(8,457)	(8,457)
BBEDC (Landfill)	-	35,208	119,121	(83,913)	(83,913)
Ambulance Reserve Capital Project Fund	641,945	-	-	-	641,945
Equipment Replacement Capital Project Fund	121,175	115,000	-	115,000	236,175
School Bond Project Capital Project Fund	76,764	-	12,182	(12,182)	64,581
Public Safety Planning	23,744	20,000	11,918	8,082	31,826
Mary Carlson Estate Permanent Fund	388,161	(1,660)	3,882	(5,542)	382,619
Debt Service	-	273,045	273,045	-	-
Landfill Oxidation	-	609,592	999,177	(389,585)	(389,585)
Landfill Reappropriation (Equipment Purchase)	-	95,000	95,000	-	-
Landfill Capital Project Fund	172,044	-	-	-	172,044
Total	\$ 6,590,274	\$ 8,405,145	\$ 7,592,074	\$ 813,070	\$ 7,403,344

Mayor
Alice Ruby

Manager
Rose Loera



Dillingham City Council
Holly Johnson
Chris Maines
Misty Savo
Curt Armstrong
Tracy Hightower
Paul Liedberg

MEMORANDUM

Date: January 27, 2015
To: Rose Loera, City Manager
From: Sonja Marx, Librarian
Subject: January Monthly Report

Nicole Ito was temporarily hired as the Library Aide/Clerk for January 26th through March 6th, as we continue to advertise for this position. Both Abigail and I applied for and were awarded each a \$1,000 Continuing Education Scholarship to attend the 2015 AkLA conference "Channel Our Voices" in Juneau this February 26 – March 1.

The Library Advisory Board met Tuesday, January 13th to review and make their recommendations for Rules for Fines, Fees, and Lost Materials. Please find a copy attached. Conor Downey was voted in as Vice Chair. The LAB will be conducting their Library Survey during February via online with hard copies at the Library to be completed by March 17th in order to compile and analyze the results.

In answering the Finance & Budget's questions regarding the Fine/Fee Forgiveness for February, it would only be valid during the last 3 weeks in February. Only fines for the returned item will be forgiven (usually a maximum of \$3 each). We don't anticipate this being an annual request, and we do not see it encouraging patrons to hold off paying their fines since they can't check out materials if they owe more than \$3 on their account anyway. We want it to encourage some patrons to return long, lost materials to the Library. In short, about 1,000 items are missing, and we don't anticipate getting them all back. At the most, possibly \$1,500 in fines could be forgiven; but then we would have thousands of dollars of lost materials back into the library collection.

The Dillingham Friends of the Library and the Dillingham Arts Council are bringing author, Annie Boochever from Juneau, to Dillingham February 19-21, 2015. She will conduct reading workshops and art projects at the Elementary and Middle School on Thursday and Friday. A reading and book signing is also scheduled.

The FOL continue to celebrate "Love Your Library Month" this February with Book Bags and have a "Blind Date with a Book". Have you noticed the Mini Library mounted on the wall as you exit N & N? Thanks to the skills of the shop class and funding from the FOL,

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six of these were constructed to be placed throughout town. This gives people the opportunity to take and share a book for their reading pleasure which will only increase literacy in our community. Great idea, Rebekah Fonkert and Friends of the Library!

Library Stat report for December 22nd – January 24th, 2015:

**Patron Visits: 2,717 Computer Use: 373+* Wireless Use: 247
Story Hour: 64 Other Visits (including students): 334 Museum Use: 43
Videoconferencing: 1 AWE Station Use: 14 Volunteer hours logged: 21.25**

**Library will be closed Monday, February 16th for President's Day,
and Friday, February 27th for Beaver Round-Up**

Library Advisory Board meeting, Tuesday, April 7th at 5:30 pm in the Library

***Two weeks of data recording were lost with computer upgrades**

Attachment: Rules for Fines, Fees, and Lost Materials

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Rules for Fines, Fees, and Lost Materials

The Library will actively pursue the timely return of materials and is authorized to levy fines and charge fees. If materials are returned damaged, but still deemed suitable for the collection, patrons can make a donation to the library.

Fines for Overdue Materials

- \$.10 / day for Books
- \$.25 / day for Books designated "New"
- \$.50 / day for DVDs
- \$.10 / day for CDs
- \$.10 / day for all other materials such as magazines, etc.

Money will be kept in a locked cash box and taken to City Hall weekly for deposit.

Procedure for Patron Replacement of Lost or Damaged Library Items

When a library item is lost or damaged, Patrons have two choices:

- **Pay the replacement fee (market value) or**
- **Replace the lost item and pay a \$5 processing fee**

- The lost item must not have already been replaced at library expense. Call 842-5610 or email dillingham.public.library@dillinghamak.us to ask if the item is eligible for patron replacement prior to ordering or purchasing.
- The replacement item must be in new or like new condition.
- Patron pays any shipping and handling fees.
- When replacement item is turned in, include a note with patron's name and library card number and the item being replaced so the account will get credit for the replacement and the fines on that item will be forgiven.

Books

- Must be Hardcover or Turtle Back Library Bound.
- (Mass Market Trade paperback versions are not acceptable).
- If the item is no longer in print, ask a librarian for a suitable replacement title from the library Amazon wish list.

DVD's

- If the lost or damaged DVD is no longer available for purchase or the library had to replace the DVD at library expense, a replacement DVD must be a DVD of equal or greater value that the library does not have.

Audio Books

- Replace with CD versions, no cassette tapes.

Computer games or video games, Wii, CD-ROMs. . .

- Must have the confirmation code with the replacement if applicable.
- Replacement must be compatible with current computer or TV technology.

Mayor
Alice Ruby

Manager
Rose Loera



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Paul Liedberg

MEMORANDUM

Date: January 27, 2015
To: Rose Loera / City Manager
From: Jean Barrett / Port Director
Subject: January monthly report

Halfway through the winter, before we know it summer will be upon us and things will be jumping again. December and January have been very busy and productive months. The Tariff was finally passed with a few revisions. A forklift is being purchased for the dock and we are still talking about how and where we can move electrical lines at the dock. I am looking to go a little greener by updating lights at the dock and harbor with LED floods. Should equal up to a substantial savings for the City.

- Though the dock is closed there has been a lot of thought and work put into projects for the upcoming season and the overall operations. The Tariff which had not been revised since 1998, as far as I can tell, was the big item. We have revised prices in order to keep up with the market. The revisions were met with some resistance. Even though we want to be paid fairly for our services we felt that we would be able to be good neighbors and rework some of the revisions so that we cover our costs and the customer is also happy. We will be revisiting the tariff on a more consistent basis so as to keep our dock profitable for the job we do.
- I have been working on pricing out a new small forklift for the Dock. Our current forklifts are 30 + years old and yet still running. They are in need of constant maintenance. Prices from 3 different suppliers were received for forklifts that fit our criteria. We decided on the Clark C35 and will purchase this from MidCo. Material handling for the price of \$38,820.00 plus shipping, I anticipate this forklift to be on the first or second barge of the summer.
- Sometimes I feel like we are in the dark ages when I am at the dock in the evening. Quite a few of our old flood lights are burnt out and no longer work or

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are in need of constant maintenance. I received a price quote from Tamerak Electric to replace and add new L.E.D. flood lights in the place of all of the old 1000 watt floods that are currently in place. These new L.E.D.'s will draw less than 50 watts to run. I anticipate seeing a substantial savings. I have also priced L.E.D.'s for the harbor. We have the 1000 watt floods here as well, and I hope to have these in place this summer. I hope the fishermen can sleep!

- I attended a training in Anchorage last fall that was put on by Best Access Systems. This training was all about our door locks and keying systems. I have been working on setting up a system that allows the city employees to downsize their key rings and allow better access to all city buildings by the only the people who need to be in them. I have added the price of this to the fy16 budget and hope to have this in place this summer.
- I am still a CDL tester for DMV and am scheduled to go to a recertification class in Anchorage in March. I am working with BBEDC for funding for this class. Even though the demand has slowed down some for people needing to get their CDL's this is still a valuable program to have here in Dillingham. I also do the testing for people who want their M1 motorcycle license.
- I have all but finished my FY 16 budget and have it ready to turn in for the approval of the City Manager and also City Council. No big surprises here, mostly necessities a few upgrades and some much needed maintenance items.

That is all from the best view in the City.

Jean Barrett
Port Director

Mayor
Alice Ruby

Manager
Rose Loera



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MEMORANDUM

Date: February 27, 2015
To: City Manager Rose Loera
From: Chief Dan Pasquariello
Subject: **February 2015 Council Report** (*reporting period 1/01/15 to 1/26/15*)

POLICE:

- ❖ 300 Calls for service
- ❖ 43 Incident reports
- ❖ 15 Persons arrested
- ❖ 8 Title 47/Protective custody
- ❖ 11 Citations issued

During the reporting period we solved several burglaries. One was a burglary spree occurring over a two-week in the PAF boatyard involving numerous stored fishing vessels.

Our new, greatly appreciated, patrol car has arrived in Dillingham.

The tactical equipment portion of the 2014 Homeland Security grant has been completed. All officers have been outfitted with new ballistic protective gear and trauma supplies.

CORRECTIONS:

- ❖ 36 Total Inmates
- ❖ 8 Title 47/Protective custody

Two of our corrections officers are currently attending the Municipal Corrections Academy in Palmer. This three week long academy will enable them to become certified by the Alaska Police Standards Council.

DISPATCH:

- ❖ 389 Calls for service
- ❖ 77% Dispatched to Dillingham Police
- ❖ 18% Dispatched to Alaska State Troopers

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- ❖ 3% Dispatched to EMS/Fire
- ❖ 2% Dispatched to Animal Control
- ❖ 94 911 calls received

The radio encryption portion of the 2014 Homeland Security grant has been completed. Two new radios and antennas have been installed at the Public Safety building.

One of our Dispatchers is resigning at the end of the month. This will be the only current vacancy in the department.

ANIMAL CONTROL:

- ❖ 7 Dogs impounded
- ❖ 4 Dogs returned to owners
- ❖ 1 Dog sent to Anchorage shelter
- ❖ 3 Parvo shots
- ❖ 3 Citation issued

We will once again be hosting a Rabies Clinic during the annual Beaver Round-up Festival this month.

DMV:

- ❖ 31 Registrations/Titles
- ❖ 36 Driver's License/IDs
- ❖ 2 CDLs
- ❖ 3 Road tests

A plan to shorten DMV hours is proposed this month; Resolution 2015-10.

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MEMORANDUM

Date: January 27, 2015
To: Rose Loera, City Manager
From: Stephanie McCumber, Fire Coordinator
Subject: January 2015 Department Head Report

Summarization of EMS Responses in October– 11 Calls; 52.5 Total Man Hours

- Total of Ambulance Transports
 - 4 Chest Pain
 - 1 Diabetic Emergency
 - 1 Medical Transport
 - 2 Seizure/Convulsions
 - 1 Traumatic Injury
 - 1 Sick Person
 - 1 Motor Vehicle Accident

Summarization of Fire Responses in September – 1 Call; 8 Total Man Hours

- 1 Motor Vehicle Accident

PROJECTS COMPLETED

- Combo Meeting was High Performance CPR where members learned new and advanced ways to perform CPR.
- For Fire training, we had a live fire in a barrel at Lake Road Station and practiced using fire extinguishers. We also practiced making entry into a burning building.
- Rescue Squad Training was for scene size-up/calling for help, where we reviewed and reenacted a previous run.
- Fire reports have been completed for the year 2014 and the State has accepted them.
- Nushagak internet was installed at Lake Road Station. This proceeds our HughesNet internet and allows us twice the speed enabling us to have higher quality trainings.
- Stipend Checks have been completed and sent to the volunteers and we will be issuing those quarterly.
- A quarterly air sample was completed on our cascade system for breathing air apparatus. This test verifies that the moisture content of the air we breathe in our air packs is not too much.
- Ambulance and Fire reporting is up to date.

ON-GOING PROJECTS

- Engine 1's sirens are out of service and new ones are being ordered.
- The application to register our Fire Department with the State is due January 31, 2015 and will be completed this week.
- We had sent 4 of our big yellow cascade system bottles to be hydro tested and have received them back. We are planning on using these bottles to expand our system at Lake Road Station so that we have the ability to fill more bottles at any time.

Mayor
Alice Ruby

Manager
Rose Loera



Dillingham City Council
Holly Johnson
Chris Maines
Misty Savo
Curt Armstrong
Tracy Hightower
Paul Liedberg

MEMORANDUM

Date: January 26, 2015
To: Rose Loera, City Manager
From: Francisco Garcia, Public Works Director
Cc: Dillingham City Council
Subject: January monthly report 2015 – Public Works Department

Street Dept.

- Scraped ice off of roads;
- Plowed bike path and sanded;
- Graded in front of post office and library;
- Emptied glass container from the sea inn, harbor and Willow tree.

Water/Sewer Dept.

- Conducted monthly water and sewer sampling;
- Keeping lift stations, sewer treatment and water treatment plant cleaned;
- Completing monthly DMR reports and turning them in to D.E.C.
- Jetted out the senior center, all drains were backing up.

Shop Dept.

- Keeping up with equipment and vehicle maintenance;
- Keeping the shop cleaned and organized;
- Paint the hood on new police vehicle and installed decals;
- Readjusted clutch on landfill swap loader truck.

B&G Dept.

- Worked on senior center and library heating issues;
- Moved office from shop building to Quonset hut;
- Completed NIMS training.

Landfill Dept.

- Keeping the landfill clean;
- Collecting aluminum can for recycling;
- Cleaned all equipment of bird droppings.

Mayor
Alice Ruby

Manager
Rose Loera



Dillingham City Council
Holly Johnson
Chris Maines
Misty Savo
Curt Armstrong
Tracy Hightower
Paul Liedberg

MEMORANDUM

Date: January 20, 2015
To: Rose Loera
From: Ida Noonkesser
Subject: Staff Report

During the month of December, the Senior Center served 369 congregate meals to 55 individuals, 105 home delivered meals to 9 individuals, gave 272 assisted rides to 25 individuals and 268 unassisted rides to 32 individuals.

We had three renters in the month of December. Also, the Pinochle player's group continues to rent the dining room every Friday and every third Saturday the Quilters rent the Senior Center.

The Senior Center made \$ 171.00 at the Christmas Bazaar. Thank you to everyone who donated items to sell.

On December 19th we had our Food Establishment Inspection with Bevin Durant (Environmental Health Officer II). We passed with flying colors. There are few things I need to order to keep us in compliance like the hot and cold temperature thermometers, and more chemical sanitizer for the dishwasher. Bevin also gave me a new Resource Manual to keep at the Senior Center.

The Senior Center was closed for the holidays. December 22nd through January 2nd.

We are open again and things are going well.

Our next Advisory Board meeting is scheduled for February 11, 2015.

I. CALL TO ORDER

The regular meeting of the Senior Advisory Committee was held on January 14, 2015 at the Dillingham Senior Center, Dillingham, Alaska. Maryanne Dickey, Chair, called the meeting to order at 1:10 p.m.

II. ROLL CALL

Members present: (Quorum is four)

Maryanne Dickey, Chair
V.I. Braswell
Johanna Bouker
Flossie Andersen
Alice Stephens

Members absent:

June Ingram
Tracey Hightower
Frank Nicholson

Guests/Staff in attendance:

Ida Noonkesser, Director

III. APPROVAL OF MINUTES

MOTION: Flossie Andersen moved to approve the Minutes as written, Ida Noonkesser seconded, *Motion Carried unanimously.*

IV. APPROVAL OF AGENDA

MOTION: V.I. Braswell moved to approve the agenda, Johanna Bouker seconded, *Motion Carried unanimously.*

V. STAFF REPORT

Ida had a written staff report that is attached. Comments made were how is staffing – Ida reported Terry Shade was hired on full time as of yesterday; she has two students from the MAP school coming in the morning and afternoon; question raised on how is her computer problem – Ida reported she still has problems and it was recommended she send her request to the IT group and cc the City Manager; and Ida was asked to do PSA announcements on Senior Center activities, the treadmill is still for sale and selling tickets for a chance to win it, and Flossie had donated a child's parka for the Christmas bazaar and put a ruff on it and it will now be advertised for sale.

VI. NEW BUSINESS

There were no items for consideration at this time.

VII. OLD BUSINESS

A. Central Restaurant Product – Ida reported she talked with Gregg who will let her know when she can expect the dishwasher (they have on hand), and the new oven (this is on back order).

VIII. PUBLIC COMMENTS

No comments were received.

IX. COMMITTEE COMMENTS

Question raised on line item for fund raising, Ida reported she is working on getting a number set up so our funds can get used for items we raise funds for.

On the door knobs, Ida reported all city buildings will get new door knobs in FY2016 budget, the ones we paid for are not working any more.

Question raised on funds raised for the bazaar and turkey lunch – Ida reported \$171 for the bazaar and \$244 for the turkey lunch.

A request was made to add "Next Meeting Date as Item #X" on the agenda. The next meeting will be held February 11, 2015.

X. ADJOURNMENT

The meeting adjourned at 1:55 p.m.

Vivian Braswell
Recorder

I. CALL TO ORDER

The Finance and Budget Committee met on Monday, January 19, 2015, in the City Council Chambers, Dillingham, AK. Paul Liedberg, Chair, called the meeting to order at 5:41 p.m.

II. ROLL CALL

Committee Members present:

Paul Liedberg
Tracy Hightower

Mayor Alice Ruby
Curt Armstrong

Rose Loera
Carol Shade

Staff present:

Dan Pasquariello

III. APPROVAL OF MINUTES

A. Minutes of December 8, 2014

MOTION: Mayor Ruby moved and Tracy Hightower seconded the motion to approve the minutes of December 8, 2014.

VOTE: The motion passed unanimously by general consent.

IV. APPROVAL OF AGENDA

MOTION: Rose Loera moved and Alice Ruby seconded the motion to approve the agenda.

VOTE: The motion passed unanimously by general consent.

V. STAFF REPORTS

A. Mid-Year Budget Review

Carol Shade reported the mid-year budget review would effectively decrease the original budget by \$27,182 resulting in a net general fund balance of (\$193,627).

MOTION: Alice Ruby moved and Curt Armstrong seconded the motion to recommend the mid-year budget revision to the Council.

VOTE: The motion passed unanimously by voice vote.

B. 2014 Audit

Carol Shade reported the 2014 audit had no audit findings and the year ended in a net change in the fund balance of \$60,247.

Manager Loera reported efforts to collect on overdue taxes of around \$780,000 from 2012 back resulted in the City collecting almost 70% of it to date.

MOTION: Tracy Hightower moved and Alice Ruby seconded the motion to recommend a presentation of the audit at a workshop before the Council to include the mid-year budget review.

VOTE: The motion passed unanimously by voice vote.

Manager Loera reported one of her main goals was to look for funding for a public safety building, a proposed \$20M project. Another community was able to get a revenue bond with state backing to replace their corrections facility, and was looking to obtain more information. If the City were to contract these services, it would require additional funding in the budget. As she obtained more information, she would update the committee.

Follow-up: Manager Loera offered to bring Agnew::Beck's study on public safety facility options to the next F&B meeting so the committee could get a briefing on the work done so far.

VI. NEW BUSINESS

A. Fiscal Policy Development

1. Review Internal Controls

Carol Shade reported staff was in the process of reviewing the outdated internal controls. Three of the sections were in the packet. She noted in the letter that accompanied the recent audit, there were new guidelines that were requiring internal policies be in place for grant administration.

B. Rate Review

Follow-up: Manager Loera reported she would present a schedule to regularly review all of the City's rates.

Follow-up: Manager Loera to ask Port Director to attend the February meeting to review incremental rates for the container vans for the next several years.

C. Division of Motor Vehicles Options

Manager Loera reported the City was subsidizing the DMV services for around \$84K. The State DMV office had informed the City that they were not going to increase their funding. She was recommending cutting hours to four hours a day, similar to a suggestion made by the State to cut hours, and the City would reassign several positions that would be affected by the change. In the meantime, the City would continue to push for more funding.

MOTION: Tracy Hightower moved and Alice Ruby seconded the motion to recommend shortening the hours at DMV to four hours a day.

VOTE: The motion passed unanimously by voice vote.

D. Water and Sewer Rate Analysis

Carol Shade reported that after the water and sewer rates were put in place, there were several anomalies that arose. The problem involved the size of the line to the building which was required as part of the calculation. In some cases this was not reasonable based on the use of the facility. To rectify the problem, staff had readjusted the line size to a number that could be supported, and adjusted the rates accordingly.

Follow-up: This item could be removed from the agenda.

E. Fuel Sales Outside City Limits

Manager Loera reported at the last meeting the committee had agreed since the City was waiving 5% of its 6% sales tax on fuel deliveries to Aleknagik, it would be in order to have the City Council approve the waiver and authorize an agreement between the two cities. It had not gone to the Council, but the fuel vendors were instructed to collect the 1% additional sales tax on behalf of Dillingham.

She also noted that there was some confusion about whether the sales tax on fuel deliveries applied to residents living between the City of Dillingham and Aleknagik limits. This had been clarified by the City's Attorney and had been addressed with all three fuel vendors.

Discussion:

- Not sure the City could waive taxes administratively, should get Council approval.

Follow-up: Manager Loera would clarify with the City's Attorney the direction the City had taken and would put this on the Council agenda.

F. Fluoride in the Water

Manager Loera reported she felt confident after discussions with AkDEC that the City was not going to have to install additional equipment to accommodate the fluoride, but she was waiting to receive this in writing.

Follow-up: This item can be removed from the agenda.

G. Retention of Police Officers

Manager Loera and Chief Pasquariello presented on the memo in the packet regarding suggestions for police officer retention. The committee recommended further study take place in conjunction with preparation for the 2016 budget.

VII. NEW BUSINESS

A. Facility & Equipment

Manager Loera reported on the evaluation being conducted on the City's facilities and equipment, items between \$5,000 and \$20,000. A separate report on City building deficiencies identified health and safety issues. The upstairs of the downtown fire station was cited as needing the most immediate attention. The major issues including repairing exit doors and outside stairwell, and other needed items, which would cost around \$26,000 to fix. Outstanding issues on other facilities would be discussed during the budget review.

MOTION: Carol Shade moved and Tracy Hightower seconded the motion to revise the mid-year budget by an additional \$7,300 to fix the outside stairwell and emergency lighting on the downtown fire hall building.

VOTE: The motion passed unanimously by voice vote.

B. Master Plan

Manager Loera reported on the City engineering firm's recommendation to have a city-wide facility master plan, inventory the conditions of all buildings, streets, docks, harbors, water and sewer, which would provide direction of where the city needed to go with improvements. She could bring forth a cost for the project, and present it to the committee if interested. It was noted some of information was already available, would help to lower the cost. After some discussion it was decided that the City didn't have the funds at this time and will bring it back for consideration when the financial situation changes.

Follow-up:

- This item can be removed from the agenda.

C. Love Your Library – Debt Forgiveness

In recognition of Love Your Library Month (February), the Council was being asked to approve amnesty for all late fines at the library.

Q. What was the amount being asked to write off?

A. Not sure.

Q. Was this going to be an annual request? What would be the incentive to pay?

A. Could suspend borrowing privileges if a chronic nonpayer.

Follow-up:

- Manager Loera will research the questions, email them to the committee, and have the answers for the February Council meeting.
- The committee did not have a recommendation since they did not have enough information.

VIII. PUBLIC/COMMITTEE COMMENT(S)

Alice Ruby:

- Reported she had invited PenAir to share their business plan for Dillingham, which she thought might be best presented at a separate workshop in February.

IX. ADJOURNMENT

The meeting adjourned at 7:42 p.m.

Paul Liedberg, Chair

ATTEST:

Janice Williams, City Clerk

Approval Date: _____

CITY OF DILLINGHAM, ALASKA

ORDINANCE NO. 2015-01

AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING THE BUDGET BY ADOPTING BUDGET AMENDMENT NO. 1 AND APPROPRIATING FUNDS FOR THE FY 2015 CITY OF DILLINGHAM BUDGET

WHEREAS, the City Council has approved the Operating Budget and Capital Improvement Budget for FY 15 to the City Council in accordance with Title 4 of the Dillingham Municipal Code pursuant to A.S. 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 2015 budget at 13 mills; and

WHEREAS, the budget presented, reviewed and changed is in accordance with sound and efficient municipal management principles. 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, additional FY 2015 funds are available for appropriation by ordinance;

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

1. The FY 2015 Operating Budget and Capital Improvement Budget amendment as recommended by the City Manager is hereby adopted for the City of Dillingham.
2. The amounts set forth in the budget as amended by the City Council for the respective departments and/or funds shall be, and hereby are, appropriated for the fiscal year ending June 30, 2015.
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 COUNCIL OF THE CITY OF DILLINGHAM 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 total appropriation from the Treasury in Section 4 was a total of \$12,224,497 and the amended appropriation is \$12,372,625.

Section 4. Appropriations.

A. General Fund Government Operations

City Council	\$ 86,864
City Clerk	130,310
Administration	309,809
Finance	644,503
Legal	77,000
Insurance	110,618
Non-Departmental	213,400
Planning	152,563
PS Administration	178,356
PS Dispatch	468,894
PS Patrol	846,289
PS Corrections	692,590
PS DMV	134,171
PS Animal Control Officer	113,326
PS Fire Department	294,448
PS IT Support	21,700
PW Administration	209,401
PW Buildings & Grounds	300,046
PW Shop	162,018
PW Streets	659,803
Library	138,797
Meeting Hall	3,575
Foreclosures	10,000
City School District	1,300,000
Transfer Subsidy for Operations	1,000,914
Transfer to Equipment/Capital	
Reserves Fund	70,000
Total General Fund Appropriations:	\$ 8,349,395

Special Revenue & Other Funds Appropriations

Nushagak Fish Tax	\$ -0-
Water	215,412
Waste Water	284,242
Landfill	515,766

Port-Dock	640,513
Port-Harbor	250,979
E-911	42,200
Senior Center	427,315
Debt Service	1,176,090
Library Grants	73,692
Equipment Replacement/Reserve	103,425
Ambulance Replacement Fund	269,000
Mary Carlson Estate	4,596
Capital Project (Planning) Fund	20,000
Total Special Revenue & Other Funds Appropriations	<u>\$ 4,023,230</u>
Total Appropriations	<u>\$ 12,372,625</u>

Section 5. Revenues

General Fund

Taxes

Sales Taxes	\$ 2,700,000
Alcohol Sales Taxes	300,000
Transient Lodging Sales Taxes	85,000
Real Property Taxes	1,500,000
Personal Property Taxes	500,000
Penalty and Interest on Property Taxes	57,000
Penalty and Interest on Sales Taxes	16,000
Gaming Sales Tax	78,000
Payment in Lieu Taxes (PILT)	446,844

Other Revenues

Jail Contract Revenue	641,300
Revenue Sharing	210,165
Shared Fisheries	30,000
Raw Fish Tax	407,654
Revenues from State of Alaska	466,526
Revenues from Federal Government	10,000
Administrative Overhead	375,029
Charges for Current Services	55,000
Licenses Fees Fines and Permits	27,400
Lease and Rental Income	29,000

Investment Income	30,000
Other Revenues	106,350
Transfer from E-911	42,200
Transfer from Nushagak Fish Tax	-0-
Total General Fund Revenues	<u>\$ 8,113,468</u>

Special Revenue & Other Funds Revenues	
Nushagak Fish Tax	\$ -0-
Water	193,484
Waste Water	266,345
Landfill	179,106
Port – Dock	490,327
Port – Harbor	137,363
E-911	76,760
Senior Center	204,488
Library Grants	73,692
Debt Service	824,488
Mary Carlson Estate Permanent Fund	<u>4,596</u>
Total Special Revenue Funds & Other Funds Revenues	<u>\$ 2,450,649</u>
TOTAL REVENUES	<u>\$ 10,564,117</u>

Section 6. Transfers

Transfers from General Fund to Other Funds	
Water	\$ 21,928
Waste Water	17,897
Landfill	336,660
Senior Center	222,827
Ambulance Reserve	50,000
Equipment Replacement	50,000
Capital Project (Planning)	20,000
Debt Service	<u>351,602</u>
Total General Fund Transfers	\$ 1,070,914
Transfer from Dock Fund to Harbor Fund	113,616
Transfer from Dock Fund to Equipment Replacement	65,000
Total Revenues & Fund Transfers	\$ 11,813,647
Total Appropriations	<u>\$ 12,372,625</u>
Net Increase (Decrease) to Fund Balances	<u>\$ (558,978)</u>

Section 7. Effective Date. This ordinance is effective upon passage.

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

Alice Ruby, Mayor

ATTEST:

[SEAL]

Janice Williams, City Clerk

General Fund Expenses Increases/(Decreases)

Revenues

<u>Revenue Sharing</u>	\$	1,529
To reflect actual revenues received from the State of Alaska		
Original Budget	\$208,636	Revised Budget \$210,165
<u>Raw Fish Tax (State)</u>	\$	57,654
To reflect actual revenues received from the State of Alaska		
Original Budget	\$350,000	Revised Budget \$407,654
<u>PILT</u>	\$	26,844
To reflect actual revenues received from the Department of Interior		
Original Budget	\$420,000	Revised Budget \$446,844

Expenses

<u>Finance</u>	\$	25,000
To increase wages to allow for estimated cost of annual leave cash out for retiring staff. To increase Contractual line to estimate cost of possible contractual position for Finance Director assistance during transition.		
Original Budget	\$619,503	Revised Budget \$644,503
<u>Non-Departmental</u>	\$	28,000
To increase Credit Card processing fees and postage and freight line items to more accurately estimate the costs for the remainder of the year. Add \$10,000 to contractual professional to cover cost of engineering fee for master facility plan.		
Original Budget	\$185,400	Revised Budget \$213,400
<u>Planning</u>	\$	10,000
To increase Contractual line item for the survey of the landfill.		
Original Budget	\$142,563	Revised Budget \$152,563
<u>PS Patrol</u>	\$	14,500
To add the additional vehicle lease costs that were not included in original budget due to data entry error.		

Original Budget \$31,789 Revised Budget \$846,289

PW Administration

Original wage schedule for FY15 budget had a different staff person for the Director at a lower level. This adjusts the wages to reflect the correct staffing level, plus an estimated cost for a copier lease and maintenance for three months.

Original Budget \$201,794 Revised Budget \$209,401

PW Buildings & Grounds

To add \$5,755 in wages for a staff person for to help with building analysis and repair. \$7,300 included for repairs to Bingo Hall/Youth Center to make building safer.

Original Budget \$286,991 Revised Budget \$300,046

Transfer Subidy for Operations

An increase in expenses for the landfill has resulted in an increase in transfers to the Landfill Special Revenue Fund from the General Fund.

Original Budget \$997,931 Revised Budget \$1,000,914

Original General Fund Balance (\$220,809) Revised General Fund Balance (\$235,927)

Special Revenue Fund Expenses Increases/(Decreases)

Landfill

To add cost of annual inspection.

Original Budget \$ Revised Budget 2,983

Dock

To reflect \$12,000 for LED lights and an additional \$6,000 in Transfer to Harbor

Original Budget \$512,783 Revised Budget \$515,766

Boat Harbor

To increase the Harbor budget for the cost of repairing the Ice Machine.

Original Budget \$622,513 Revised Budget \$640,513

Original Budget \$244,979 Revised Budget \$250,979

**City of Dillingham
FY15 Mid-Year Budget Review Summary**

A Department	B			C		D	E		F	G
	Final FY14 Budget	Original FY15 Budget	Amended FY15 Budget	D-C	Change	FY15 Actuals at 12/31/14	%Exp Revised			
General Fund Appropriations										
Department										
City Council	\$ 72,576	\$ 86,864	\$ 86,864	\$ -	\$ -	\$ 37,334	43%			
City Clerk	144,760	130,310	130,310	-	-	65,775	50%			
Administration	300,646	309,809	309,809	-	-	150,038	48%			
Finance	621,998	619,503	644,503	25,000	25,000	295,825	46%			
Legal	90,000	77,000	77,000	-	-	34,212	44%			
Insurance	106,016	110,618	110,618	-	-	112,615	102%			
Non-Departmental	200,901	185,400	213,400	28,000	28,000	115,693	54%			
Planning	180,696	142,563	152,563	10,000	10,000	64,663	42%			
PS Administration	180,993	178,356	178,356	-	-	99,050	56%			
PS Dispatch	459,683	488,894	488,894	-	-	226,925	46%			
PS Patrol	848,754	831,789	846,289	14,500	14,500	402,599	48%			
PS Investigations/WAANT	0	0	0	-	-	0				
PS Corrections	675,535	692,590	692,590	-	-	344,039	50%			
PS DMV	107,523	134,171	134,171	-	-	71,799	54%			
PS Animal Control Officer	132,416	113,326	113,326	-	-	50,567	45%			
PS Fire Department	267,701	294,448	294,448	-	-	126,584	43%			
PS K-9	0	0	0	-	-	0				
PS IT Support	32,000	21,700	21,700	-	-	7,791	36%			
PW Administration	178,909	201,794	209,401	7,607	7,607	94,726	45%			
PW Buildings & Grounds	322,415	286,991	300,046	13,055	13,055	140,510	47%			
PW Shop	171,990	162,018	162,018	-	-	68,265	42%			
PW Streets	669,517	659,803	659,803	-	-	255,577	39%			
Library	133,242	138,797	138,797	-	-	59,690	43%			
Meeting Hall	3,680	3,575	3,575	-	-	1,370	38%			
Contributions	-	-	-	-	-	-				
Foreclosures	20,226	10,000	10,000	-	-	13,681	137%			
City School District	1,300,000	1,300,000	1,300,000	-	-	975,000	75%			
Transfer Subsidy for Operations	848,827	997,931	1,000,914	2,983	2,983	318,655	32%			
Transfer to Equipment/Capital Reserves	120,000	70,000	70,000	-	-	70,000	100%			
Total General Fund Appropriations:	\$ 8,191,004	\$ 8,248,250	\$ 8,349,395	\$ 101,145	\$ 101,145	\$ 4,202,983	50%			
Total General Fund Revenue:	\$ 8,247,416	\$ 8,027,441	\$ 8,113,468	\$ 86,027	\$ 86,027	\$ 5,793,794	71%			
Net General Fund:	\$ 56,412	\$ (220,809)	\$ (235,927)	\$ (15,118)	\$ (15,118)	\$ 1,590,811				

**City of Dillingham
FY15 Mid-Year Budget Review Summary**

	B			C		D	E		F	G
	Final FY14 Budget	Original FY15 Budget	Amended FY15 Budget	D-C Change	FY15 Actuals at 12/31/14	%Exp Revised				
A										
Public Safety Building Planning Expenses	20,000	20,000	20,000	-	11,918	60%				
Public Safety Building Planning Revenues	(20,000)	(20,000)	(20,000)	-	(20,000)					
Due to/(from) General Fund										
Ambulance Reserve Fund Expenses	242,000	269,000	269,000	-	-	0%				
Ambulance Reserve Fund Revenues	3,794	-	-	-	-					
Due to/(from) General Fund	(63,500)	(50,000)	(50,000)	-	(50,000)	100%				
Total Transfers from General Fund	(953,089)	(1,067,931)	(1,070,914)	(2,983)	(339,757)					
Special Revenue Funds not dependent on General Fund										
2300 Dock Expenses	640,105	622,513	640,513	18,000	474,152	74%				
Dock Revenues	645,594	490,327	490,327	-	448,044	91%				
Net Increase/Decrease to Fund Balance	5,489	(132,186)	(150,186)	(18,000)	(26,108)					
Due to/(from) Dock Fund										
2400 Boat Harbor Expenses	250,552	244,979	250,979	6,000	103,104	41%				
Boat Harbor Revenues	140,114	137,363	137,363	-	31,698	23%				
Net Increase/Decrease to Fund Balance	(110,438)	(107,616)	(113,616)	(6,000)	(60,169)	53%				
Due to/(from) Dock Fund										
2550 E-911 Expenses	-	42,200	42,200	-	7,130					
E-911 Revenues	70,000	76,760	76,760	-	40,057	52%				
Net Increase/Decrease to Fund Balance	70,000	34,560	34,560	-	32,927	95%				
Asset Forfeitures Expenses	7,700	-	-	-	7,185					
Asset Forfeitures Revenues	0	-	-	-	-					
Net Increase/Decrease to Fund Balance	(7,700)	-	-	-	(7,185)					
Overall Budget Surplus/(Deficit):	13,763	(426,051)	(465,169)	(39,118)	1,530,276					
Restricted & Capital Project Funds										
Carlson House Expenses	6,996	4,596	4,596	-	3,882	84%				
Carlson House Revenues	1,500	4,596	4,596	-	54	1%				
Net Increase/Decrease to Fund Balance	(5,496)	-	-	-	(3,827)					
Snag Point Sewer Relocation Expenses	-	-	-	-	-					
Snag Point Sewer Relocation Revenues	-	-	-	-	-					
Net Increase/Decrease to Fund Balance	-	-	-	-	-					

**City of Dillingham
FY15 Mid-Year Budget Review Summary**

A	B				C		D		E		G
	Final FY14 Budget	Original FY15 Budget	Amended FY15 Budget	Difference D-C	FY15 Actuals at 12/31/14	%Exp Revised					
Waste Water Treatment Plant Expenses	2,000,000	-	-	-	-	-	-	-	-	-	-
Waste Water Treatment Plant Revenues	2,000,000	-	-	-	-	-	-	-	-	-	-
Net Increase/Decrease to Fund Balance	-	-	-	-	-	-	-	-	-	-	-
Library Grants (Books/Videos) Expense	52,492	73,692	73,692	-	-	-	-	-	-	-	0%
Library Grants (Books/Videos) Revenues	52,492	73,692	73,692	-	-	-	-	-	-	-	0%
Net Increase/Decrease to Fund Balance	-	-	-	-	-	-	-	-	-	-	-
Library Roof Expenses	243,000	-	-	-	-	-	-	-	-	-	-
Library Roof Revenues	243,000	-	-	-	-	-	-	-	-	-	-
Net Increase/Decrease to Fund Balance	-	-	-	-	-	-	-	-	-	-	-
<u>Appropriations by Category</u>											
General Fund Appropriations	\$ 8,191,004	\$ 8,248,250	\$ 8,349,395	\$ 101,145	\$ 4,202,983	50%					
Special Revenue Fund Appropriations	4,228,554	3,996,247	4,023,230	26,983	1,531,868	38%					
Nushagak Fish Tax Appropriations	491,139	-	-	-	-	-					
Total Special Rev & NFT Appropriations	4,719,693	3,996,247	4,023,230	128,128	1,531,868	38%					
Restricted & Capital Project Funds	2,243,000	-	-	-	-	-					
Total All Appropriations	\$ 15,153,697	\$ 12,244,497	\$ 12,372,625	\$ 128,128	\$ 5,734,851	46%					
<u>Revenues by Category</u>											
General Fund Revenues	\$ 8,247,416	\$ 8,027,441	\$ 8,113,468	\$ 86,027	\$ 5,793,794	71%					
Special Revenue Fund Revenues	2,568,262	2,450,649	2,450,649	-	1,234,390	50%					
Nushagak Fish Tax	460,139	-	-	-	-	-					
Total Special Rev & NFT Revenues	3,028,401	2,450,649	2,450,649	-	1,234,390	50%					
Restricted & Capital Project Funds	2,243,000	-	-	-	-	-					
Total All Revenues	\$ 13,518,817	\$ 10,478,090	\$ 10,564,117	\$ 86,027	\$ 7,028,184	67%					
Total General Fund Transfers	\$ 953,089	\$ 1,067,931	\$ 1,070,914	\$ (2,983)	\$ 329,960	-					
Total NFT Transfer	31,000	-	-	-	-	-					
Total Dock to Equipment Replacement Transfer	400,000	65,000	65,000	-	65,000	-					
Total Dock to Harbor Transfer	110,438	107,616	113,616	(6,000)	60,169	-					
Total Inter Fund Transfers	\$ 1,494,527	\$ 1,240,547	\$ 1,249,530	\$ (8,983)	\$ 455,129	-					
Total Revenues & Fund Transfers	\$ 15,013,344	\$ 11,718,637	\$ 11,813,647	\$ 95,010	\$ 7,483,313	-					
Net Increase(Decrease) to Fund Balances	\$ (140,353)	\$ (525,860)	\$ (558,978)	\$ (33,118)	\$ 1,748,463	-					

CITY OF DILLINGHAM, ALASKA

ORDINANCE NO. 2015-02

AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING CHAPTER 4.20 OF THE DILLINGHAM MUNICIPAL CODE TO CLARIFY APPLICATION OF CITY SALES TAX LAWS TO SALES OF FUEL BY SELLERS LOCATED IN DILLINGHAM TO BUYERS OUTSIDE DILLINGHAM AND REQUIRING SELLERS TO REPORT SUCH SALES IN A UNIFORM MANNER AND TO REMIT APPROPRIATE SALES TAXES TO THE CITY

BE IT ENACTED BY THE DILLINGHAM CITY COUNCIL:

Section 1. Amendment of Chapter 4.20. Chapter 4.20 of the Dillingham Municipal Code is hereby amended by the addition of a new Section 4.20.085 to read as follows:

4.20.085 Sales of fuel delivered outside city limits

A. Notwithstanding any other provision of this chapter, City of Dillingham sales tax applies to fuel sales in which fuel is sold by a seller located in Dillingham and delivered to a buyer located outside of Dillingham. Sales tax does not apply to the delivery charge for such sales.

B. If the buyer is not located within any other municipality that collects a sales tax on the transaction, the seller shall collect from the buyer the full amount of Dillingham sales tax, which shall be remitted to Dillingham.

C. If the buyer is located outside Dillingham and within a municipality that collects sales tax on the transaction, the seller shall collect from the buyer the full amount of Dillingham sales tax if the Dillingham rate exceeds that of the other municipality. The seller shall report and remit to the other municipality the full amount of sales tax owed under that municipality's laws. The seller shall report all such sales to Dillingham along with documentation showing that a portion of the collected sales tax was remitted to the other municipality. The portion of monies collected or which should have been collected that is not remitted to the other municipality shall be remitted to Dillingham.

If the other municipality's applicable sales tax rate exceeds that of Dillingham, the seller is not required to remit sales tax to Dillingham for the transaction, but shall report such sales to Dillingham and include documentation that the tax was paid to the other municipality.

Section 2. Effective Date. This ordinance was made effective December 2014.

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

Alice Ruby, Mayor

ATTEST:

[SEAL]

Janice Williams, City Clerk

City of Dillingham Information Memorandum

Agenda of: February 5, 2015

Attachment to: 2015-02

Ordinance No. _____ / Resolution No. _____

Subject:

An Ordinance of the Dillingham City Council Amending Chapter 4.20 of the Dillingham Municipal Code to Clarify the Application of City Sales Tax Laws to Sales of Fuel by Sellers Located in Dillingham to Buyers Outside Dillingham and Requiring Sellers to Report Such Sales in a Uniform Manner and to Remit Appropriate Sales Taxes to the City

City Manager: Recommend Approval

Signature: Rose Deera

Route to	Department Head	Signature	Date
X	Finance Director	<i>Carol A. Chade</i>	1/30/15
X	City Clerk	<i>Williamis</i>	1/30/15

Fiscal Note: Yes No

Funds Available: Yes No

Other Attachments:

- Letter to Fuel Companies Dated December 1, 2014

Summary Statement:

A request from a fuel vendor to clarify whether or not sales tax applied to fuel deliveries made outside of Dillingham City limits went through committee review. It was realized that fuel companies were collecting and remitting sales tax on behalf of the City of Aleknagik, a five percent sales tax. It appears this went into effect sometime after Dillingham passed its code and efforts to negotiate with Aleknagik had not followed through. This was apparently an oversight.

The committee resolved to add one percent for a total of six percent. In a letter dated December 1, 2014, fuel vendors were instructed to begin collecting an additional one percent for Dillingham. Fuel vendors were further instructed to be sure and collect Dillingham's six percent sales tax on fuel deliveries made between the City of Dillingham and the City of Aleknagik, if they weren't already doing so.



Ordinance No. 2015-02 / Resolution No. _____

Summary Statement continued:

The City's Attorney recommended that this exception to the City's sales tax law should be codified. Ordinance No. 2015-02 was vetted through the Code Review Committee and is being recommended for introduction. Fuel vendors will be instructed on any changes in the reporting requirements.

The example below should help to further clarify the first paragraph in Ordinance No. 2013-02, item C.

Example: In a sale to a buyer in a municipality charging a five percent (5%) sales tax, the seller shall collect Dillingham's six percent (6%) sales tax and remit five percent (5%) of the sale price to the other municipality and remit one percent (1%) to Dillingham.

+

December 1, 2014

Mike Poston
Vitus Energy LLC
113 W. Northern Lights Blvd., Suite 200
Anchorage, AK 99503



SUBJECT: Sales Tax on Fuel Deliveries

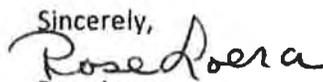
Dear Mike:

As you know the City of Dillingham has a 6% sales tax on sales made by a business located within the City (reference Dillingham Municipal Code 4.20.0201a), with some exceptions. The purpose of this letter is to clarify whether the City of Dillingham's 6% sales tax applies to sales of fuel delivered outside Dillingham City limits. This issue was brought up earlier this year, because there appeared to be some confusion.

After a period of review, we are asking for your cooperation on the following:

1. If you aren't already, please be sure to assess a 6% sales tax for all fuel delivered past the Dillingham City Limit sign on the Lake Road to Silver Salmon creek, or Aleknagik City limits.
2. Fuel companies have been assessing a 5% sales tax on fuel delivered within the City of Aleknagik limits. This practice will not change. Aleknagik will continue to collect their 5% sales tax.
3. The City of Dillingham has not been collecting a 6% sales tax on fuel delivered within the Aleknagik City limits. This will change.
 - a. In addition to the 5% sales tax assessed by Aleknagik, fuel companies will now assess a 1% Dillingham sales tax on fuel delivered within Aleknagik city limits, for a total of 6% collected on fuel deliveries to Aleknagik.
 - b. On the monthly sales tax report for City of Dillingham, you will now report a 1% sales tax for fuel delivered within Aleknagik City limits.
4. The new changes will not be made retroactive, but should go into effect upon receipt of this letter.

We can appreciate that accounting for fuel deliveries to Aleknagik will now require some extra bookkeeping, for which we apologize. If you have any questions, please feel free to contact me at 842-4228.

Sincerely,

Rose Loera

cc: Carol Shade, Finance Director
Kay Andrew, Aleknagik City Administrator

141 Main Street • P.O. Box 889 • Dillingham, Alaska 99576
City Hall & Finance Dept. (907) 842-5211 • Fire Dept. 842-2288 • Library/Museum 842-5610
Police Dept. 842-5354 • Harbor Office 842-1069 • Public Works 842-4598 • Senior Center 842-1231

www.dillinghamak.us

CITY OF DILLINGHAM, ALASKA

ORDINANCE NO. 2015-03

AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING TITLE 7, ANIMALS, TO ADD A DEFINITION FOR ADOPTION ELIGIBLE TO CHAPTER 7.02, TO AMEND CHAPTER, IMPOUNDMENT, TO REMOVE REDUNDANT LANGUAGE, TO ADD A REFERENCE FOR ADOPTION ELIGIBLE, AND TO CROSS REFERENCE CHAPTER 7.11, EUTHANASIA

WHEREAS, the City of Dillingham established the Animal Shelter Operating Procedures, approved by the Dillingham City Council October 4, 2012, to ensure that animals impounded or taken into custody by the City of Dillingham are provided with a place of temporary care and safe shelter where they are treated with dignity and compassion until they can be reclaimed, adopted, or euthanized if considered unadoptable; and

WHEREAS, the Dillingham Municipal Code (Code) Chapter 7.09, Impoundment, did not address the exceptions to the time period an animal can be held at the animal shelter, which was included under Chapter 7.11, Euthanasia; and

WHEREAS, it is being recommended that the City's Code include a definition for adoption eligible, and reference adoption eligible in Chapter 7.09;

WHEREAS, it is being recommended to clean up the Code to remove unnecessary, redundant language in Section 7.09, making it simpler to follow;

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

Section 1. Classification. This is a code ordinance.

Section 2. Add a definition for Adoption Eligible to Chapter 7.02. New text is displayed in underlined font and deleted language is displayed as strikethrough.

Chapter 7.02 DEFINITIONS

Section: 7.20.010 Definitions.

"Adoption eligible" means the animal available for adoption must have been evaluated for health and temperament by the animal control officer or the police chief.

Section 3. Amend Chapter 7.09, Impoundment. New text is displayed in underlined font and deleted language is displayed as strikethrough.

Chapter 7.09 Impoundment.

7.09.010 Terms.

~~A. Unidentified animals found to be in violation of this title may be impounded and held at the animal control center for a ten day period. If not claimed by the owner or keeper by the expiration~~

~~of the ten-day period, the animal shall become the property of the city and may be destroyed at the discretion of the animal control officer or agent.~~

~~B. Identified animals found to be in violation of this title and found not restrained may be taken to the owner or keeper or impounded at the animal control center. A reasonable attempt will be made to notify the owner or keeper by phone, in person, or by letter that their animal is being held at the animal control center. Identified animals not claimed by the owner or keeper by the expiration of the ten-day period shall become the property of the city and may be disposed of at the discretion of the animal control officer or agent.~~

~~C. Abandoned or unwanted animals brought to the animal control center by citizens for impoundment may or may not be accepted for impoundment by the city. Upon acceptance, such animals shall become the property of the city and may be disposed of at the discretion of the animal control officer.~~

A. All animals under impound are the property of the City of Dillingham until their release.

B. If the owner of an impounded animal is known, a reasonable attempt will be made to notify the owner or keeper by phone or in person of their animal's whereabouts as soon as possible.

C. Abandoned or unwanted animals brought to the animal control center by citizens for impoundment may or may not be accepted for impoundment by the City.

D. All impounded animals not claimed by their owner will be held for ten days after which they can be put up for adoption, if adoption eligible, or after ten days euthanized at the discretion of the animal control officer or agent. The exceptions to that rule, specified in Section 7.11.010, Euthanasia, include an animal due to its temperament, or presents a safety or health issue, or is quarantined for ten days or an animal under protective custody.

~~D. E~~ Any animal suspected of having rabies and/or that has bitten a human must be impounded in the animal control center and/or quarantined and disposed of in accordance with Section 7.13.020. (Ord. 03-06 § 1 (part), 2003; Ord. 12-16 § 8, 2012.)

Section 4. Effective Date. This ordinance is effective upon passage.

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

Alice Ruby, Mayor

ATTEST:

[SEAL]

Janice Williams, City Clerk

City of Dillingham Information Memorandum

Agenda of: February 5, 2015

Attachment to: 2015-03
Ordinance No. _____ / Resolution No. _____

Subject:

An Ordinance of the Dillingham City Council Amending Title 7, animals, to Add a Definition for Adoption Eligible to Chapter 7.02, To Amend Chapter 7.09, Impoundment, to Remove Redundant Language, to Add a Reference for Adoption Eligible, and to Cross Reference Chapter 7.11, Euthanasia

City Manager: Recommend Approval

Signature: Rose Doera

Route to	Department Head	Signature	Date
	Finance Director		
X	Dan Pasquariello	<i>[Signature]</i>	1-29-15
X	City Clerk	<i>[Signature]</i>	1/28/15

Fiscal Note: Yes No

Funds Available: Yes No

Other Attachments:

- DMC Chapter 7.11 Euthanasia
- Animal Shelter Operating Procedures

Summary Statement:

This ordinance addresses a concern that was brought before the Council regarding the interpretation of Chapter 7.09, Impoundment, which states an animal will be held for ten days after which they can be put up for adoption or euthanized if considered unadoptable. In this case a cat was abandoned, taken to the animal shelter, evaluated as unadoptable, and put down before the ten days. The public member disagreed, felt the cat was adoptable, and had found someone to take care of it.

A review of the code was vetted through the Code Review Committee. It was recommended that additional language needed to be added to Chapter 7.09 to reference the exceptions to the rule for retaining an animal less than ten days which are addressed in Section 7.11.010, Euthanasia. One of those exceptions takes into consideration the animal's temperament.



Ordinance No. 2015-03 / Resolution No. _____

Summary Statement continued:

In addition, the committee recommended adding a definition to Chapter 7.02 to define adoption eligible and adding the wording adoption eligible to Chapter 7.09, as in an animal can be put up for adoption, if adoption eligible.

The committee did not recommend any changes to the ten day period during which the animal was evaluated for temperament and health.

During this process it was clear that Chapter 7.09 was in need of some cleanup to remove redundant language that appeared in all three sections A, B, and C, and make it a more simple read, more in line with the City's Animal Shelter Operating Procedures.



Chapter 7.11 EUTHANASIA

Sections:

7.11.010 General.

7.11.010 General.

A. The following animals may be euthanized at any time:

1. An animal exhibiting symptoms of a major infectious or contagious disease, as determined by a licensed veterinarian if available, that is a danger to the health and safety of the public or other animals within the city.
2. An animal that in the judgment of the animal control officer or agent is injured or suffering to the extent that it should be euthanized for humane reasons. When possible the opinion of a licensed veterinarian will be obtained prior to euthanasia under this subsection.
3. An animal deemed dangerous or vicious.
4. An animal, not the subject of a pending hearing or court decision, who poses an unreasonable risk of physical injury and/or is deemed dangerous or vicious.
5. An adoption eligible animal, remaining unadopted following expiration of the ten-day minimum term of availability specified in Section 7.09.010.

B. Euthanasia of an animal shall be accomplished by a licensed veterinarian, or a technician trained and certified under the "Permit For Use of Drugs To Euthanize Domestic Animals" as specified in AS 08.02.050.

C. The animal control officer shall maintain a list of animals euthanized including a description of the animal and the condition for euthanasia, available for review by the general public.

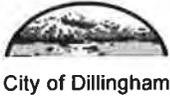
D. Except as provided in subsections (A)(1), (2) and (3) of this section, an animal exhibiting symptoms of a major infectious or contagious disease as determined by a licensed veterinarian if available, or who in the judgment of the animal control officer or agent is injured or diseased to such an extent that it should be euthanized for humane reasons, an animal may not be euthanized within ten business days after the animal is taken into custody. An owner may prevent the animal's destruction by:

1. Petitioning the Superior Court for the Third Judicial District in Dillingham for the animal's immediate return, subject, if appropriate, to court-imposed conditions; or
2. Posting a bond or security with the city of Dillingham in an amount determined by the city manager to be sufficient to provide for the animal's care for a minimum of thirty days from the date the animal was removed.

E. If the animal control officer still has custody of the animal when the bond or security posted expires and the court has not ordered an alternative disposition, the animal becomes the city's personal property. If the court has not allowed the city to euthanize or adopt out the animal and the city continues to care for the animal, the owner of the animal shall post a bond or otherwise pay in advance for the city's continuing costs of care for the animal until a final decision is made by the trial court.

F. The owner or keeper of a domestic animal who asks that his animal be euthanized or surrendered to the city shall sign an owner release waiver, and pay the appropriate fees established in Section 7.16.010 at the time of relinquishment.

G. In all cases, if the animal has traceable identification or the animal owner or keeper is known, a reasonable effort shall be made to contact the owner or keeper prior to euthanasia unless said notice is not required by this title or unless the animal is suffering unduly. (Ord. 03-06 § 1 (part), 2003; Ord. 12-16 § 10, 2012.)



DILLINGHAM PUBLIC SAFETY OPERATIONS MANUAL

Title	ANIMAL SHELTER OPERATING PROCEDURES	Reference	DMC Title 7, Animals AK Statutes, Title 3 and Title 8
Resource	DLG Public Safety Manual	Recommended	Dillingham City Council
Adopted	October 4, 2012	Reissued By	City Manager Rose Loera

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I. PURPOSE

To establish procedures to ensure that animals impounded or taken into custody by the City of Dillingham are provided with a place of temporary care and safe shelter where they are treated with dignity and compassion until they can be reclaimed, adopted, or euthanized if considered unadoptable.

II. POLICY

- A. All animals impounded by Animal Control Services are taken to the Animal Shelter the City is providing.
- B. Dillingham Animal Services is staffed with one full time employee who serves as the Animal Control Officer with volunteers as available.
- C. Normal hours of operation are Monday-Friday, 8:00 a.m. to 5:00 p.m.
- D. The shelter does not accept surrendered animals from outside Dillingham limits.

III. GENERAL PROCEDURES

A. Animal Control Officer Duties

The Animal Control Officer administers and enforces the City, State, and Federal Animal Control Ordinance, supervises personnel and volunteers, and manages and maintains the Animal Shelter.

The Animal Control Officer purchases supplies and new equipment for the shelter. Investigating animal related complaints is a primary job function. These investigations include, but are not limited to: rabies control, animal attacks, noise complaints, impoundment of nuisance and dangerous animals at large, animal welfare in terms of neglect and abuse. These types of investigations may require mediation of neighborhood disputes, interviews of violators, witnesses, issuance of warnings or citations, and impoundment of animals. Detailed reports are required for use in some court proceedings and knowledge of court procedure is required.

The Animal Control Officer works with the Chief of Police to plan long-range animal control programs. The position is responsible for maintaining accurate animal shelter records. The Animal Control Officer works with other City departments and outside organizations.

Further duties include shelter education programs and community based education programs.

B. Kennel Attendant (if the position is filled as an employee)

The Kennel Attendant serves under the supervision of the Animal Control Officer. The Kennel Attendant's main duties include, but are not limited to, the care of the shelter animals, the cleaning of the shelter, minor maintenance of the shelter, some snow removal, interaction with the public, overseeing volunteers, some computer work, filing, and other office work as needed.

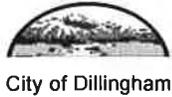
C. Volunteers

Shelter volunteers are an important part of the Animal Shelter's success. They are encouraged to participate in the care and training of shelter animals.

Shelter volunteers must be at least 13 years old and receive special permission from the ACO to volunteer with the animals. Under 18 years old volunteers must have a permission form signed by their parents or guardian. Adult volunteers must also sign a volunteer form before working in the shelter.

E. Dealing with the Public

Good customer service is very important. Everyone who walks into the shelter must be treated with the upmost respect. The City serves the community and how it presents itself reflects on the City and on the Animal Shelter.



E. Animal Impounds

All animal impounds will be entered onto the Animal Impound Report form and will include the date of the impound, officers name, card/case number, the description of the animal, if it has a license, the license number, the name of the owner if known, name of animal if known, where impounded, and circumstances of impound. All animals under Impound are the property of the City of Dillingham until their release.

The yellow copy of the Animal Impound Report will be put on the animal's cage. The white and pink copy is taken by the ACO or Police Officer to the dispatch center.

Impounded cats will be placed in a kennel and given food, water, a litter box, and a cat bed. Impounded dogs will be placed in a kennel and given food, water, and a blanket or bed. If an impounded animal is ill or injured, the ACO must be notified immediately.

If the owner of an impounded animal is known, that owner must be notified of their animal's whereabouts as soon as possible.

All impounded animals will be held for no less than ten (10) days after which they can be put up for adoption or after 10 days euthanized. The exception to that rule would be an animal that, due to its temperament, presents a safety issue or is quarantined for ten (10) days or an animal under protective custody (Section III. G). (AM 2012-09/10.4.2012)

F. Surrender of Animals

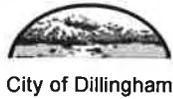
Abandoned or unwanted animals brought to the animal control center by citizens for impoundment may or may not be accepted for impoundment by the City. Upon acceptance, such animals shall become the property of the City and may be disposed of at the discretion of the ACO.

An owner who is surrendering an animal must fill out and sign a surrender form. The form will need to be retained for three (3) years.

The surrendered animal is logged in and an intake form is filled out in the same manner as an impounded animal. The animal will be evaluated before it is put up for adoption or euthanized.

G. Animals Under Protective Custody

All Protective Custody animals housed at the shelter cannot be released without permission of the ACO or the Chief of Police. Some animals are evidence in abuse or neglect cases, have owners who are incarcerated, or have other special circumstances. These animals may be housed with the other animals at the shelter, or may be kept separated in the Quarantine Kennel. Animals under Protective Custody are logged in and given intake sheets in the same manner as the other shelter animals. All animals under Protective Custody are the property of the City of Dillingham until they are released or euthanized after ten (10) business days. (AM 2012-09/10.4.2012)



H. Evaluation of Animals

All animals put up for adoption are evaluated for temperament, health, and adoptability. They are also evaluated for the type of family, home situation that will best suit them, and what works for their new family.

When first put up for adoption, all dogs will have a Temperament Test form, an Information form, and Intake form on their cage. All dogs **must** be temperament tested before being adopted. The temperament test is used to evaluate the dog to help know where to place it. Dogs that show aggression or highly rated food/treat/toy possessiveness will be humanely euthanized and not adopted. Dogs that have bitten before will not be adopted, but also humanely euthanized.

Cats are harder to evaluate. If a cat cannot be handled after ten (10) days in the shelter, the only option may be humane euthanasia.

I. Care of Animals

The care and the welfare of the shelter animals are of the utmost concern. They should never be mistreated or neglected.

The ACO is responsible for the daily care of the animals in the shelter and the designated Kennel Attendant cares for them on the ACO days off. Volunteers will be allowed to help with the care of the animal. They will be under the ACO's supervision and must have some training.

All animals in the shelter will be provided with fresh water and food, clean bedding and toys on a daily basis. All cages will be cleaned and dried on a daily basis. When cleaning a dog's kennel, the animal must be removed first. Animals can be sheltered outside between the hours of 7:00 AM and 8:00 PM, weather permitting. All young puppies will be given their vaccines and be dewormed within 24 hours of their arrival. All animals will be checked on a daily basis for any possible problem. (AM 2012-09/10.4.2012)

All paperwork on the animal must be done immediately on its arrival, including the intake forms and the log-in sheet.

J. Maintenance of Shelter

The maintenance of the Animal Shelter is the responsibility of the ACO with the help of the volunteers. The volunteers will be trained by the ACO in proper cleaning and maintenance methods according to those noted below:

1. All kennels, cages and runs must be cleaned daily with hot water and a broad-spectrum disinfectant proven to be effective against various bacteria and viruses common in a shelter environment (including distemper and parvovirus). Each enclosure should be cleaned, scrubbed, and disinfected **BEFORE** a new animal enters. As an alternative, chlorine bleach (mixed with water in a 1:32 dilution) can be used.



DILLINGHAM PUBLIC SAFETY OPERATIONS MANUAL

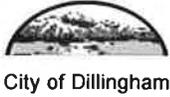
2. Mix disinfectants according to specific manufacturer instructions. After the application, allow the disinfectant to remain in contact with the surface for the length of time recommended by the manufacturer before rinsing.

3. Do not expose animals to water or disinfectant. During cleaning, place all animals in separate holding areas or in carriers; animals should never be left in the cage or kennel. Make sure enclosures are completely dry before animals are returned to them.

4. Clean the kennels and cages from floor to ceiling, and scrub cage doors and similar surfaces manually. It is fast economy – and a potential source of infections-to clean the walls of a run only to the height of the dog inhabiting the run. If any one section of the shelter is left unsanitized, disease can be easily transmitted.

5. The recommended daily cleaning routine is as follows:

- a. Remove the animal from the run or cage and place in a separate holding area or carrier, and then remove bedding, toys, and all food and water containers.
- b. Remove all solid waste such as feces and hair. Do not hose solid waste into the drainage system; rinse away only urine with water.
- c. Wash enclosures using a high pressure sprayer, steam-cleaning machine, or long-handled, stiff-bristled scrub brush.
- d. Using a scrub brush and a solution of detergent/disinfectant, scrub all surfaces within the enclosure including the floor, sides, resting board, top and gate, according to specific manufacturer instructions.
- e. Allow the solution to stand for at least 20 minutes (or the length of time recommended by the manufacturer).
- f. Thoroughly rinse all surfaces with a steady stream of water (preferably hot).
- g. Dry the run or cage as completely as possible using a squeegee or rag. If possible, ventilate the area prior to returning animals to it.
- h. Clean and disinfect beds, toys, food dishes, and water bowls.
- i. Clean and disinfect cat litter boxes.
- j. Clean and disinfect the holding area or carrier after each animal has been removed.
- k. Clean and disinfect other areas used by animals.
- l. Clean all areas used by the staff and public. Because bacteria can accumulate and lead to disease and odor problems, be sure to regularly clean and disinfect other areas, including the aisles, walls, and ceilings.



K. Safety Procedures

Safety is always a main concern in the shelter environment. Efforts must be taken to ensure that those working in the shelter and those visiting the shelter do not get hurt.

All items in the shelter should be picked up and not left where they may cause a person to trip on them. Wet floors must have signs notifying the public.

If threatened by a citizen, an employee, or volunteer must notify the Dillingham Police Department immediately. Never argue with anyone.

L. Dangerous, Vicious, and Quarantined Animals

All animals that are quarantined at the shelter for biting a person or another animal will be housed in a Quarantine Kennel until their ten (10) day quarantine is over. At that time, the animal's fate will be determined per City Code regulations. The only persons that are to care for and handle a quarantined animal are the ACO or a trained qualified person. (AM 2012-02)

Vicious, aggressive and dangerous animals will be housed at the shelter in a Quarantine Kennel. All paperwork, including the quarantine form, will be placed on the animal's cage. The Quarantine Kennel will remain locked with only the ACO and Police Department personnel allowed access.

M. Animal Adoptions -

All animals available for adoption must have been evaluated for health and temperament. A determination must be made as to what would be the best possible home environment the animal can be placed into.

When a person is interested in an animal, they need to fill out an Adoption Application. An interview will be set up with the ACO or a trained staff or volunteer to find out more information on the person or family. The applicant will be informed of the fact that owners are not chosen on a first come first serve basis, but on what looks like a good match.

All adult family members must agree on adopting an animal. All family members, including children, must spend time with the animal to see how they interact with it. This is also the time to see how the animal interacts with the family. It will be possible for an overnight trial basis if approved by the ACO.

All staff and volunteers involved in this process will be able to input whether or not they feel an adoption will be a good one. If the owner is found to be a good match, an adoption can follow.

The new owner will be informed of the adoption fees and cost of initial shots. Adoption will include a free rabies shot and, in case of a dog, a free City tag. The new owner will also receive an adoption packet with information in animal care and training.

N. Euthanasia

All stray dogs and cats that are impounded will be held no less than five (5) days before their adoptability will be determined with possible euthanasia after ten (10) days. If the owner is known, they must be notified as soon as possible. The exceptions to this policy are animals that are a danger to the staff making their care impossible.

The factors that determine whether or not an animal will be euthanized are as follows:

- a. How the animal adjusts to the shelter environment, extremely depressed or highly stressed animals must be reevaluated;
- b. Animals determined to be aggressive are never released back into the community;
- c. How crowded the animal shelter is; there must be room and staff enough to provide quality care for all animals, high-maintenance animals may need to be euthanized in order to allow good care for others;
- d. Very ill or badly injured animals may be euthanized upon direction of the ACO without a wait period.

Once they have been turned over to the shelter, owner surrendered animals immediately become the property of the City of Dillingham. Their adoptability is then determined on the above factors.

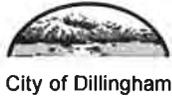
The goal of the Animal Shelter and staff is to provide the best possible outcome for each of the animals in the shelter. The ACO develops, implements, and administers an animal adoption program. At times, there will not be enough homes available in Dillingham for all adoptable shelter animals. Every effort will be made to send animals to other available shelters with euthanasia as a "last resort" policy. In some cases, there may be no other choice than to perform humane euthanasia.

The approved method of euthanasia is with lethal drugs administered by a trained and certified technician.

The incinerator at the Dillingham Landfill is used solely for the purpose of the disposal of dead animals euthanized by the Animal Control Officer. All persons using the incinerator must be trained. If there are any technical problems, the City Maintenance Department will need to be called to fix the problem.

O. Record Keeping and Other Paperwork

All important forms must be filed on a regular basis. This would include but not be limited to, surrender forms, adoptions forms, and quarantine forms. When an animal leaves the shelter, for any reason, the paperwork on its cage may be disposed of and the animal logged out on the Log form.



Monthly Animal Shelter stats are recorded and yearly reports completed. Other stats are compiled as needed. The ACO will develop any new forms that may be needed, or eliminate any forms that are no longer required.

A call log will be kept by Dispatch with all dates and times the ACO, Kennel Attendant or Volunteers are at the shelter working.

P. Public Education

The shelter maintains free handouts on all kinds of animal related subjects. The shelter staff also can provide tips on training and care.

Using the media, such as newspapers, cablevisions, and the radio, are effective methods of providing education to the public. Every encounter with the public can be a chance to educate.

IV. RESPONSIBILITIES

A. Chief of Police

Chief of Police is responsible for administration and oversight of all animal control/animal shelter operations.

B. Animal Control Officer

Animal Control Officer is responsible for those duties outlined herein and as directed by the Chief of Police.

CITY OF DILLINGHAM, ALASKA

RESOLUTION NO. 2015-06

A RESOLUTION OF THE DILLINGHAM CITY COUNCIL APPOINTING AN ALTERNATE COMMUNITY REPRESENTATIVE TO THE BBEDC BOARD OF DIRECTORS

WHEREAS, the City of Dillingham is the duly authorized city government for the community of Dillingham, Alaska; and

WHEREAS, the U.S. Secretary of Commerce has established the Community Development Quota (CDQ) program for eligible Western Alaska communities, including seventeen (17) Bristol Bay communities; and

WHEREAS, the seventeen (17) eligible communities from the Bristol Bay area have organized Bristol Bay Economic Development Corporation (BBEDC) to participate in the CDQ Program; and

WHEREAS, the community of Dillingham, Alaska is one of the seventeen (17) communities in Bristol Bay eligible to participate in the CDQ program. Under BBEDC bylaws the village tribal council shall appoint the primary community representative and the city government shall appoint the designated alternate to the BBEDC Board of Directors;

NOW, THEREFORE, BE IT RESOLVED that the City of Dillingham, Alaska has appointed _____ as the alternate community representative to the BBEDC Board of Directors for the term of the Council Seat which expires October 201____.

PASSED and ADOPTED by the Dillingham City Council on _____.

Alice Ruby, Mayor

ATTEST:

[SEAL]

Janice Williams, City Clerk

CITY OF DILLINGHAM, ALASKA

RESOLUTION NO. 2015-10

A RESOLUTION OF THE DILLINGHAM CITY COUNCIL CHANGING THE DIVISION OF MOTOR VEHICLE (DMV) HOURS TO 4 HOURS A DAY, MONDAY - FRIDAY

WHEREAS, the City of Dillingham has subsidized the State's DMV operations for many years through a Commission Agent Agreement; and

WHEREAS, the City of Dillingham's Commission Agent Agreement expired in July 2014 and the State has extended all Statewide agreements through March 2015 while they revise the agreement; and

WHEREAS, the City has been communicating with DMV to reimburse the City a higher percentage of the revenue the Dillingham office generates; and

WHEREAS, currently the City receives approximately 28% of the revenue generated from transactions at the DMV office; and

WHEREAS, the State has stated that they are not willing to increase the revenue to the City and recommended in a July 18, 2014 letter that we modify our hours of operation; and

WHEREAS, the current DMV hours of operations are Monday–Thursday, 8 am – 3:30 pm with Friday's being used for administrative work; and

WHEREAS, the City of Dillingham's financial situation can no longer support operating the State's DMV services full-time without additional compensation; and

WHEREAS, the City of Dillingham's Finance & Budget committee met on January 19, 2015 and is recommending that the City reduce the number of hours that DMV office is open to 20 hours per week, 11:30 am – 3:30 pm, Monday – Friday; and

WHEREAS, the recommendation is also to have a half-time employee designated to work the DMV operations; and

WHEREAS, the City will advertise the change in operation and notify the State of Alaska once approved by the Council to become effective March 16, 2015;

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

1. To reduce the local DMV office to 20 hours per week;
2. To designate a half-time employee to work at the DMV office;
3. To provide notice to the State of the change of hours;
4. To provide public notice of the change of operations; and
5. To make the changes to operations effective March 16, 2015.

PASSED and ADOPTED by the Dillingham City Council on February 5, 2015.

Alice Ruby, Mayor

[SEAL]

ATTEST:

Janice Williams, City Clerk

City of Dillingham Information Memorandum Agenda of: February 5, 2015
 Attachment to:
 Ordinance No. _____ / Resolution No. 2015-10

Subject:
 A Resolution of the Dillingham City Council Changing the Division of Motor Vehicle (DMV) Hours to 4 hours a day, Monday - Friday

City Manager: Recommend Approval

Signature: Rose Lora

Route to	Department Head	Signature	Date
X	Finance Director	<i>Candace Shade</i>	1/28/15
X	Chief Dan Pasquaerillo	<i>[Signature]</i>	1-29-15
X	City Clerk	<i>[Signature]</i>	1/29/15

Fiscal Note: Yes No

Funds Available: Yes No

Other Attachments:

Summary Statement:

The City of Dillingham is currently operating the State's DMV operations on a full-time basis. The doors are open to the public about 32 hours a week with one day used for doing paperwork. Currently we have 1.5 employees that are assigned to the DMV section. We receive about \$39,000 in revenue for DMV's operation from the State of Alaska and the 2015 budget for this department is about \$135,000.

The City has been communicating to DMV to reimburse us a larger share of the revenue that this office generates but has not gotten a favorable response. In a July 2014 letter from DMV, they encouraged us to reduce the hours similar to how Nome operates their office at 4 hours a day.

Ordinance No. _____ / Resolution No. 2015-10

Summary Statement continued:

Therefore it is our recommendation to reduce the DMV hours to 11:30 am to 3:30 pm Monday - Friday. This time frame will allow people to come to DMV during their lunch hour and allow kids to go after school. We would employ a .5 employee in the position which will be a significant savings to the budget. We recommend that the change of hours goes into effect on March 16, 2015 with the proper notification given to the State.



CITY OF DILLINGHAM, ALASKA

RESOLUTION NO. 2015-11

**A RESOLUTION OF THE DILLINGHAM CITY COUNCIL ACCEPTING THE YEAR END
AUDIT FOR THE FISCAL YEAR ENDING JUNE 30, 2014**

WHEREAS, the Dillingham Municipal Code Section 4.04.050 calls for an "Independent Annual Audit"; and

WHEREAS, the City Council appointed Altman, Rogers, and Co. to audit the FY2014 financial statements; and

WHEREAS, Altman, Rogers and Co. audited the financial statements for the fiscal year ending June 30, 2014 and rendered the opinion that the financial statements present fairly, in all material respects, the respective financial position, changes in financial position, and respective budgetary comparison of the City of Dillingham; and

WHEREAS, Sasha Barcheski of Altman, Rogers and Co. reviewed the Basic Financial Statements, Supplementary Information and Single Audit Reports at a workshop of the City Council held on February 5, 2015, attending by way of teleconference; and

WHEREAS, the City Council intends to formally accept the FY2014 audited financial statements by this action;

NOW, THEREFORE, BE IT RESOLVED by the Dillingham City Council that the work of Altman, Rogers and Co. and the audited financial statements for the fiscal year ending June 30, 2014 be accepted.

PASSED and ADOPTED by the Dillingham City Council on February 5, 2015.

Alice Ruby, Mayor

ATTEST:

[SEAL]

Janice Williams, City Clerk

City of Dillingham Information Memorandum Agenda of: February 5, 2015
 Attachment to:
 Ordinance No. _____ / Resolution No. 2015-11

Subject:

A Resolution of the Dillingham City Council accepting the year end audit for the fiscal year ending June 30, 2014

City Manager: Recommend Approval

Signature: Rose Deera

Route to	Department Head	Signature	Date
X	Finance Director	<i>Carol A. Shode</i>	<i>1/29/15</i>
X	City Clerk	<i>J. Williams</i>	<i>1/26/15</i>

Fiscal Note: Yes No

Funds Available: Yes No

Other Attachments:

- None

Summary Statement:

At their May 1, 2014 meeting, the Council approved Resolution No. 2014-24 awarding a contract to Altman, Rogers, & Co. for FY 2014, FY 2015 and FY 2016 to provide the audit, and prepare the OMB data collection form.

Ordinance No. _____ / Resolution No. 2015-11

Summary Statement continued:



CITY OF DILLINGHAM, ALASKA

RESOLUTION NO. 2015-12

A RESOLUTION OF THE DILLINGHAM CITY COUNCIL AMENDING THE PROCESS FOR APPROVING THE RULES AND FINES RECOMMENDED BY THE LIBRARY ADVISORY BOARD AND REPEALING RESOLUTION NO. 2013-71

WHEREAS, the Library Board had offered some changes to Dillingham Municipal Code Chapter 2.080, Public Library; and

WHEREAS, the City Council recommended vetting those suggested changes through the Code Review Committee; and

WHEREAS, the City has been working to standardize the format of the various boards and committees, following the adoption of DMC Chapter 2.90, Advisory Boards and Commissions, enacted June 24, 2010, that established future advisory boards and committees of the council would be authorized by resolution; and

WHEREAS, at the November 7, 2013 Council Meeting the Council adopted Ordinance No. 2013-18 which replaced the Library Board with a Library Advisory Board structured after Chapter 2.90;

WHEREAS, the existing members of the Library Board would be seated on the newly formed Library Advisory Board through the remainder of their terms;

WHEREAS, at their November 7, 2013 the Dillingham City Council adopted Resolution No. 2013-71 establishing a Library Advisory Board;

NOW, THEREFORE BE IT RESOLVED that the Council wishes to retain the Library Advisory Board's structure and responsibilities as follows and outlined in Resolution No. 2013-71, but designate the City Manager, instead of the City Council, as approving library rules and to report those actions to the City Council:

1. The Board shall be made up of seven members nominated by the Mayor and confirmed by the Council. At least two of the members will represent the University of Alaska Fairbanks Bristol Bay Campus and Dillingham Middle/High School.
2. A member shall be a resident of the greater Dillingham area and be a registered voter with the State of Alaska.
3. The presiding officer shall be recommended by the Library Advisory Board, nominated by the Mayor and confirmed by the City Council.
4. Members of the Board, with the exception of the two representatives, shall serve for three years with seats staggered that expire in September or until their successors are appointed and qualified; provided that the terms of no more than three members shall expire in any one calendar year. The University of Alaska Fairbanks Bristol Bay Campus and Dillingham Middle/High School representatives will be appointed annually in September.

5. The Board shall be advisory to the City Manager and Librarian, and shall assist in preparing rules for the operation of the library, including, but not limited to, general promotion and community outreach, the hours of operation, length of time books or other items may be borrowed and fines, for approval by the City Manager to be reported to the City Council.
6. The Board may not obligate the City of Dillingham, but may serve as advisory to the City Manager on application for, receipt of and/or management of any funds for or by the City of Dillingham for the Public Library.
7. The Presiding Officer shall ensure that written minutes of every meeting are kept and provide copies of the minutes to the City Clerk. All meetings shall be conducted in accordance with Robert's Rules of Order and DMC Chapter 2.90.050, Procedures.
8. The Library Advisory Board shall remain in existence unless otherwise notified by the City Council.

NOW, THEREFORE, BE IT RESOLVED that the City Manager will approve the rules for the operation of the library, including, but not limited to, general promotion and community outreach, the hours of operation, length of time books or other items may be borrowed and fines, and report those items to the Council

BE, IT FURTHER RESOLVED, that Resolution No. 2013-71 is repealed in its entirety.

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

_____.

Alice Ruby, Mayor

ATTEST:

[SEAL]

Janice Williams, City Clerk

City of Dillingham Information Memorandum Agenda of: February 5, 2015
 Attachment to:
 Ordinance No. _____ / Resolution No. 2015-12

Subject:

A Resolution of the Dillingham City Council amending the process for approving the operational procedures and rules recommended by the Library Advisory Board and Repealing Resolution No. 2013-71

City Manager: Recommend Approval

Signature: Rose Deera

Route to	Department Head	Signature	Date
	Finance Director		
X	City Clerk	<i>J. Williams</i>	1/28/15

Fiscal Note: Yes No

Funds Available: Yes No

Other Attachments:

- None

Summary Statement:

At their December 4, 2014 Council meeting, the City Manager requested the Council send the resolution back to Code that was passed in 2013 designating the Council to approve library operational procedures, including hours of operation. This was not consistent with other City departments, and felt these were procedural issues not policies.

This resolution was vetted through the Code Review Committee and is being recommended for adoption to reassign the approval of library rules to the City Manager and to report back to the Council.

Ordinance No. _____ / Resolution No. 2015-12

Summary Statement continued:

11

CITY OF DILLINGHAM, ALASKA

RESOLUTION NO. 2015-13

A RESOLUTION OF THE DILLINGHAM CITY COUNCIL OPPOSING THE NOMINATION OF THE ALEUTIAN ISLANDS NATIONAL MARINE SANCTUARY

WHEREAS, the National Oceanic and Atmospheric Administration (NOAA) opened the nomination process for National Marine Sanctuary (NMS) designations; and

WHEREAS, NOAA received a nomination from the Public Employees for Environmental Responsibility to designate waters located in Southwest Alaska as the Aleutian Islands National Marine Sanctuary (AINMS); and

WHEREAS, the nomination process set out on the NOAA National Marine Sanctuary (NMS) website emphasizes that the nomination demonstrate broad support from a variety of stakeholders and interested parties; and

WHEREAS, good government policy would dictate that the most important stakeholders and interested parties are residents, municipalities, communities, and businesses that due to proximity will be most affected by the establishment of a marine sanctuary; and

WHEREAS, no city, borough, community or tribe in Southwest Alaska was involved in preparing or submitting the AINMS nomination; and

WHEREAS, no city, borough, community or tribe in Southwest Alaska has come out in support of the AINMS nomination; and

WHEREAS, to date, the Qagan Tayagungin Tribe in Sand Point, the Agdaagux Tribe in King Cove, the Aleutians East Borough, Akutan Traditional Council, Akutan Corporation, and the City of Sand Point have written letters or passed resolutions in opposition to the nomination of the AINMS; and

WHEREAS, fishing and hunting activities in the AINMS nominated zone are already regulated by the North Pacific Fishery Management Council (NPFMC), the Alaska Department of Fish and Game (ADFG) and the U.S. Coast Guard (USCG); and

WHEREAS, astute management and enforcement by the NPFMC, ADFG, and USCG has created abundant world class fishing stocks; and

WHEREAS, regulation of much of the proposed AINMS is already subject to regulation of a Fishery Ecosystem Plan, the Marine Mammals Act, and designation as a habitat conservation area; and

WHEREAS, the Aleutian Island Risk Assessment project recently recommended The Optimal Response System to address risks associated with increased shipping through the AINMS nominated area; and

WHEREAS, further regulation of the vast AINMS area under National Marine Sanctuary designation would only lead to more confusion, conflict, and lack of clarity in the use of resources and support of transportation in Southwest Alaska; and

WHEREAS, the residents of the AINMS area have proven themselves to be good stewards of the areas resources for thousands of years without the benefit of NMS designation and have registered unqualified opposition to the nomination.

NOW THEREFORE BE IT RESOLVED by the Dillingham City Council that it opposes the nomination of the proposed Aleutian Islands National Marine Sanctuary; and

BE IT FURTHER RESOLVED that upon passage of this resolution that it be transmitted to Governor Bill Walker, the Speaker of the Alaska House of Representatives, the President of the Alaska Senate, the NOAA Office of National Marine Sanctuaries, Senator Lisa Murkowski, Senator Dan Sullivan, and Congressman Don Young.

PASSED and ADOPTED by the Dillingham City Council on _____.

Alice Ruby, Mayor

ATTEST:

[SEAL]

Janice Williams, City Clerk

ALASKA **Journal of Commerce**

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Aleutians marine sanctuary rejected by NOAA

BY DJ SUMMERS, ALASKA JOURNAL OF COMMERCE

Published: 2015.01.23 03:07 PM

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The National Oceanic and Atmospheric

Administration rejected a nomination to establish the Aleutian Islands National Marine Sanctuary on Jan. 23. Washington, D.C. conservation group Public Employees for Environmental Responsibility submitted the nomination to the administration on Dec. 22, 2014.

If nominated and designated, the sanctuary would have encompassed federal waters from three to 200 miles north and south of the Aleutian Islands, including parts of the western Gulf of Alaska and southeast Bering Sea, and subjected them to conservation measures potentially including restrictions on commercial fishing, marine transportation, and oil and gas development.

The National Oceanic and Atmospheric Administration, or NOAA, explains in their response letter that they rejected the nomination based on a lack of support from involved communities.

"When [Office of National Marine Sanctuaries] considers this aspect of a nomination, we are not looking for unanimous support from all potential interests, but rather representative support from a diverse cross section of the community," wrote Daniel Basta, the director of Office of National Marine Sanctuaries, the branch of NOAA who reviews sanctuary nominations.

The nomination was ill-received by Alaskans due in large part to the implications on the commercial fishing industry, on which Aleutian Islands communities almost entirely rely for their economic health. Aleutians East Borough representatives said they had not been consulted about the marine sanctuary by PEER and learned about it after its submission.

"We've never been invited to participate in any meetings or offer any comments on the effects it would have," said Stanley Mack, mayor of the Aleutians East Borough, or AEB.

AEB natural resources director Ernie Weiss confirmed that several stakeholders including Frank Kelty, natural resource analyst for Unalaska, were in the process of preparing a whitepaper opposing the nomination. The paper was to be presented to the North Pacific Fishery Management Council during their upcoming February meeting.

Alaska Rep. Bryce Edgmon (D – Dillingham) introduced a bill on Jan. 21 opposing the nomination, which was signed by Alaska Speaker of the House Mike Chenault.

DJ Summers can be reached at daniel.summers@alaskajournal.com

Janice Williams

Subject: FW: AEB Res 15-13, opposing Aleutian Islands Nat'l Marine Sanctuary

-----Original Message-----

From: Mayor [mailto:mayor@ci.unalaska.ak.us]

Sent: Saturday, January 24, 2015 9:53 AM

To: Erik O'Brien

Cc: Carol Austerman; Cynthia R. Berns; Dan Clarion; Dan O'Hara; Joe Sullivan; Layton Lockett <manager@adak-ak.gov>; Alice Ruby; Michelle Ravenmoon; Paul Grondholdt (paulg@arctic.net); president@shumagin.com; Doug Griffin

Subject: Re: AEB Res 15-13, opposing Aleutian Islands Nat'l Marine Sanctuary

They are not giving up! Read the last paragraph of the NOAA letter to Steiner. Did we send our signed Resolution in yet? If not, we still need to, if we did that's great. We should plan on a short presentation at the annual meeting.

Shirley

On 23 Jan 2015, at 05:05 pm, "Erik O'Brien" <eobrien@swamc.org<mailto:eobrien@swamc.org>> wrote:

Board,

It looks as if our SWAMC Resolution was so successful that NOAA rejected the Aleutian Island National Marine Sanctuary.

Erik OBrien

SouthWest Alaska Municipal Conference

3300 Arctic Blvd. #203

Anchorage AK 99503

907-562-7380



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
NATIONAL OCEAN SERVICE

Office of National Marine Sanctuaries
1305 East-West Highway
Silver Spring, Maryland 20910

January 23, 2015

Richard Steiner
Box 666
9138 Arlon St., A3
Anchorage, AK 99507

Dear Mr. Steiner:

Thank you for submitting the nomination for the proposed "Aleutian Islands National Marine Sanctuary." We appreciate your interest in how a national marine sanctuary could assist in meeting conservation objectives for waters surrounding the Aleutian Islands and southwest Alaska.

This letter is to inform you that the Office of National Marine Sanctuaries (ONMS) has completed its sufficiency review of the nomination. The sufficiency review is the first of three phases of review, and determines if the nomination provides enough of the information required for us to proceed with a more in-depth review. It is followed by phase two, which reviews a nomination against the four national significance criteria and phase three, which evaluates a nomination against the seven management considerations. We have concluded the nomination, as submitted, is not sufficient.

Our rationale for reaching this conclusion focuses primarily on management consideration #7, which indicates a national marine sanctuary nomination must demonstrate support for the national marine sanctuary concept from a breadth of community interests. In our final rule, we define a community as individuals or locally-based groups (e.g., "friends of" group, chamber of commerce); tribal, local, state, or national agencies; elected officials; or topic-based stakeholder groups, at the local, regional or national level (e.g., a local chapter of an environmental organization, a regionally-based fishing group, a national-level recreation or tourism organization, academia or science-based group, or an industry association).

When ONMS considers this aspect of a nomination, we are not looking for unanimous support from all potential interests, but rather representative support from a diverse cross section of the community. In the context of the Aleutian Islands nomination, this could mean adjacent tribal or local governments, organizations or industries that depend on the resources in the nominated area, or federal or state agencies responsible for managing some of the resources or adjacent marine protected areas referenced in the nomination.

Similarly, the nomination does not clarify the level of support from the federal and state agencies listed as potential management partners. For management consideration #6, it is equally important to identify any offers of partnership from tribal governments, local jurisdictions, non-government organizations, or universities to assist in managing this area.



We also conclude that the nomination provides little to no description as to how this area provides opportunities for education, such as specific partnerships and commitments from educational groups. This relates to management consideration #2, which requests information on how the nominated area provides or enhances opportunities for education, including the understanding and appreciation of the marine and Great Lakes environments.

Finally, the nomination's description under national significance criteria #2 (submerged maritime heritage resources) states the nominated area "contains submerged maritime heritage resources of special historical, cultural, or archaeological significance...consistent with listing on the National Register of Historic Places." It then identifies several land-based National Historic Landmarks, as well as shipwrecks and potential archaeological sites that appear to all be within Alaska state waters. However, page 3 of the nomination identifies the proposed sanctuary to include "all federal waters along the entire Aleutian Islands archipelago (from 3 to 200 nautical miles north and south of the islands...)" As a result, the nomination seems to indicate both inclusion and exclusion of state water resources.

We understand the significant challenges associated with organizing support for an area that covers over 550,000 square nautical miles and over a thousand miles of shoreline. An alternative could be to consider nominating a smaller area or a series of smaller areas that encompass the specific resources you believe to be of highest value or for which a national marine sanctuary designation could achieve the greatest benefit. Keep in mind that the nomination process is a community-based process and hence the demonstration of wide community support weighs very heavily within the management considerations.

As you reconsider your nomination, staff from our West Coast Regional Office, as well as our headquarters, stand by to address any questions you have. We encourage you to review other nomination packages we have received and our correspondence with the nominators, which are available on the website nominate.noaa.gov. The process is transparent and you will also find our correspondence with other nominators on the website. Thank you again for your interest in NOAA's national marine sanctuaries. We look forward to continuing work with you on this important nomination.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel J. Basta". The signature is stylized and written in a cursive-like font.

Daniel J. Basta, Director



QAGAN TAYAGUNGIN TRIBE
P.O. BOX 447
SAND POINT, ALASKA 99661
PHONE (907) 383-5616
FAX (907) 383-5814

December 18, 2014

Public Employees for Environmental Responsibility
ATTN: Jeff Ruch and Richard Steiner
2000 P Street, NW, Suite 240
Washington, DC 20036

Dear Sirs,

I'm writing to you in response to your proposed nomination of an Aleutian Islands National Marine Sanctuary. It is clear you did this without taking the people or the economy of the people living in the Aleutians into consideration. To fully understand the impact such a designation could have on the Aleutian Region, on multiple tribes within our region, and still forward this nomination on to the National Oceanic & Atmospheric Administration for consideration, is akin to a direct assault on the native people of this land's way of life.

We are Stewards of our land. We understand the delicate balance of living off the land, and protecting it for future generations. This understanding is precisely why the people of our region work closely with the North Pacific Fishery Management Council and National Marine Fisheries Service to form regulations which will protect the marine environment for future generations, while still enabling the people of the Aleutians to make a living, pay our mortgages, and our utilities, and stay in the region we love.

This proposed marine sanctuary is unwanted and unnecessary, and would endanger our economy, our livelihood, and likely result in a mass exodus of the region as people struggle to find a place where they can make a living and survive. This would be detrimental to our cultures, our identities, and our family units.

The Qagan Tayagungin Tribe staunchly opposes the establishment of an Aleutian Islands National Marine Sanctuary as proposed. We feel it would not be good for our tribe, for our people, or for our region as a whole.

Sincerely,

A handwritten signature in cursive script that reads "David O. Osterback". The signature is written in black ink and is positioned above the printed name and title.

David O. Osterback
President



Public Employees for Environmental Responsibility

2000 P Street, NW, Suite 240 • Washington, DC 20036

Phone: (202) 265-PEER • Fax: (202) 265-4192

Email: info@peer.org • Web: <http://www.peer.org>

December 22, 2014

Mr. Daniel J. Basta
Director, NOAA Office of National Marine Sanctuaries
1305 East West Highway, N/NMS, 11th Floor
Silver Spring, MD 20910

RE: NOMINATION OF ALEUTIAN ISLANDS NATIONAL MARINE SANCTUARY

Sent via U.S. Mail & Email: sanctuary.nominations@noaa.gov

Dear Director Basta:

Pursuant to the final rule published in the *Federal Register* [15 CFR Part 922, Docket No. 130405334-3717-02, RIN 0648-BD20] Public Employees for Environmental Responsibility (“PEER”) submits this application to have the National Oceanic & Atmospheric Administration (“NOAA”) consider this nomination of the identified area of the marine environment for designation as a National Marine Sanctuary. As well, this nomination is consistent with, and helps fulfill, Executive Order 13547 issued July 19, 2010 entitled: “Stewardship of the Ocean, our coasts, and the Great Lakes”; and further secures the goal of the December 16, 2014 Presidential Memorandum extending the North Aleutian Basin/Bristol Bay OCS Planning Area withdrawal.

Section I - Basics

- **Nomination Title**

Aleutian Islands National Marine Sanctuary (AINMS)

- **Nominator Name(s) and Affiliation(s)**

Public Employees for Environmental Responsibility (PEER) – a national 501(c) (3) nonprofit environmental organization (tax number 93-1102740) dedicated to assisting current and former public servants better protect the planet and headquartered in Washington, DC. This nomination is made on behalf of Alaskan members of PEER who have dedicated their careers to the protection of that state’s and the Arctic marine environment.

Center for Biological Diversity – a national biological diversity conservation organization, which is involved in an array of Arctic conservation issues, with an office in Anchorage AK.

Eyak Preservation Council – an Indigenous People’s rights and wild fisheries conservation organization, based in Cordova AK.

The Center for Water Advocacy – a conservation organization working on water and human rights in the northwestern U.S., with an office in Homer AK.

North Gulf Oceanic Society – an Alaska cetacean research and conservation organization, based in Homer AK.

The Ocean Foundation – an international marine conservation organization, based in Washington, D.C.

Marine Endeavors – a seabird conservation consulting business, based in Oakland CA.

- **Nomination Point of Contact**

The point of contact in this matter is Richard Steiner, a member of the PEER Board of Directors, a retired University of Alaska professor of marine conservation, and a marine conservation consultant who has worked periodically in the nominated region since the 1970s in marine education, conservation, research, fisheries development, shipping safety, and commercial fishing.

His contact information is as follows:

Richard Steiner
Phone (907) 360-4503;
Email: richard.g.steiner@gmail.com;
Mailing Address: Box 666
9138 Arlon St., A3, Anchorage, AK 99507

An alternate point of contact is:

Jeff Ruch
PEER Executive Director
Phone (202) 265-7337; Email jruch@peer.org;
Mailing Address: PEER
2000 P Street, NW Suite 240
Washington, DC 20036

Section II - Introduction

- **Narrative Description**

Alaska’s seas and coasts are unique and globally significant for their diversity, expanse, and abundance of fish and wildlife, as well as their historical, cultural, and economic

significance. Although more than half of Alaska's lands receive permanent federal protection, virtually none of Alaska's federal waters receive comparable protective status.

All federal waters along the *entire* Aleutian Islands archipelago (from 3 to 200 nautical miles north and south of the islands) to the Alaska mainland, including federal waters off the Pribilof Islands and Bristol Bay, are proposed for designation as a National Marine Sanctuary. This will incorporate extensive, highly productive fish and crab habitat; unique cold-water coral and sponge benthic communities; unique hydrothermal vent ecosystems; seamount habitats; much of the Aleutian Trench; part of the Aleutian Basin; extensive marine mammal and seabird pelagic foraging habitat; endangered North Pacific Right Whale (*Eubalaena japonica*) critical habitat; Steller sea lion critical habitat; Southwest Alaska sea otter critical habitat; crab, halibut, herring, scallop, and salmon "savings (protection) areas;" and the seven Outer Continental Shelf (OCS) Planning Areas in the region, including the North Aleutian Basin (NAB) Planning Area [map attachment 1].

This sanctuary designation would encompass an offshore area of approximately 554,000 square nautical miles (nm²), an area larger than the recently expanded Pacific Remote Islands Marine National Monument, which covers approximately 370,000 nm². As such, the proposed Aleutian Islands National Marine Sanctuary would constitute the nation's largest marine protected area, and one of the largest in the world. It should be noted that in much of the proposed area, no new management restrictions are proposed herein, but all protections existing as of the date of nomination are to be enshrined permanently in regulation.

In further comparison with the Pacific Remote monument, the Aleutian Islands marine ecosystem is more biologically productive, has been more extensively exploited for commercial fisheries and marine mammal harvests for centuries, and is currently at greater immediate risk from overexploitation of marine resources, shipping, and offshore oil and gas development. In addition, the Aleutian Islands region has several thousand local residents who rely on the marine ecosystem.

- **Goals Description**

The Aleutian region includes some of the richest and most singular marine habitats in the world ocean. In fact, this region received one of the very first marine protective designations in U.S. history, when in 1913 President Taft reserved the Aleutians and its offshore waters, from Unimak to Attu, as a wildlife sanctuary (Executive Order 1733: "Establishing Aleutian Islands Reservation as Preserve for Native Birds, Animals, and Fish" March 3, 1913).

The Aleutian Islands Biosphere Reserve was designated by UNESCO in 1976, and the 1980 Alaska National Interest Lands Conservation Act (ANILCA) established the Alaska Maritime National Wildlife Refuge and the 1.3 million acre Aleutian Islands Wilderness, which pertains to the islands in the region.

Yet as detailed in Consideration 3 (below), Aleutian waters face rising threats on many fronts, with scant protection.

Through designation of the Aleutian Islands National Marine Sanctuary (AINMS), we propose the following management goals:

1. Protect seabird, marine mammal, and fish habitat, and restore populations and marine ecological resilience;
2. Protect and enhance Alaska Native marine subsistence;
3. Protect and enhance coastal small-boat fisheries;
4. Identify, monitor, and protect unique seabed habitats, including cold-water corals;
5. Reduce environmental risks from shipping, including oil and hazardous cargo spills, and whale-ship strikes;
6. Eliminate environmental risks from offshore oil and gas development;
7. Monitor and manage risks of marine invasive species introductions;
8. Reduce and manage marine debris;
9. Enhance marine eco-tourism development; and
10. Enhance scientific understanding of the region.

To achieve these overall management goals, we propose the following objectives:

- Permanently prohibit offshore oil, gas, and mineral leasing – All waters within the AINMS would be permanently excluded from oil, gas, and mineral leasing, including waters in the Department of Interior’s North Aleutian Basin (NAB) OCS Planning Area. In addition, the permanent prohibition on oil and gas leasing will apply to the Shumagin, St. George Basin, Aleutian Arc, Bowers Basin, St. Mathew-Hall Basin, and Aleutian Basin OCS Planning Areas. Even though the presidential withdrawal of the NAB area was extended by the December 16, 2014 Presidential Memorandum under section 12(a) of the Outer Continental Shelf Lands Act (OCSLA), the risk remains that Congress or a future administration may eliminate the withdrawal and reopen this, or other Planning Areas, to oil and gas development. The AINMS designation will specifically preclude such action, and permanently prohibit offshore petroleum exploration and development in the entire region.
- Protect Alaska Native subsistence and coastal fisheries – The AINMS will work with coastal residents of the region, particularly Alaska Natives, to protect marine subsistence activities; provide a substantial protected fishery reserve; and protect and enhance small boat, shore-based fisheries in the region.

- Protect marine mammal and seabird foraging habitat and prey species. While much of the *reproductive habitat* for seabirds and marine mammals on islands of the Aleutian region is currently protected (e.g. by the Alaska Maritime National Wildlife Refuge and National Marine Fisheries Service), most marine *foraging habitat* is not adequately protected. This has contributed to the alarming decline of many seabird and marine mammal populations throughout the Aleutian region, and an overall decline in the ecological health and integrity of the marine ecosystem. Filling this gap is a primary goal for the AINMS.
- Enshrine in regulation, and expand, habitat and species protections existing as of the date of nomination, December 22, 2014 – The eastern edge of the proposed Aleutian Islands National Marine Sanctuary (AINMS) would encompass critical habitat for the North Pacific Right Whale (the most critically endangered whale globally). In addition, the AINMS would make permanent the many laudable habitat and species conservation measures which have been implemented by the North Pacific Fishery Management Council (NPFMC) and National Marine Fisheries Service (NMFS) throughout the region, including closures of some (but not all) deepwater coral and sponge habitat in the Aleutian Islands Coral Habitat Protection Areas; Aleutian Islands Habitat Conservation Area (AIHCA); Bowers Ridge Habitat Conservation Zone; Alaska Seamount Habitat Protection Areas; Bering Sea Habitat Conservation Area; Nunivak Island, Etolin Strait, Kuskokwim Bay Habitat Conservation Area; Southwestern sea otter critical habitat; Walrus Islands federal closures; Gulf of Alaska Slope HCA; crab, halibut, herring, and salmon “savings areas;” all marine mammal conservation measures, including all Steller sea lion critical habitat; Scallop Conservation Areas; skate egg concentration Habitat Areas of Particular Concern (HAPC); Pribilof Island Habitat Conservation Area; the non-pelagic trawl closures along the south side of the Alaska Peninsula; and the Nearshore Bristol Bay Trawl Closure (map attachments 2, 3, and 4).

However, the current fishery restrictions were implemented by the NPFMC and NMFS without full consideration of the full range of ecological habitat conservation measures necessary. Many feel that the fisheries agency and fisheries council have not adequately balanced and protected non-commercial components of the marine ecosystem, such as seabirds, marine mammals, other fish species, cold-water corals, etc. As example, despite a continued decline in the sea lion population in the western Aleutians, a November 25, 2014 final rule from NMFS weakens sea lion protections in the region by opening areas previously closed to trawling for pollock, cod, and Atka mackerel. The AINMS will prohibit actions to remove or weaken existing protections, but will allow additional species and habitat protections to be established.

Thus, if after the AINMS is nominated (December 22, 2014), NMFS or NPFMC reduce or eliminate any of the existing marine habitat or species protections in the region, the AINMS will revert to the precise habitat and species protections that existed on the date of nomination - December 22, 2014. As the November 25, 2014 NMFS rule on Aleutian sea lions is scheduled to take effect December 26, 2014, and the AINMS nomination is filed December 22, 2014, this new NMFS rule will be voided by the AINMS designation. The AINMS will permanently enshrine all existing marine habitat and species protections

across the entire region in regulation, so that a future fisheries council or agency may not act to eliminate them.

On the other hand, NPFMC and NMFS would be able, and encouraged, to add to or increase any of the existing habitat and species protections in the region, as appropriate, based on the best science. Greater fishery restrictions in the region are clearly necessary to protect and rebuild important components of the marine ecosystem – fish, shellfish, seabirds, and marine mammals.

It is proposed that, west of 170 W and south of 55 N, the AINMS will extend the existing non-pelagic (bottom) trawl closure (the Aleutian Islands Habitat Conservation Area) to include all federal waters out to 200 nautical miles offshore, thus eliminating the current areas open to bottom trawling in federal waters west of 170 W. As well, the AINMS will expand the AIHCA trawl closure west of 170 W and south of 55 N, to apply to all trawls, including pelagic trawls, out to 20 miles offshore. The area from 20 – 200 miles offshore in the existing AIHCA will remain as is – all non-pelagic (bottom) trawls will continue to be prohibited, and pelagic trawls permitted.

The AINMS will also expand, as appropriate and as the science suggests, other fishery and habitat restrictions in the region. These will include additional critical seabed habitat protection closures in areas identified by additional benthic habitat surveys. As well, areas that should be considered for additional protections - in consultation with local Tribal governments, NMFS, and NPFMC - include the Seguam Pass and Bogoslof foraging areas for Steller sea lions; the Pribilof Island HCA; and the Nunivak, Etolin Strait, Kuskokwim Bay HCA. The AINMS will monitor the recovery of benthic habitat damaged by bottom trawls, and explore the potential for aiding its restoration.

As a significant portion of the commercial fishery catch from the Bering Sea/Aleutian Islands (BSAI) management region comes from Bering Sea sector, outside of waters proposed for inclusion in the AINMS, the AINMS will serve as a fishery reserve for rebuilding lucrative Bering Sea fisheries (e.g., crab, pollock, halibut, salmon, cod), protecting and rebuilding seabird and marine mammal populations, reducing by-catch of important "prohibited" species (crab, halibut, salmon), reducing marine debris from bottom hang-ups of bottom trawls, and protecting and enhancing small boat coastal fisheries in the region.

- Regulate transit merchant shipping – Require all transit ships (e.g. those not calling at Aleutian ports) to route outside of 50 miles offshore, except when transiting North or South between the Bering Sea and North Pacific, through the Aleutian passes such as Unimak Pass, Amchitka Pass, and at Buldir Island. This will affect some 4,000 – 8,000 merchant ships/year (many on “Innocent Passage”) transiting the region between North America and Asia ports. This routing restriction will reduce risks of groundings, heavy fuel oil spills, spills of hazardous cargo (e.g. chemicals, crude oil, petroleum products, etc.), invasive species introductions, and will reduce underwater noise generated from shipping into nearshore waters.

This ship routing restriction, along with others measures to reduce the risk of oil spills or whale-ship strikes, will require designation of the region by the International Maritime Organization (IMO) as a Particularly Sensitive Sea Area (PSSA), as proposed in 2009, and currently in consideration in the Aleutian Islands Risk Assessment process. To date, the only two PSSAs in US waters are the Florida Keys and Papahānaumokuākea Marine National Monument (Northwestern Hawaiian Islands). Until PSSA designation is secured for the Aleutian Islands region, all transit ships should be requested to voluntarily avoid waters within 50 miles of shore within the AINMS, and adopt other safety precautions. For Unimak Pass, a Vessel Traffic Service (VTS) and standby rescue tug should be required.

- Reduce risks from transit ship traffic in offshore waters (50-200 miles) of the AINMS – AINMS designation will facilitate development of the PSSA designation, including the 0-to-50 mile Area-To-Be Avoided (ATBA), other traffic routing agreements, vessel traffic systems, reporting agreements, real-time vessel tracking requirements, rescue/escort tug requirements, emergency tow packages, and more robust in-region oil spill response capacity. Additionally, measures to reduce the risk of whale-ship strikes will be identified and implemented as appropriate, including ship speed limits, marine mammal bow lookouts, night vision systems, active sonar, enhanced automated whale detection systems, acoustic “pingers” on ship bows, and so on.

This nomination is consistent with, and helps fulfill, Executive Order 13547 issued July 19, 2010 entitled: “Stewardship of the Ocean, our coasts, and the Great Lakes.” As well, it further strengthens the goal of the December 16, 2014 Presidential Memorandum extending the NAB/Bristol Bay leasing withdrawal.

- **Location Description**

The Aleutian Islands National Marine Sanctuary (AINMS) is proposed to include all federal waters (from 3 to 200 miles offshore) north and south of the Aleutian Islands, extending from the US-Russia Maritime Boundary in the west (170 E.), east to 157 W. (a total of 33 degrees Longitude).

The northern boundary of the AINMS will extend from the US-Russia boundary along the offshore EEZ boundary, to the southeast corner of the Bering Sea “donut hole,” then in a direct line north of the Pribilof Islands to Nunivak Island, then due east to the 3-mile boundary of Alaska state waters.

The southern boundary will extend from the US-Russia boundary along the offshore EEZ boundary to 157 W.

The AINMS will encompass and make permanent all habitat and species protections in the region that existed on December 22, 2014, including the entire existing Aleutian Islands Habitat Conservation Area (AIHCA); the southern edge of the Bering Sea Habitat Conservation Area (BSHCA); the Bowers Ridge Habitat Conservation Zone; the Aleutian Islands Coral Habitat Protection Areas; the Alaska Seamount Habitat Protection Area; all Steller sea lion critical

habitat; Southwest Alaska sea otter critical habitat; the Pribilof Island Habitat Conservation Area; Nunivak Island, Etolin Strait, Kuskokwim Bay Habitat Conservation Area; Pribilof Island Habitat Conservation Area; skate egg concentration Habitat Areas of Particular Concern; and other habitat and species protections (crab, halibut, salmon, herring, scallop protection areas) established by the North Pacific Fishery Management Council (NPFMC), the National Marine Fisheries Service (NMFS), and US Fish & Wildlife Service (USFWS); and will include the entire Department of Interior (DOI) North Aleutian Basin (NAB) Outer Continental Shelf (OCS) Planning Area (map attachments 2, 3, 4).

The AINMS would protect a total maritime area of approximately 554,000 square nautical miles.

Section III – Criteria Information

Criteria 1 Ecological Significance

The area's natural resources and ecological qualities are of global significance, and contribute significantly to biological productivity and diversity, maintenance of ecosystem structure and function, maintenance of ecologically and commercially important species and species assemblages, maintenance of critical habitat, representative biogeographic assemblages, and maintenance/enhancement of connectivity to other ecologically significant resources.

The Aleutian Islands marine ecosystem is one of the most biologically productive in the world ocean, supporting the largest populations of marine mammals, seabirds, fish, and shellfish in the nation, and one of the largest anywhere in the world. The marine ecosystem has supported the subsistence needs of coastal Alaska Native people for millennia, has experienced excessive marine mammal harvests by commercial marine mammal hunters and whaling fleets, and more recently has experienced excessive commercial fishery harvests and oil spills from transit shipping.

Of the 450 or so fish species in the region, some 25 are commercially exploited, including pollock, cod, flatfish, sablefish, rockfish, Atka mackerel, halibut, salmon, and herring. Shellfish harvested in the region include king crab, tanner crab, and shrimp.

The Aleutian region is one of the most important seabird habitats in the world, supporting tens of millions of seabirds each summer, including shearwaters, fulmars, petrels, kittiwakes, murrelets, auklets, albatross, and puffins. The whiskered auklet is endemic to the Aleutians. And the Aleutians serves as a significant spring and fall staging area for migratory waterfowl, including black brant, Taverner's Canada geese, emperor geese, and Steller's eiders. The recovery of Aleutian Canada geese is one of the most encouraging bird recovery stories in the world. Once feared extinct, a small remnant population was discovered on Buldir Island in the western Aleutians in the 1960s, from which the USFWS conducted a successful recovery program throughout the Aleutians.

As well, the Aleutian region is one of the most important marine mammal habitats in the world ocean, supporting over 20 species of marine mammals, including sea otter, fur seal, walrus, harbor seal, Steller sea lion, porpoise, killer whale, beluga whale, sperm whale, beaked whales,

North Pacific Right whale (the world's most endangered whale), Humpback whale, Sei whale, Blue whale, Minke whale, Fin whale, and Gray whale. Some of these are year-round residents (sea lions, seals, sea otters), and others are summer migrants (whales, etc.). Many of these are listed as threatened or endangered under the ESA. The western Aleutians region was the only habitat for one of the only marine mammal species to become extinct – the Steller’s sea cow.

From Aleutian Subarea Contingency Plan, US DOI. Threatened & Endangered species in Aleutian region

Table 1: Endangered Species Act of 1973 Protected species and critical habitat			
Listed species	Stock	Latin Name	Status
Short-tailed albatross		<i>Phoebastria albatrus</i>	Endangered
Steller’s eider	Alaska breeding	<i>Polysticta stelleri</i>	Threatened
Spectacled eider		<i>Somateria fischeri</i>	Threatened
Blue whale		<i>Balaenoptera musculus</i>	Endangered
Humpback whale		<i>Megaptera novaeangliae</i>	Endangered
Fin whale		<i>Balaenoptera physalus</i>	Endangered
Sei whale		<i>Balaena borealis</i>	Endangered
Sperm whale		<i>Physeter macrocephalus</i>	Endangered
Northern right whale		<i>Eubalaena glacialis</i>	Endangered
Northern sea otter	Southwest	<i>Enhydra lutris kenyoni</i>	Threatened
Steller sea lion	West of 140 degrees N	<i>Eumetopius jubatus</i>	Endangered
Designated Critical Habitat			
Species Group	General Reference Area		
Whales	Northern right whale in Bering Sea waters north of False Pass		
Birds	Spectacled eider critical habitat has been designated at Nelson and Izembek lagoons		
Sea otters	Aleutian Islands		
Sea lions	20 miles seaward around each major haulout		

Benthic habitats along the Aleutians also harbor the highest diversity and abundance of cold-water corals (some that can live up to 200 years) in the world, in addition to sponge habitat and unique hydrothermal vent ecosystems. Scientists have identified 101 cold water coral species in the region (about half of which are endemic to the Aleutians), and 136 sponge species, many of them new to science.

Regarding ecological connectivity, Unimak Pass, for example, is recognized as one of the most important migratory bird and marine mammal corridors in the world ocean, and can be fairly considered a “marine ecological gateway.” Much of the migration of whales, seals, seabirds, and fish (e.g. Bristol Bay red salmon) pass seasonally through this Aleutian pass. Aleutian Island passes are also a vital areas for zooplankton (euphausiids and copepods), squid, and forage fish, particularly young-of-the-year pollock and lanternfishes, and thus are critically important feeding areas for seabirds and marine mammals from throughout the North Pacific. The passes area also transition zones between the polar seas of the Bering and the Arctic and the temperate waters of the mid-latitude, northern Pacific Ocean.

Criteria 2 Historic Resources

The area contains submerged maritime heritage resources of special historical, cultural, or archaeological significance in that individually and collectively it contains many resources that are consistent with the criteria of eligibility for listing on the National Register of Historic Places; have met or which would meet the criteria for designation as a National Historic Landmark; or have special or sacred meaning to the Indigenous People of the region and nation. Uncontrolled access to archeological or paleontological sites can be damaging. Many of these resources are in areas protected only by their remoteness, and severe weather conditions.

Coastal sites in the Aleutians currently listed as National Historic Landmarks include:

<u>Name</u>	<u>Location</u>
Adak Army Base and Naval Operating Base	Adak
Anangula Archeological District	Nikolski vicinity
Attu Battlefield and U.S. Army and Navy Airfields	Attu
Cape Field at Fort Glenn	Umnak Island
Chaluka Site	Umnak Island
Dutch Harbor Naval Operating Base and Ft. Mears	Amaknak Island
Holy Ascension Orthodox Church	Unalaska
Japanese Occupation Site	Kiska
Seal Islands Historic District	Pribilof Islands

Notably, the Aleutian region is the only place in the U.S. that has been invaded and occupied by a foreign military (Japan, WWII). In addition, the Aleutians were the site of the Amchitka nuclear tests in 1965, 1969, and 1971 - the largest underground nuclear test in US history.

Moreover, there are more than 180 known shipwrecks and groundings in or adjacent to Aleutian waters. [See Attachment 5, with known wrecks organized by island].

Finally, it is highly likely that many yet to be identified marine archaeological and historic sites exist in the Aleutians. The AINMS will seek to identify such sites.

Criteria 3 Economic Value

The Aleutian Islands are home to the largest fishing port in the U.S. Each year nearly a billion pounds of fish and shellfish are landed at Dutch Harbor. Altogether, the sustainable fishery resources in the area are worth over \$2 billion dollars annually:

Gross Commercial Fishery Values for State and Federal Waters of the Bering Sea and Aleutian Islands Management Area, 2010
Salmon \$449.8 million
Halibut \$43.3 million
Herring \$26.6 million
Crab \$236.4 million
Other \$1.4 million

Groundfish \$1,580 million
TOTAL \$2.34 billion

Source: Terry Hiatt et al. December 2011. Stock Assessment and Fishery Evaluation Report for the Groundfish Fisheries of the Gulf of Alaska and Bering Sea/Aleutian Islands Area: Economic Status of the Groundfish Fisheries Off Alaska, 2010. Alaska Fishery Science Center.

A substantial portion of this fishery harvest derives from waters proposed for inclusion in the AINMS. In particular, of critical importance to the coastal economy of the proposed region is the Bristol Bay red (sockeye) salmon fishery, which is the largest sockeye run in the world.

In addition to commercial fishing, subsistence fishing is extremely significant to local residents. All five species of Pacific salmon use waters of the Aleutian Islands. The species and number of salmon harvested for subsistence varies greatly among communities. Other than salmon, subsistence fisheries in the area include crab and halibut.

While marine tourism is not yet a major industry in the region, it is steadily growing, and has significant growth potential. The number of charter boats and hotels is on the rise, as are flights into Unalaska / Dutch Harbor, as well as other areas.

Criteria 4 Public Benefits

The publically derived benefits of the area proposed for inclusion in the AINMS include commercial value, seafood production, aesthetic and intrinsic value, public recreation, and tourism, and all depend on conservation, recovery, and sustainable management of the area's unique and productive marine resources.

As discussed above, the Aleutian Islands region is a critical component supporting the world's largest groundfish fisheries, as well as the world's largest red salmon fishery. In addition, the region hosts the most abundant marine mammal, seabird, shellfish, and fish populations in the world ocean. It is truly one of the last great maritime wilderness areas in US waters. Conserving such marine ecological resources is of paramount importance to our national ocean policy.

Even if the general public finds it difficult and expensive to visit this region, conserving the ecological resources is important to all Americans. If a non-use, contingent valuation economic study were to be conducted for the Aleutian region, we are confident it would estimate the intrinsic value of protecting the region in the range of billions of dollars per year.

Section IV – Consideration Information

Consideration 1. Opportunities for research in marine science.

The AINMS will expand marine biological research in the Aleutian region, and the region will be nominated for designation as a marine Long-Term Ecological Research (LTER) Site within the National Science Foundation network. There are currently no marine LTERs in subarctic or arctic waters of the U.S. A focus of the LTER will be marine ecological resilience and recovery from excessive fishery harvests and impacts.

While the Aleutian Islands are a biologically diverse and productive marine ecosystem, little is known about its internal dynamics. Marine population declines and extinctions have occurred in the region. Several species of seabirds and marine mammals residing in or utilizing the Aleutian Islands are listed under the Endangered Species Act. In addition, severe economic losses have resulted from the collapse of economically valuable species, such as red king crab.

Conferring NMS status would allow researchers the opportunities to better understand a myriad of still largely unmet information needs, such as –

- The effects of climate change, including acidification, in cold water marine ecosystems;
- Species abundance trends;
- Contours and dynamics of the foraging, spawning, and nursery habitats of marine species;
- The recovery of seabed habitat damaged by bottom trawling, and the potential to aid in its restoration;
- The role of deep passes in limiting the distribution of species;
- Linkages between fish and invertebrate populations in the Aleutian Islands to the open ocean ecosystem and to the Bering Sea and Gulf of Alaska;
- The relationship between deep ocean ecosystems of the Western Aleutian Islands and shallower Bering Sea;
- Whether the Aleutian Islands are a wholly separate ecosystem;
- The distribution of unique habitat features such as cold-water corals and sponges, as well as kelp and other macroalgae; and
- The functional roles of commercial species in marine food webs.
- Marine ecological resilience and recovery from overexploitation (trophic cascade hypotheses, etc.)

Besides these and other biological research opportunities, as noted above, the Aleutians contain many yet to be identified marine archaeological and historic sites. Cataloging and documenting these sites is a vast undertaking which would further marine archaeological research.

Consideration 2. Opportunities for education, understanding, and appreciation of the marine environment.

The region proposed for inclusion in the AINMS offers world-class opportunities for public education, understanding, and appreciation of productive, sub-arctic marine ecosystems. While the region is remote, has notoriously inclement weather, and is very difficult to access, the unique region can, and should, be presented more effectively to the public via media, such as television, and print media. The AINMS will expand such public educational outreach efforts.

In addition, marine ecotourism can, and should, be enhanced and expanded in the Aleutian region. This will be a goal for the AINMS.

Consideration 3. Adverse impacts and threats from current or future uses.

The area of the proposed AINMS is at risk from four main threats: overfishing, oil and gas development, invasive species, and increasing shipping. These threats are, in turn, aggravated by the growing effects of climate change.

A. Pattern of Excessive Harvest Drives Species and Habitat Decline. Most of Alaska's threatened and endangered species are marine animals, and many seabird and marine mammal populations throughout Aleutians are in decline – the result, many scientists suspect, of excessive harvests of certain fish populations in combination with long-term changes in the ocean environment. While some laudable habitat and species conservation restrictions have been implemented by NMFS/NPFMC (as discussed above), some populations continue to decline, and many are not recovering sufficiently. It is clear that existing restrictions are not sufficient to restore the ecological integrity of the region.

B. Risks from Offshore Oil Development. The Alaska Outer Continental Shelf (OCS) is one of the last remaining large offshore hydrocarbon prospects in the nation, and is the target of both current and future leasing plans. The federal government estimates that the Alaska OCS may contain between 50 billion and 100 billion barrels of oil equivalent (oil & gas).

The Department of Interior's North Aleutian Basin (NAB) Planning Area covers the majority of the eastern edge of the proposed AINMS area, including Bristol Bay. But as many local communities and commercial fishermen strongly oppose offshore oil and gas leasing in this region, the NAB area was removed from the proposed leasing schedule in March 2010 by presidential withdrawal under section 12(a) of the Outer Continental Shelf Lands Act (OCSLA). And even though the OCSLA withdrawal was extended by the December 16, 2014 Presidential Memorandum, the risk remains that Congress or a future administration could eliminate the OCSLA withdrawal and reopen the area to oil and gas development. The AINMS designation would specifically preclude such.

In addition, other OCS Planning Areas in the proposed AINMS boundaries include the Shumagin, St. George Basin, Aleutian Arc, Bowers Basin, St. Mathew-Hall Basin, and Aleutian Basin Planning Areas. The AINMS designation would permanently prohibit opening of these Planning Areas as well.

There are significant concerns among many local people, and people across the U.S., regarding offshore development of oil and gas in the region through which the largest red salmon run in the world migrates. Each summer, juvenile Bristol Bay salmon migrate outbound, and adult salmon migrate inbound, directly through the NAB region. Beyond the normal operational impacts of potential offshore drilling and production in the NAB region (waste discharge, noise, habitat disturbance, etc.), there is a very real concern regarding the risk of a major oil spill. Regardless of how safely government and industry intend to develop offshore petroleum resources, the risk of a catastrophic oil spill cannot be eliminated. Many see this as an unacceptable risk to impose in such a biologically productive marine ecosystem.

Fishermen and local communities are keenly aware of the Deepwater Horizon disaster in the Gulf of Mexico, and are worried that such a blowout in the NAB area would devastate the Bristol Bay salmon fishery and other coastal resources. Fishermen are also aware that the ecological injury from the 1989 Exxon Valdez Oil Spill in Alaska's Prince William Sound persists today, over 25 years later. One fish population in the oil spill region - Pacific herring - is still listed today by government agencies as "Not Recovering."

C. Invasive Species. Another risk from oil and gas development and shipping is the introduction of invasive marine species. One international expert, Dr. Gregory Ruiz based at the Smithsonian Environmental Research Center, warned of vulnerabilities in current approaches in an email exchange with federal and state officials in March 2006. Dr. Ruiz cited "many gaps" in anti-invasive safeguards, including:

- Vague Standards. Hull cleaning standards are "largely undefined... the frequency of cleaning or magnitude of fouling is not explicit. Unlike ballast water, there are few contemporary studies of hull fouling on commercial vessels to define the effect of time, hull husbandry, and vessel type on biofouling – so there is a clear lack of information that would be useful in setting quantitative guidelines or regulations in this area";
- Rig Loopholes. "Of great concern to me is the transport of drilling platforms/rigs. When a rig is moved from a prior deployment, it is likely heavily fouled – much more so than commercial vessels, which are in motion (having limited residence time for colonization) and move quickly (sheering off organisms)"; and
- Ballast Water. "Coastwise, or domestic-source, traffic arriving to Alaska are not required to treat ballast – and hence the door is wide open for non-native species transfers from such 'invasion hotspots' as San Francisco Bay and Long Beach, source ports for many tankers." While dedicated tanker traffic to Prince William Sound does manage ballast water, other transit ships through the Aleutians do not effectively manage the potential for invasive species introductions. Some ships likely conduct open ocean exchange of ballast water in the region.

One analyst from the U.S. Department of Interior, Jeffrey Childs, proposed to integrate invasive species concerns into environmental assessments and mitigations for permitting activities, warning that "The introduction of non-native species to Alaska waters that subsequently become invasive may very well yield much greater significant adverse impacts than a large oil spill."

Indeed, in its 2009 comments to the Obama administration's Outer Continental Shelf Oil and Gas Strategy, NOAA recommended buffer zones that would bar drilling "around... Habitat Areas of Particular Concern, Critical Habitat for endangered and threatened species, [and] major fishing grounds," due in part to invasive species risk.

D. Ship Traffic on the Rise. The Arctic has witnessed a much faster than anticipated decline of sea ice and this trend will transform the Arctic Ocean into a navigable seaway over the coming decades. Commercial shipping companies are plotting new shipping lanes across the "opening"

Arctic. Besides freight vessels (e.g. bulk freighters, container ships, car carriers), we expect increased ship traffic along the Aleutians from oil and chemical tankers, and cruise ships.

This increased traffic produces more underwater noise that is known to cause impacts to marine populations. Negative impacts of underwater noise have been reported for more than 50 marine species in scientific studies to date. These adverse effects include disruption of normal behavior patterns, such as feeding; temporary loss of hearing or inability of marine mammals to communicate; and disorientation leading to stranding events. While the long-term or cumulative effects of heightened underwater sound levels remain unclear, there is growing concern that living in a noisy environment may push already highly stressed marine animals into population decline, with subsequent effects on marine communities and biodiversity.

Increased ship traffic also increases the risks of whale-ship strikes. Globally, fatal collisions with ships have become a significant threat to whale survival. Ship strikes are on the rise, due to a combination of increasing coastal ship traffic, smaller crew size, larger vessels, and faster speeds. As ships grow larger, the propeller/engine noise is localized far aft (e.g. 300 meters) of the bow of the ship, rendering the relatively silent approaching bow an even greater collision risk to marine mammals.

As well, there is insufficient protection from ship collisions, groundings, and fuel oil and hazardous cargo spills. As the Aleutians have some of the most severe maritime weather in the world, and ship traffic between Asia and North America is increasing in the region, this increases the risk of ship casualties. The passes in Aleutian waters have limited vessel tracking, no established traffic lanes, no vessel traffic system, no speed limits, no mandatory pilotage, no weather restrictions, inadequate or no rescue tug capability, and limited spill response capability. There is immediate risk of oil and other hazardous cargo spills each day in the Aleutians, with potentially catastrophic consequences.

For example, due to the water currents from Unimak Pass into the Bering Sea, a spill at Unimak Pass could spread widely across the southeastern Bering Sea ecosystem. The December 2004 grounding of the Malaysian bulk freighter *Selendang Ayu* on Unalaska Island gives a hint of the destructive potential. The ship lost engine power in a winter storm and grounded, costing the lives of six crewmembers, spilling over 300,000 gallons of heavy fuel into nearshore waters, and killing thousands of seabirds. Had the ship lost power and grounded at Unimak Pass during spring or fall, or had this been a chemical or oil tanker, the ecological injury could have been far worse.

E. Climate Change Multiplies Adverse Impacts. Climate change is reducing sea-ice cover and leading to unprecedented marine ecosystem impacts in Alaska, including ocean acidification, warming sea temperatures, altered distribution, and coastal erosion.

Changes in climate and the oceans are causing changes in marine migrations, which threaten to exacerbate the effects of excess fish harvests. Retreating sea ice and warming temperatures enable more Arctic oil and gas activity and increases in ship traffic. The waters of the Bering Sea/Aleutian Islands are more acidic than any other marine waters in the world, due to CO₂

absorption. Many in the marine science and fishing community are justifiably worried about acidification.

Summing up the thrust and seriousness of the threats to this ecoregion, the words of the National Research Council its 1996 report on the Bering Sea Ecosystem were prophetic:

“It is extremely unlikely that the productivity of the Bering Sea ecosystem can sustain current rates of human exploitation as well as large populations of all marine mammals and bird species that existed before known exploitation – especially recent exploitation – began.”

Arguably, no place in the American marine environment is more productive, or more at risk, than this area nominated for National Marine Sanctuary protection.

Consideration 4. Unique conservation and management value for this area or adjacent areas.

Alaska's approximately 218 *Marine Protected Areas* (MPAs) – including various fishery-management closures, buffers around sea lion rookeries, research reserves, state marine parks, critical habitat areas, game sanctuaries and recreation areas – offer few meaningful safeguards against these rising threats. The existing MPAs are mostly limited to inshore waters, provide minimal protections, and are often temporary. Recent attempts to secure permanent federal protections in Alaskan waters have been unsuccessful.

Conserving the region as proposed will relocate some fishing effort, and thus provide a fishery reserve to rebuild harvested fish and shellfish populations in adjacent areas. It will also protect critical feeding and reproductive habitat for many seabirds and whales that migrate to the Aleutians each summer from more southerly waters of the western, central, and eastern North Pacific.

The Aleutian Islands NMS will protect feeding habitat for many seabirds (e.g. albatross) that nest on the Papahānaumokuākea Marine National Monument (Northwestern Hawaiian Islands). Additionally, the AINMS will protect feeding habitat for whales that winter in US waters further south. For instance, protecting Unimak Pass from shipping and oil spill risks will directly protect the population of Gray whales that migrates along the Pacific coast of the U.S., through other National Marine Sanctuaries. The AINMS will also protect feeding habitat for some of the Humpback whales that winter in the Hawaiian Islands Humpback Whale National Marine Sanctuary.

In addition, the AINMS will work with the State of Alaska to develop corollary protections in state waters (0-3 mile) throughout the region, where appropriate.

Consideration 5. Supplements existing regulatory and management authorities.

Even though the December 16, 2014 Presidential Memorandum extends the NAB OCS withdrawal indefinitely, the risk remains that Congress of a future administration may reopen the

region to offshore drilling. Thus, the entire NAB OCS Planning Area and North Pacific Right Whale critical habitat area would be included in the AINMS, to *permanently* exclude oil and gas leasing, and to impose more stringent shipping safety protocols (e.g. measures to reduce whale-ship strikes and oil spill risks). The AINMS would facilitate designation of other critical habitat in the region, as appropriate. And, as discussed above, the Aleutian Islands NMS would be nominated by the federal administration as a PSSA in the IMO process, to better manage transit shipping through the region.

As discussed, the AINMS will complement the existing fishery management regime of the NPFMC and NMFS, by enshrining the existing habitat and species protections in regulation, and encouraging additional fishery management measures that will augment species and habitat protections in the region.

In addition, the AINMS will complement the Alaska Maritime National Wildlife Refuge (AMNWR) management of seabirds nesting on the Aleutian Islands, by protecting foraging habitat, reducing invasive species, and reducing marine debris.

Consideration 6. Potential commitments or partnerships to aid conservation.

Alaska Native Tribal governments in the region will be important co-management partners, as will the Alaska native marine mammals co-management commissions.

The Alaska Maritime National Wildlife Refuge (AMNWR) of the U.S. Fish and Wildlife Service is responsible for managing much of the land area contained within the proposed AINMS, and will be an important partner in AINMS management. While the management goals for the AMNWR call for protection of foraging habitat for seabirds which nest on the Aleutian Islands, the USFWS has little authority to actually do so. The AINMS will provide such capability.

The NMFS Alaska Regional Office and the NPFMC will also be important partners. These fisheries management organizations will be encouraged to work with the AINMS to implement more effective fishery management protocols in the region in order to enhance marine ecosystem recovery and sustainability.

The State of Alaska and local governments will also be important governmental partners in the development and operation of the AINMS.

Consideration 7. Community-based support for the nomination.

The nomination will facilitate a wide-ranging discussion among community organizations, governments (including Tribal governments), industry, and the public regarding the proposed designation of the region. The several Alaska-based and national marine conservation and science organizations joining as co-nominators indicate broad initial support.

Several other local and regional organizations are still formulating positions on this nomination. We believe that its publication on the NOAA National Marine Sanctuaries website will greatly enhance public review and comment on the nomination.

We are confident that the AINMS nomination will attract support from the national and Alaska marine conservation community, the national and Alaska environmental community in general, shore-based commercial fishing organizations, and hopefully the Alaska Native tribal organizations in the region. Importantly, we are confident the nomination will attract significant support of the American public – the co-owners and co-managers of the federal waters and resources of the region.

It is also expected that any proposed federal restrictions in Alaska will attract opposition. As example, the 1980 Alaska National Interest Lands Conservation Act (ANILCA) attracted a great deal of political opposition in Alaska, but today is viewed by many as an important federal management decision that has significantly aided Alaska's economy. We expect the AINMS designation to experience a similar political evolution. For example, we are aware that some business interests in the region oppose making permanent the NAB/Bristol Bay OCS withdrawal and the species and habitat protections, as well as the proposed expansion of trawl closures.

As stakeholders review and consider the nomination, it is likely that additional conservation management measures will be suggested, and we urge that all such suggestions be seriously considered in final designation. In order to capture this additional stakeholder input, the nominators will file supplemental support material later this spring summarizing the results of the outreach generated by the nomination process.

Cc. William Douros
West Coast Regional Director
NOAA Office of National Marine Sanctuaries,
99 Pacific Street
Suite 100F
Monterey, CA 93940
william.douros@noaa.gov

Aleutian Islands National Marine Sanctuary Proposed Boundaries



CITY OF DILLINGHAM, ALASKA

RESOLUTION NO. 2015-14

A RESOLUTION OF THE DILLINGHAM CITY COUNCIL THE REINSTATEMENT OF A FULL \$60 MILLION INTO THE REVENUE SHARING FUND ON A YEARLY BASIS WITH A ONE-YEAR APPROPRIATION OF \$8 MILLION TO THE FUND WITH AN EFFECTIVE DATE PRIOR TO JUNE 30, 2015

WHEREAS, the City of Dillingham is appreciative to the Governor and the Legislature for the continuation of the Revenue Sharing program; and

WHEREAS, since 2008, municipalities have received a total of \$60 million per year to be divided among all boroughs, cities and unorganized communities in the State; and

WHEREAS, this money is a small share of the resource funding that is provided to the State; and

WHEREAS, \$60 million is also a small part of the total state-wide budget for the year; and

WHEREAS, municipalities are political subdivisions of the State of Alaska; and

WHEREAS, boroughs and cities can only raise their own money through increased taxes and/or fees; and

WHEREAS, in the past 2014 Legislative Session, the amount deposited in the Revenue Sharing fund dropped to \$52 million; and

WHEREAS, the larger municipalities use these funds to keep taxes as low as possible; and

WHEREAS, the smaller municipalities use these funds to provide basic services, such as snow removal, public building maintenance, harbor upkeep, fuel and insurance; and

WHEREAS, the City of Dillingham revenue sharing is approximately \$210,000 a year and is a major pot of funding for operations; and

WHEREAS, without these funds the City of Dillingham would have to reduce services;

NOW, THEREFORE, BE IT RESOLVED that the Dillingham City Council requests the Alaska State Legislature to reinstate the amount of \$60 million on an annual basis into the Revenue Sharing Fund and also that the Alaska State Legislature appropriate an additional \$8 million to the fund with an effective date prior to June 30, 2015.

PASSED and ADOPTED by the Dillingham City Council on February 5, 2015.

Alice Ruby, Mayor

ATTEST:

[SEAL]

Janice Williams, City Clerk

City of Dillingham Information Memorandum Agenda of: February 5, 2015
 Attachment to:
 Ordinance No. _____ / Resolution No. 2015-14

Subject:

A Resolution of the Dillingham City Council the reinstatement of a full \$60 million into the Revenue Sharing Fund on a yearly basis with a one-year appropriation of \$8 million of the fund with an effective date prior to June 30, 2015

City Manager: Recommend Approval

Signature: Rose Doera

Route to	Department Head	Signature	Date
X	Finance Director	<i>Carol Shade</i>	<i>1/29/15</i>
X	City Clerk	<i>J. Williams</i>	<i>1/29/15</i>

Fiscal Note: Yes No

Funds Available: Yes No

Other Attachments:

- None

Summary Statement:

There is some discussion at the State level of reducing or removing the Revenue Sharing Fund. Revenue Sharing is one of the priorities with the Alaska Municipal League (AML) and they are encouraging municipalities to pass resolutions in support of maintaining Revenue Sharing at past funding level of \$60 million. AML passed a resolution last fall in support of Revenue Sharing. They will be taking their resolution as well as all other municipalities that pass them to the legislature this session.

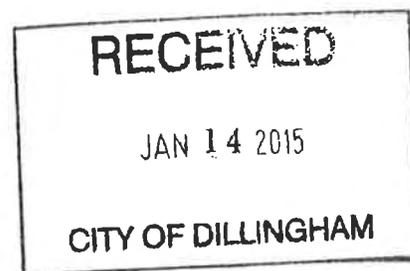
The City of Dillingham received approximate \$210,000 this past year. The City needs this funding to continue current operations and would have to seriously look at a reduction in operations if this funding was lost.

Ordinance No. _____ / **Resolution No.** 2015-14

Summary Statement continued:

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BOYD, CHANDLER & FALCONER, LLP
ATTORNEYS AT LAW
SUITE 302
911 WEST EIGHTH AVENUE
ANCHORAGE, ALASKA 99501
TELEPHONE: (907) 272-8401
FACSIMILE: (907) 274-3698
bcf@bcf.us.com



January 12, 2015

Rose Loera
City Manager
City of Dillingham
P.O. Box 889
Dillingham, AK 99576

Dear Rose:

Enclosed is an overview of issues which flow from the passage of Proposition 2 legalizing personal possession and commercial sales of marijuana in Alaska. We are providing this without charge as a token of our appreciation for the opportunity to provide legal services to Dillingham over the years.

This memorandum sets out what we currently see as the major items requiring decisions by local elected officials. As you know, there is a state legislative and regulatory process that will unfold in unknown ways over the next 9 months. The initial decisions for any local government is whether to engage in that process hoping to impact the outcome, whether to wait for that process to conclude before addressing issues locally or whether to independently take steps to regulate legal marijuana in your community in advance of the state acting. As you can tell from the enclosed memorandum, we believe engaging at the local level is prudent. There are outcomes within control of local officials no matter what rules are adopted by state government. Proposition 2 does provide a wide range of local authority and different communities are likely to walk different paths on regulation and taxation of commercial sales of marijuana.

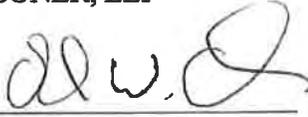
I am in the process of organizing a group of city and borough attorneys and local law enforcement folks with a goal to generally look out for local government concerns during this session and during the process of creating state regulations. This is not easy to accomplish since views may vary widely. The current goals are; 1) to ensure local government has a seat at the table; 2) to advocate for maximum local flexibility in regulation and taxation; and 3) to promote regulations which are clearly written and practical for local police departments to enforce. However this group at present does not claim to represent any community or even a collective group of communities. We will work through the Alaska Municipal League.

Rose Loera
January 12, 2015
Page 2 of 2

Given the likely high degree of public interest in this topic, we suggest our memorandum be made available to the public upon request rather than treated as confidential.

Very truly yours,

BOYD, CHANDLER &
FALCONER, LLP

By: 
Brooks W. Chandler

BWC/lkr
Enclosure

MEMORANDUM

To: Dillingham City Council

From: Brooks Chandler
Charles Cacciola

Date: January 12, 2015

Re: Municipal Regulation of Marijuana

Alaska's Act to Tax and Regulate the Production, Sale and Use of Marijuana (the "Marijuana Law") creates challenges and opportunities for municipalities. The Marijuana Law has two major functions: Ending state-level marijuana prohibition and creating a regulated commercial marijuana industry. The legislature may not substantively amend the Marijuana Law until February 24, 2017.

Local governments have significant authority to regulate, and even prohibit, marijuana commerce, but many questions remain unanswered, and unforeseeable issues will arise. Legal marijuana is a new development nationwide so the absolute limits of local regulation are largely unknown. Given the early stage of this "experiment", courts and the State will likely give deference to reasonable local regulations. This memorandum identifies issues for possible local regulation.

The Marijuana Law becomes effective on February 24, 2015. On that day, possession of small amounts of marijuana for personal use becomes lawful; local government does not have authority to alter this provision of the law.

Commercial marijuana follows a different timeline. The Alcoholic Beverage Control Board¹ ("ABC") has until November 24, 2015 to promulgate regulations for commercial marijuana cultivation, production, testing, and retail sale. ABC must begin accepting applications for marijuana facility permits² by February 24, 2016, and issue or deny permits

¹ The Marijuana Law also permits the legislature to create a Marijuana Control Board independent from ABC.

² The Marijuana Law refers to marijuana business permits as "registrations." ABC refers to alcohol licenses as permits and we believe using the term permit is clearer than registration.

BOYD, CHANDLER & FALCONER, LLP

ATTORNEYS AT LAW

within 90 days of application. If the State misses any of these milestones, regulation of and permitting for marijuana facilities passes to local government.

TELEPHONE: (907) 272-8401

FAX: (907) 274-3698

bcf@bcf.us.com

I. RECOMMENDATIONS

Local government should identify interests and priorities, particularly for marijuana commerce. Once interests and priorities are identified, local government must determine what, if any, marijuana facilities will be permitted, how many and from there develop a comprehensive local policy for marijuana. Broad policy determinations must be made before specific regulations can be created to implement that policy.

Based on our review and analysis of the Marijuana Law we recommend municipalities accomplish the following:

By February 24, 2015, or soon thereafter:

1. Review employee and workplace policies to ensure that they continue to prohibit marijuana use, possession, and intoxication in the workplace; clarify policies and inform employees of the continued (or changed) policy regarding drug testing and marijuana specifically.
2. Review smoking policies and ordinances to ensure that they cover marijuana smoke. Determine whether the policies and ordinances cover vaporizer use.
3. Adopt underage possession and use minor offense ordinance.
4. Adopt definition of "public" to establish boundaries of prohibited public use.

Assuming ABC meets all milestones, **by November 24, 2015:**

1. Designate a local regulatory authority.
2. Determine what marijuana facilities will be permitted, if any, and the maximum number of each type of facility.
3. Adopt standards for marijuana business regulation and permit review.

Assuming ABC meets all milestones, **by February 24, 2016:**

1. Make necessary changes to tax ordinances if marijuana commerce will be permitted.

The State believes it will meet each milestone.³ *In order to assert maximum local authority and obtain permitting revenue, local governments must designate a local marijuana regulatory authority no later than November 24, 2015. Local governments will receive application fee revenue from ABC only if a local government has designated a local regulatory authority.*

³ Governor's Office, *Marijuana Regulations Will be Issued on Time* (Release No. 14-017, December 30, 2014).

II. PERSONAL USE UNDER THE MARIJUANA LAW AND *RAVIN*

The Marijuana Law allows personal possession of up to one ounce of marijuana and six cannabis plants.⁴ Use and cultivation of marijuana in public are prohibited. Local government cannot modify these provisions. The legislature could add a broader local option, permitting a municipality to prohibit possession of marijuana outside the home (the constitutional right established by *Ravin*), in 2017.⁵

The Alaska Supreme Court previously recognized a personal right to limited marijuana use. Alaska's Constitutional right to privacy, as interpreted by the Alaska Supreme Court in *Ravin v. State*, protects limited marijuana use and cultivation *in the home*.⁶ Because this is a constitutional right, no local or state legislation, including ballot measures, can restrict the right. The limited marijuana right established by *Ravin* can only be modified by an amendment to the state constitution or by the Alaska Supreme Court overturning *Ravin*.

In addition to restricting the amount of marijuana a person can possess for personal use, the Marijuana Law restricts personal cultivation of marijuana. Marijuana grown for personal use must not be visible to the public, and the grower must take reasonable precautions to prevent unauthorized access to the plants, and only grow on property the grower is in lawful possession of.⁷

III. REGULATION OF PERSONAL USE & PERSONAL CULTIVATION

Local governments are keenly aware of the consequences of alcohol use and the complex regulations promoting responsible consumption so as to minimize negative effects on public health, safety, and budgets. These policies and regulations continue to evolve despite alcohol prohibition ending in 1933. Marijuana prohibition ends in February. Eighty years of alcohol regulation offers guidance for local regulation of marijuana, but sound marijuana policy will evolve over time and through experimentation. Nevertheless, local governments should consider several policy areas before marijuana prohibition ends on February 24, 2015.

⁴ The Marijuana Law states that no more than three plants can be flowering at any time. Three flowering plants likely exceeds one ounce of marijuana. However, the Marijuana Law states that a person can possess the marijuana of these plants at the site of cultivations.

⁵ Municipalities that seek to restrict personal use beyond what is specified in the Marijuana Law should lobby the legislature to enact a broader "local option" in 2017, when the Marijuana Law can be amended. Under the *Ravin* decision, this "local option" could only prohibit possession of marijuana outside the home.

⁶ *Ravin v. State*, 537 P. 2d 494 (Alaska 1975).

⁷ Lawful possession does not require ownership. A lease provides lawful possession and a person may also grow with the permission of a person in lawful possession. A landlord, however, may prohibit marijuana cultivation or possession under a lease.

A. Minors

The Marijuana Law ends marijuana prohibition for persons over 21 years of age only. The current criminal penalties for marijuana possession, distribution, and consumption will continue to exist for anyone under 21 (though it is unlikely that the State will continue to prosecute as harshly on this basis).⁸

Local governments may create local regulations, prohibitions, and minor offense penalties for minors in possession of marijuana as well as for adults who provide marijuana to underage persons. Local regulation will be particularly important if the State does not reform the criminal penalties for underage possession of marijuana. In the absence of a local minor offense ordinance, local law enforcement will face the decision of charging a minor with criminal marijuana possession or forgoing enforcement all together. Local ordinances can provide a middle ground, allowing enforcement through fines without the effects and expense of criminal prosecution of local youth.

B. Public Employment & Workplace

The Marijuana Law does not affect an employer's (public or private) right to maintain drug use and drug-free workplace policies.⁹ Employees may be terminated or disciplined, in accordance with employer policy, for marijuana use, even if it is medicinal or lawful marijuana use. With some exceptions, employee non-work marijuana use is a discretionary policy concern, though that policy can have legal implications.

Marijuana legalization has the potential to accidentally exempt marijuana from employment and drug-free workplace policies. For example, if a policy states that "Alcohol and illegal drugs may not be possessed or consumed in the workplace," an employee may reasonably believe that marijuana, legal under state law, is no longer included in the policy.¹⁰ Policies should be reviewed, and if necessary clarified, to ensure that marijuana remains excluded from the workplace and efforts should be made to communicate the continued policy of workplace

⁸ Alaska has a specific procedure for prosecuting "minors" in possession of alcohol that allows non-habitual offenders to avoid a criminal record. The legislature could adopt a similar provision for marijuana, but it does not currently exist.

⁹ The Colorado Supreme Court recently heard argument in a case where a person was fired for failing a drug test. The plaintiff, Mr. Coats, argued that, as a certified consumer of medical marijuana, he could not be fired for failing the drug test. Mr. Coats' argument is specifically based upon a Colorado statute that prohibits an employer from terminating an employee based on *legal* off-the-clock conduct. Because the argument is specifically based on a Colorado statute, the decision's persuasive value is lessened for Alaska. Nevertheless, the decision, once issued, will be the leading authority on the subject and likely inform the way the law will head.

¹⁰ Marijuana remains illegal under federal law and thus probably remains within the scope of a policy banning "illegal" drugs. Nevertheless, policies must be clear to employees, who may not understand that marijuana remains illegal under federal law.

marijuana prohibition to employees so that they do not mistakenly believe that state legalization permits consumption or possession at work.¹¹

Marijuana-related employment policies present challenges. Unlike alcohol, marijuana intoxication is not easily verifiable. Technology is developing, but current testing standards (as discussed below) poorly differentiate between recent marijuana use and present marijuana intoxication. Many tests cannot determine if an employee is under the influence of marijuana on a Monday morning or had merely consumed marijuana on a Saturday evening. Determining intoxication is the key problem for an employer wishing to respect employee privacy while also maintaining a sober workforce.

The Drug Free Workplace Act (“DFWA”) and other federal laws governing workplace safety, such as OSHA and Department of Transportation regulations, remain unchanged; marijuana remains a schedule I drug under federal law. DFWA applies to all recipients of federal grants. DFWA requires the workplace remains free of drugs; it does not require the workplace remain free of drug users. DFWA does *not* require drug testing or terminating or disciplining employees who use drugs outside of the workplace. In fact, because many provisions of DFWA relate to employee convictions for workplace drug offenses, legalization of marijuana will tend to alleviate some DFWA concerns. Workers in certain safety-sensitive positions, such as those holding a commercial driver license, must remain drug-free, including marijuana-free.

Due to federal law and tort liability, we recommend that employee and workplace drug policies not be substantially changed at this time. Current drug testing procedures and penalties, including for marijuana, should remain in place for the time being, *at least for all safety-sensitive positions*. Law regarding off-working-hours marijuana use will likely develop quickly over the next several years; substantive changes to drug testing policies should be delayed until the law is clarified and better testing for current intoxication (rather than off-work use) is available.

C. Public Use and Public Intoxication

The Marijuana Law prohibits *use* of marijuana in public, allowing a fine of up to \$100 for each violation. Marijuana *intoxication* in public is not prohibited and cannot effectively be prohibited. Local government may wish to adopt an ordinance making public use of marijuana a minor offense so that fine revenue will go to local government.

The Marijuana Law does not define “public”; based upon alcohol laws, public should be understood to mean any place where the public may congregate even if private property. For

¹¹ Municipalities may wish to similarly review policies regarding medical marijuana. For example, a policy may prohibit reporting to work under the influence of “alcohol or non-prescription drugs” in the work place. A person prescribed medical marijuana could argue that he or she is permitted to come to work under the influence of marijuana. Whether a municipality wants to permit medicinal marijuana users in non-safety sensitive positions to come to work under the influence of marijuana is a policy question, not a legal one. Nevertheless, the decision should be made after careful consideration, not as an accident of policy wording.

example, restaurants, bars, and commercial establishments open to the public are considered public; common areas in hotels and multi-unit residential buildings may also constitute public areas for consumption purposes. If local government adopts an ordinance making public use a minor offense, the ordinance should also define public.

Public use prohibitions, as well as ordinances prohibiting smoking in certain places, can be used to prohibit “marijuana bars,” including private clubs where members would smoke marijuana.¹² Local government’s authority to protect public health permits broad smoking bans (which presumably may include marijuana smoking). This broad authority arises out of the substantial health risks associated with smoking and second-hand smoke, not the consumption of nicotine (or marijuana). All public consumption of marijuana is banned by statute. Private consumption (outside of the home) by *smoking* may be prohibited by ordinance. But, a private marijuana club may be able to avoid a ban if the marijuana consumed is not smoked.¹³

If a municipality seeks effective enforcement of the public use ban, it should prohibit those responsible for “public” premises (*i.e.*, bars) from knowingly permitting the use or consumption of marijuana on the premises. Fining a bar for allowing its patrons to use marijuana is superior to fining the users as an enforcement mechanism.

Marijuana consumption in private but within public view is not, and cannot be, prohibited. *Limiting* marijuana *smoking* on private property may be possible through nuisance ordinances. Tobacco smoke is increasingly recognized as a nuisance if it unreasonably encroaches onto neighboring property.¹⁴ Alaska precedent suggests a well-crafted ordinance that prohibits marijuana smoke from disturbing the peace and privacy of neighbors would survive judicial scrutiny.¹⁵

Prohibiting public marijuana intoxication is not practical. Under state law, a “person who appears to be intoxicated in a public place *and to be in need of help*” or incapacitated may be taken into protective custody.¹⁶ This statute includes marijuana intoxication. Intoxicated persons remain subject to all laws relating to disorderly conduct. An ordinance prohibiting public marijuana intoxication, *unless accompanied by risky or legally offensive behavior* (such as driving), would likely be overly vague in definition¹⁷ and not sufficiently related to a legitimate

¹² See, *Frat. Order of Eagles v. Borough of Juneau*, 254 P.3d 348 (Alaska 2011).

¹³ Prohibiting public consumption of marijuana edibles is legally and practically problematic. Given public health harms associated with smoke, it is highly regulated. Eating candy does not similarly implicate public health. Practically, it is exceedingly difficult to determine if a person is consuming a marijuana cookie or candy or a drug-free version.

¹⁴ For example, Utah statute says that a person can sue on a nuisance theory if tobacco smoke drifts into any residential unit a person rents, leases, or owns, from another residential or commercial. Utah Stat. 78B-6-1102.

¹⁵ See *Stevens v. Matanuska-Susitna Borough*, 146 P.3d 3 (Alaska 2006).

¹⁶ AS 47.37.170.

¹⁷ Unlike alcohol intoxication, marijuana intoxication does not have accepted symptoms that would justify an investigatory stop.

government interest. To the extent that public marijuana intoxication causes disturbances, the offending conduct can be regulated even though intoxication itself cannot be effectively regulated.

D. Smoking Regulations

Smoking policies and ordinances should be reviewed and amended to ensure that marijuana smoking, not just tobacco smoking, is covered by the policies and ordinances. To avoid ambiguity and future dispute, any revision of smoking policies and ordinances ought to specify if use of vaporizers (e-cigarettes), for marijuana, tobacco or herbal preparations, is included or excluded in the definition of smoking.

E. Personal Use Cultivation

The Marijuana Law allows each adult to cultivate up to six cannabis plants, three of which may be flowering at a given time. The Law requires that cultivation occur out of public view, on premises lawfully possessed by the grower,¹⁸ and with reasonable measures to prevent unauthorized access. Municipalities can rely upon fire, building, and land-use codes to further regulate personal cultivation. For example, municipalities can reasonably restrict personal cultivation based upon the total size of the grow permitted in a residence (regardless of the number of adults living there), prohibit odors from being detected off the property, or specify the types of lights used to grow marijuana. Fire, building and land-use codes are a powerful local government mechanism to avoid cultivation problems and resolve them as they arise.

F. Personal Use Manufacturing and Oil

The Marijuana Law permits possession and cultivation of marijuana for personal use. As part of this cultivation right, a person may “process” the grown marijuana. “Processing” does not entitle a person to manufacture marijuana products, and it may be possible to prohibit *manufacture and possession* of marijuana oil.

Under the Law, possession of most marijuana products (*i.e.*, edibles) is protected and local government may not restrict this right. The Law does not protect the right to create the products. In theory, local government could prohibit the manufacture of marijuana products by persons not possessing a manufacturer’s license. In practice, it is difficult to see what such legislation would accomplish; law enforcement will rarely be in someone’s kitchen to issue citations for making pot brownies and candy. Finding people in possession of marijuana products of course implies that someone manufactured those products, but enforcement based on this fact is tenuous.

If home manufacture of marijuana products is strongly opposed, a municipality *may* be able to ban possession of marijuana products that do not contain sufficient labeling.¹⁹ Such an

¹⁸ Or with permission of the person with the right to the premises.

¹⁹ The State and many municipalities have recently prohibited “spice” based upon labeling rather than the substance itself.

ordinance may be more effective to inhibit manufacture of marijuana products than an ordinance actually banning their production. Ultimately, homemade marijuana products such as brownies or cookies are unlikely to present the significant concerns presented by the professional production of marijuana products such as candy and chocolates, with their sophisticated packaging that would be expected to appeal to children.

Marijuana oil is a different matter. As a result of vaporizers and e-cigarettes, some marijuana users have turned to marijuana oil. The oil is not inherently problematic; the danger lies in its production. Manufacturing the oil involves heat-distilling highly flammable solvents and has been associated with numerous fires in Colorado and elsewhere. Local government can unquestionably ban the home manufacture of marijuana oil, but banning production rather than possession creates the same enforcement concerns identified above. There is a plausible argument that the Marijuana Law's definition of marijuana "does not include . . . oil . . ." ²⁰ If this argument is correct (we will soon know if the Colorado Supreme Court believes it correct), local government can ban *possession* of marijuana oil as well as its manufacture, as Colorado has done.

IV. REGULATION OF MARIJUANA COMMERCE & FACILITIES

The Marijuana Law establishes four types of marijuana facilities: cultivation, testing, manufacturing, and retail stores. A cultivation facility may sell marijuana to other facilities only. Testing facilities determine the safety and potency of marijuana and marijuana products; they may not sell marijuana. Marijuana manufacturing facilities are able to create marijuana products (*i.e.*, edibles) from marijuana; they may also serve as distributors between cultivators and retail stores. Retail stores are the *only* facilities permitted to sell marijuana or marijuana products to consumers. Local government may regulate and permit each facility type separately. Local government may also set the number of permits, or the number of each type of permit, that may be issued to facilities within local boundaries. Local government can entirely prohibit marijuana commerce by council/assembly vote or referendum.

Local governments have broad authority to regulate, and even prohibit, commercial marijuana facilities. Local regulation of marijuana commerce has four components: 1) Local government's inherent health, welfare, and tax powers, 2) powers specifically allocated to the "local regulatory authority", 3) local government's authority under the Marijuana Law *if* ABC acts, and 4) local government's authority under the Marijuana Law *if* ABC fails to act.

²⁰ Colorado's Attorney General recently made this statute-based argument to in response to a judicial challenge of Colorado's statute prohibiting marijuana oil; a decision has not yet been made. *See Colorado v. Christenson*, 14CR443 (District Court, Mesa County), *Attorney General's Response to Defendant's Motion to Declare § 18-18-406(2)(a)(I), C.R.S. (2014) Unconstitutional* (December 18, 2014). The language of Alaska's statute is identical.

A. Local Regulation & Taxation

The Marijuana Law does not affect local government's authority to regulate health and welfare or levy taxes. Local governments can regulate marijuana businesses the same as other businesses, including by licensing, taxing, zoning, and safety requirements.

The Marijuana Law states that local government may regulate the "time, place, and manner of a marijuana establishment."²¹ Having used such terms, the Law suggests that marijuana businesses should be treated like "adult entertainment" businesses. Much of the conflict regarding zoning of adult entertainment, however, relates to First Amendment protections afforded to adult entertainment. Marijuana commerce, unlike adult entertainment, is not a protected right. Marijuana commerce could have stricter regulation than adult entertainment. Because marijuana commerce is not protected as speech is, regulation does not have to be neutral; local governments *can* regulate the industry differently than other business, so long as there is a rational basis for the difference in regulation. Rational basis is a low threshold; virtually any reasonable regulation is permissible.

Commercial marijuana is subject to municipal sales and use tax. Unlike alcohol, which *cannot* be taxed higher than other taxed goods and services, marijuana can be taxed at higher rates.²² If a municipality allows marijuana manufacturing, testing, or cultivation facilities, it should examine its sales tax ordinance to ensure that these businesses will be taxed (if taxation is intended). Local governments may assess *additional* fees to marijuana business, as discussed below.

1. "Local Regulatory Authority"

The Marijuana law contemplates a "local regulatory authority" for local marijuana regulation. The local regulatory authority is the office or entity designated by the local government to process business applications (whether or not permits are ultimately granted by the local authority or ABC). The local regulatory authority is authorized to set annual operating fees for marijuana facilities and local standards for marijuana facility permitting.

The Marijuana Law does not restrict who or what can serve as the local regulatory authority: it could be the municipal manager, the assembly or council, the department of public safety, an existing board, or a specially created authority. The Marijuana Law does not specify how a local government designates such an authority. If a local government adopts a municipal code chapter for marijuana regulation, designating the regulatory authority in that chapter is appropriate.

²¹ Discriminatory taxation of alcohol is prohibited by AS 04.21.010. No similar provision exists for marijuana.

²² A marijuana sales tax rate can also serve as benchmark for an elevated sales tax on alcohol.

In order to receive application fees and comment on facility permit applications, a municipality must designate a local regulatory authority. A municipality should, at a minimum, designate a local regulatory authority by ordinance on or before November 24, 2015.

2. Local Government Authority if ABC Achieves Milestones.

The Marijuana Law aims to regulate commercial Marijuana similar to regulation of alcohol. To this end, ABC is tasked with creating regulations and accepting and reviewing permit applications. The Marijuana Law sets strict deadlines for ABC to complete its tasks. Assuming ABC achieves each milestone (see below), it will be the primary regulatory authority and is authorized to promulgate regulations relating to:

- License application, renewal, and revocation procedures
- Application fees (likely limited to \$5,000 per application)
- Qualifications for license holders
- Transportation regulations
- Preventing sale to underage persons
- Product advertising
- Product labeling
- Additional product safety standards and restrictions
- Ensuing the safety of cultivation and processing

Although ABC has *primary* authority, local governments may impose stricter regulations in some circumstances as long as those restrictions do not conflict with the Marijuana Law.

When ABC reviews a permit application, it will submit the permit application, along with half the application fee, to the local regulatory authority. The local regulatory authority evaluates the application to determine if the application and applicant comply with local marijuana regulations, including zoning, business licenses, and maximum number or type of licenses permitted.

ABC will have authority to permit all types of marijuana facilities, although ABC will not issue a permit for a facility in a location that has prohibited that type of facility. More important for local governments, ABC, in addition to providing half of the application fee to local government, will *not* issue a permit if the local regulatory authority notifies ABC that the application does not conform to local regulations. ***Local government will only receive these funds and be able to provide this notice if it designates a local regulatory authority.***

3. Local Government Regulation Authority if ABC Fails to Achieve Milestones.

If ABC fails to meet milestones, regulatory authority, including authority to permit marijuana facilities, shifts from ABC to the local regulatory authority *if* the local authority has been authorized by the local governing body to accept such authority. If approved by the

government, the local regulatory authority will have the authority normally designated to it as well as the authority to issue permits if ABC fails to:

- Adopt regulations by November 24, 2015
- Accept permit applications by February 24, 2016
- Issue permits by May 24, 2016
- Issue or deny each particular permit within 90 days of receiving the application

If ABC fails to achieve any of these tasks by the date stated, local government may directly accept applications and issue permits as soon as February 24, 2016.²³ The local regulatory authority may also set the application fee if it accepts applications in place of ABC. Any locally-issued permit will be valid for one year following issuance.

B. Franchise Model

The Marijuana Law allows local government to limit the number of each type of permit. The Law also permits local government to recommend who receives permits should the number be limited. If a municipality wishes to have marijuana facilities while retaining maximum control over their operation, the municipality can control the facility by agreement with the permittee. City-owned liquor stores exist in Kotzebue (where it generates about 15% of the city's cash revenue) as well as in Kiana. However, uncertainties in federal law and the perception of a municipality as a drug dealer, suggest that a franchise-type arrangement is preferable to a city-owned pot shop.

Under this model, a municipality specifies that only a designated number of a given type of permit can be issued and that the recipient shall be identified by the municipality following a bidding process or request for proposal. The municipality can use this process to ensure that only responsible parties are issued marijuana permits. The permit is granted to the winning bidder pursuant to a contractual agreement, allowing the municipality to strictly dictate terms of marijuana commerce and ensure strict compliance. In addition, more revenue may be collected than with taxation alone. Contractual restrictions may be the best way to prevent the sale of marijuana products that would appeal to children (gummy bears, lollipops, chocolates, etc), a significant concern in Colorado and in public discussion of the Marijuana Law. Contractual restrictions may also be used to promote quality control and oversight as well as to encourage local production.

V. ADDITIONAL FEDERAL ISSUES

Marijuana remains illegal under federal law. Following legalization in Colorado and Washington, the Department of Justice issued a guidance setting forth enforcement priorities.²⁴

²³ The Marijuana Law requires ABC to adopt regulations by November 24, 2015. If ABC does not, local government may issue permits, but not until February 24, 2016. Local government may act immediately if ABC does not meet the other milestones.

²⁴ U.S. Department of Justice, *Guidance Regarding Marijuana Enforcement* (August 29, 2013).

The guidance manifests a hands-off approach to general marijuana enforcement in states that legalize it. The DOJ identified the following as areas where marijuana enforcement *will* remain a priority:

- Preventing distribution to minors
- Preventing legal revenue from supporting criminal enterprises
- Preventing interstate transportation
- Preventing lawful activity from being used as a cover for unlawful drug activity
- Preventing violence and the use of firearms in connection with marijuana
- Preventing public lands from being used for cultivation
- Preventing use or possession in federal property

A. Conditions of Federal Agreements

As previously noted, all recipients of federal grants are obligated to maintain drug-free workplaces. Specific grants and agreements *may* contain additional terms. For example, education grants may require recipients to make certain efforts to combat drug use among students or drug possession in school zones.²⁵ This particular example is not overly problematic for municipalities as marijuana use remains illegal for all persons under the age of 21 and, presumably, municipalities will not permit marijuana facilities close to schools.²⁶ Law enforcement and transportation grants and agreements are other areas of concern.

Given the wide breadth of possible terms and conditions, it is impossible to say what agreements, if any, would be impacted by the end of marijuana prohibition on the state level. The DOJ's soft moratorium on marijuana enforcement may or may not apply to municipal-federal agreements if those agreements contain any drug-related terms.

Municipal departments should review their federal grants and agreements to see if the grants or agreements are affected by state marijuana legalization. In particular, school, law enforcement, and airport/port/harbor grants and agreements should be reviewed. If legalized or commercial marijuana implicates any terms, thorough analysis of the terms and local policy will be required. Resolving conflict, if any, may be as simple as developing a policy to give effect to the grant terms and is unlikely to require drastic local regulation (such as prohibiting marijuana commerce). If conflict is unavoidable, it may be possible to receive an exception from the relevant federal agency.

B. Banking

²⁵ Alaska universities face a more significant challenge. Federal aid for higher education does require that colleges and universities have and enforce drug policies for their students. Unlike high school students, some of these students will be able to lawfully possess and consume marijuana.

²⁶ Similarly, federal Department of Transportation grants likely require certain efforts to combat intoxicated driving. Driving under the influence of marijuana is currently illegal and will remain illegal so such terms are not areas of specific concerns.

Banks have been reluctant to bank marijuana businesses, including credit card transactions, out of concern that the banks will run afoul of federal banking regulations. The lack of banking creates concerns for both marijuana businesses and government as a small business possessing large amounts of untraceable cash is a significant crime target.

This issue may resolve itself before marijuana commerce begins in 2016. In February 2014, the DOJ issued a guidance effectively authorizing banks to provide services to marijuana business that are lawful under state law.²⁷ In August, federal officials stated that 105 banks and credit unions had begun banking marijuana businesses. Given the addition of Oregon and Alaska to states that will have lawful marijuana commerce and the speed with which banking issues have already been addressed, local government should approach this issue with a cautious optimism that it will be resolved before February 2016, the earliest commercial marijuana sales in Alaska could begin. If the issue is not resolved, local governments may wish to require that applicants for marijuana facility permits identify cash safety and security plans as part of their application.

C. Transportation

Interstate transportation of marijuana remains a federal enforcement priority. *Intrastate* transportation enforcement is less clear. Aviation, like banking, is heavily regulated by the federal government. Because Washington and Colorado do not have bush communities, this aspect of marijuana commerce is entirely undetermined. A local government could permit retail stores, but those stores may have no ability to obtain product unless it is produced locally (delivery by ship is at least as problematic as the vessel would travel in federal waters). Even if not an enforcement priority, air carriers may be reluctant to face uncertain risks.

The Marijuana Law calls for ABC to adopt regulations for *intrastate* transportation of marijuana and federal transportation issues (except as relates to grants and agreements as identified above) are not likely to directly implicate municipal concerns. Nevertheless, transportation issues should be watched as state and federal regulation develop.

²⁷ U.S. Department of Justice, *Guidance Regarding Marijuana Related Financial Crimes* (February 14, 2014).

Action Memorandum No. 2015-02

Subject:

Award contract to Coastal Surveyors to render professional surveying services to complete an exchange of land between Choggiung Limited and the City for the City Landfill

City Manager: Recommend Approval

Signature: Rosadoera

Route to	Department Head	Signature	Date
X	Finance Director	<i>Carol Chade</i>	<i>1/29/15</i>
	Planner		
X	Public Works Director	<i>Francis Garcia</i>	<i>1/29/15</i>
X	City Clerk	<i>Wilburis</i>	<i>1/28/15</i>

Fiscal Note: Yes No

Funds Available: Yes No

Other Attachments:

- None

Summary Statement:

The City has a need for surveying services to exchange 14 (c) 3 property with Choggiung Limited and to determine the limits of an encroachment from the former City landfill on Choggiung land. The survey will identify, describe, monument and convey 220 acres of a 14(c) 3 conveyance to the City of Dillingham.

The work may include: survey and provide As-built of encroachments from former landfill; identify areas to be retained by Choggiung; clarify what needs to be done to complete public access to Tract C on Record Plat 2009-12; identify areas to be retained by Choggiung within conveyance 5 of Record Plat 2009-12; prepare agreement for both parties to sign and prepare plat for subdivision process and prepare a mylar for recording.



Action Memorandum No. 2015-02

Summary Statement continued:

The RFP for the surveying services was advertised as per our ordinance with seven companies responding. The City Clerk and Finance Director scored the bids with Coastal Surveyors scoring the highest with the most experience in our area and the 14 (c) 3 process with his fee for the services reasonable. His estimated project cost was \$23,160 with additional services that we identify at time and material basis. Also any out of pocket expenses will be paid directly by the City.

PASSED and APPROVED by a duly constituted quorum of the Dillingham City Council
on _____.

Mayor

ATTEST:

[SEAL]

City Clerk

**City of Dillingham
Fiscal Note**

Agenda Date: February 5, 2015

Request: _____

ORIGINATOR: Carol Shade

FISCAL ACTION (TO BE COMPLETED BY FINANCE)		FISCAL IMPACT <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	
AMOUNT REQUESTED: <p align="center">\$ 23,160.00</p>		FUNDING SOURCE <p align="center">General Fund</p>	
FROM ACCOUNT 1000 7060 10 18 0000 0 <p align="center">\$ 23,160</p>		Project <p align="center">Survey Landfill</p>	
TO ACCOUNT:	VERIFIED BY: Carol Shade	Date:	2/5/2015

EXPENDITURES

OPERATING	FY15	FY16	FY17	FY18
Personnel				
Fringe Benefits				
Contract	\$10,000.00	13,160.00		
Major Equipment				
Land/Buildings				
Miscellaneous				
TOTAL OPERATING	\$ 10,000.00	\$ 13,160.00	\$ -	\$ -

Major Equipment				
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REVENUE				
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FUNDING

General Fund	\$ 10,000.00	\$ 13,160.00		
State/Federal Funds				
Equipment Replacement				
TOTAL FUNDING	\$ 10,000.00	\$ 13,160.00	\$ -	\$ -

POSITIONS

Full-Time				
Part-Time				
Temporary				

ANALYSIS: (Attach a separate page if necessary)

See AM 2015-02

PREPARED BY: Carol Shade

February 5, 2015

DEPARTMENT: Finance Department

February 5, 2015

