



City of Gustavus
P.O. Box 1
Gustavus, AK 99826
Phone: (907) 697-2451

PUBLIC PACKET

October 12, 2015



GUSTAVUS CITY COUNCIL

GENERAL MEETING

OCTOBER 12, 2015

7:00 PM CITY HALL

Gustavus City Council:

Mayor (Seat D):

Mike Taylor
mike.taylor@gustavus-ak.gov
mayor@gustavus-ak.gov
Term Expires 2017

Vice Mayor (Seat E):

Tim Sunday
tim.sunday@gustavus-ak.gov
Term Expires 2018

Council Member (Seat A):

Lori Trummer
lori.trummer@gustavus-ak.gov
Term Expires 2016

Council Member (Seat B):

Jeff Irwin
jeff.irwin@gustavus-ak.gov
Term Expires 2016

Council Member (Seat C):

Jon Howell
jon.howell@gustavus-ak.gov
Term Expires 2017

Council Member (Seat F):

Connie Edwards
connie.edwards@gustavus-ak.gov
Term Expires 2018

Council Member (Seat G):

Greg Streveler
greg.streveler@gustavus-ak.gov
Term Expires 2018

Gustavus City Hall:

City Clerk:

Lori Ewing
lori.ewing@gustavus-ak.gov

AGENDA

- 1. Call to Order**
- 2. Roll Call**
- 3. Approval of Minutes:**
 - A. General Meeting Minutes September 21, 2015**
 - B. Special Meeting Minutes October 9, 2015**
- 4. Mayor's Request for Agenda Changes**
- 5. Committee Reports**
- 6. Public Comment on Non-Agenda Items**
- 7. Consent Agenda**
- 8. Ordinance for Public Hearing:**
 - A. FY16-03NCO Providing for City Held Accounts for Fiscal Year 2016**
- 9. Unfinished Business**
- 10. New Business:**
 - A. Publish Changes to Title 4**
 - B. MOA for Rink Creek bridge replacement**
 - C. Resolution CY15-27 A Resolution Establishing a Policy and Procedure on Pets in City Hall**
- 11. Staff Reports:**
 - A. Library**
 - B. GVFD**
- 12. City Council Reports:**
 - A. City Clerk's Report**
 - B. City Treasurer's Report**
 - C. Mayor's Report**
- 13. City Council Questions and Comments**
- 14. Public Comments on Non-Agenda Items**
- 15. Executive Session**
- 16. Adjournment**

Item No. 1 Call to Order

Item No. 2 Roll Call

Item No. 3 Approval of Minutes

A. Minutes of General Meeting September 21, 2015

**GUSTAVUS CITY COUNCIL
GENERAL MEETING MINUTES
SEPTEMBER 21ST, 2015**

1. CALL TO ORDER:

A General Meeting of the Gustavus City Council is called to order on September 21st, 2015, at 7:00pm by Mayor Taylor. There are seven (7) members of the public in attendance at Gustavus City Hall.

2. ROLL CALL:

Comprising a quorum of the City Council the following are present:

Mayor Taylor
Vice Mayor Sunday
Council Member Trummer
Council Member Irwin
Council Member Streveler
Council Member Lewis
Council Member Howell

3. APPROVAL OF MINUTES:

A. Minutes from the August 10th, 2015, General Meeting are presented.

MOTION: Council Member Trummer moves to approve the General Meeting Minutes from August 10th, 2015, as presented.

SECONDED BY: Council Member Irwin

PUBLIC COMMENT: None

ROLL CALL VOTE ON MOTION:

YES: Taylor, Sunday, Trummer, Irwin, Streveler, Lewis, Howell

NO:

RECUSED:

MOTION **PASSES**/FAILS 7/0

B. Minutes from the August 31st, 2015, Special Meeting are presented.

MOTION: Council Member Streveler moves to approve the Special Meeting Minutes from August 31st, 2015, as presented.

SECONDED BY: Council Member Trummer

PUBLIC COMMENT: None

ROLL CALL VOTE ON MOTION:

YES: Taylor, Sunday, Trummer, Irwin, Streveler, Lewis, Howell

NO:

RECUSED:

MOTION **PASSES**/FAILS 7/0

4. **MAYOR'S REQUEST FOR AGENDA CHANGES: None**
5. **COMMITTEE REPORTS:**
A. GCN – oral/written report by N. Borson
6. **PUBLIC COMMENT ON NON-AGENDA ITEMS:**
A. D. Klawunder – Council consideration of Strategic Plan update; Clinic expansion/survey
7. **CONSENT AGENDA:**
A. ~~Resolution CY15-25~~ – moved to New Business 10C at the request of K. Klawunder
B. Resolution CY15-26 (Read by Council Member Lewis)

MOTION: Council Member Streveler moves to adopt the Consent Agenda as amended by unanimous consent.

SECONDED BY: Council Member Lewis

PUBLIC COMMENT: None

CONSENT AGENDA ADOPTED BY UNANIMOUS CONSENT

8. ORDINANCE FOR PUBLIC HEARING

9. UNFINISHED BUSINESS

10. **NEW BUSINESS:**
A. Publish FY16-03NCO Providing for City Held Accounts for Fiscal Year 2016

MOTION: Council Member Sunday moves to publish FY16-03NCO.

SECONDED BY: Council Member Streveler

PUBLIC COMMENT: None

ROLL CALL VOTE ON MOTION

YES: Taylor, Sunday, Trummer, Irwin, Streveler, Lewis, Howell

NO:

RECUSED:

MOTION **PASSES**/FAILS 7/0

B. RFQ-FY16-RM05 Contract for winter snowplowing

MOTION: Council Member Howell moves to approve posting RFQ-FY16RM05 for the winter snowplowing contract.

SECONDED BY: Council Member Irwin

PUBLIC COMMENT: None

ROLL CALL VOTE ON MOTION

YES: Taylor, Sunday, Trummer, Irwin, Streveler, Lewis, Howell

NO:

RECUSED:

MOTION **PASSES**/FAILS 7/0

C. Resolution CY15-25 A Resolution by the City of Gustavus Pertaining to the Authorized Investments of, the Investment Allocations of, and Establishing Appropriate Benchmarks to Measure Performance of the City's Endowment Funds (**Read by Council Member Streveler**)

MOTION: Council Member Streveler moves to approve Resolution CY15-25.

SECONDED BY: Council Member Sunday

PUBLIC COMMENT:

- A. K. Klawunder - inquires as to amount to be given for community projects
- B. C. Edwards – investment review timing

ROLL CALL VOTE ON MOTION

YES: Taylor, Sunday, Trummer, Irwin, Streveler, Lewis, Howell

NO:

RECUSED:

MOTION **PASSES**/FAILS 7/0

11. STAFF REPORTS

12. **CITY COUNCIL REPORTS:**

A. City Clerk's Report

B. City Treasurer's Report

C. Mayor's Report – oral/written report by M. Taylor

13. **CITY COUNCIL QUESTIONS AND COMMENTS:**

A. T. Lewis – Treasurer's position update

B. T. Sunday – dock bids pushed back to May 10, 2016

C. G. Streveler – expresses appreciation of Treasurer

14. **PUBLIC COMMENT ON NON-AGENDA ITEMS ONLY:**

A. K. Klawunder – commends J. Sanchez as Marine Facilities Coordinator

15. EXECUTIVE SESSION

16. **ADJOURNMENT:**

Hearing no objections, Mayor Taylor adjourns the meeting at 8:36pm.

B. Minutes of Special Meeting October 9, 2015

GUSTAVUS CITY COUNCIL SPECIAL MEETING MINUTES OCTOBER 9, 2015

1. CALL TO ORDER:

A Special Meeting of the Gustavus City Council, as the Election Review Committee, is called to order on October 9th, 2015, at 5:10pm. There is one (1) member of the public in attendance at the Gustavus City Hall.

2. ROLL CALL:

Comprising a quorum of the City Council the following members are present:

Mayor Taylor
Council Member Trummer
Council Member Irwin
Council Member Howell

The following members are not present:

Vice Mayor Sunday – *unexcused*
Council Member Strevler – *unexcused*
Council Member Lewis – *unexcused*

3. APPROVAL OF MINUTES

4. MAYOR'S REQUEST FOR AGENDA CHANGES: None

5. COMMITTEE REPORTS

6. PUBLIC COMMENT ON NON-AGENDA ITEMS: None

7. CONSENT AGENDA

8. ORDINANCES FOR PUBLIC HEARING

9. UNFINISHED BUSINESS: None

10. NEW BUSINESS:

A. Canvass Absentee, Questioned, Defective, and Spoiled Ballots Cast in October 6, 2015, General Election

MOTION: Council Member Howell moves for the Election Review Board to accept Questioned ballot A and Absentee ballots B, C, D, E, F, G, H, and I that have been properly cast by registered voters in the City of Gustavus

SECONDED BY: Council Member Irwin

PUBLIC COMMENT: None

MOTION **PASSES: 4 ayes/0 nays**

B. Certify Report of Election Results

MOTION: Council Member Irwin moves for the Election Review Board to accept the tally of ballots as tallied and certify the Report of Election Results.

SECONDED BY: Council Member Trummer

PUBLIC COMMENT: None

MOTION **PASSES:** 4 ayes/ 0 nays

C. Signing of Certificates of Election by Mayor and City Clerk

15. STAFF REPORTS

16. CITY COUNCIL REPORTS:
A. Mayor's Report
B. City Treasurer's Report
C. City Clerk's Report

17. **CITY COUNCIL QUESTIONS AND COMMENTS: None**

18. **PUBLIC COMMENT ON NON-AGENDA ITEMS: None**

19. EXECUTIVE SESSION:

20. **ADJOURNMENT**

Hearing no objections, Mayor Taylor adjourned the meeting at 5:45pm.

Item No. 4 Mayor's Request for Agenda Changes

Item No. 5 Committee Reports

Item No. 6 Public Comment on Non-Agenda Items:

This is the opportunity for the public to speak on items that are **not included** on the Agenda.

Item No. 7 Consent Agenda

Item No. 8 Ordinance for Public Hearing:

Publish FY16-03NCO Providing for City held Accounts for Fiscal Year 2016

**CITY OF GUSTAVUS, ALASKA
ORDINANCE FY16-03NCO**

**AN ORDINANCE FOR THE CITY OF GUSTAVUS PROVIDING FOR THE CITY HELD
ACCOUNTS FOR FISCAL YEAR 2016**

BE IT ENACTED BY THE GUSTAVUS CITY COUNCIL AS FOLLOWS:

Section 1. Classification. This is a **Non-Code Ordinance**

Section 2. For the Fiscal Year of 2016 the following City held account balance transfers are to be made for the reason stated.

Section 3. For the current fiscal year the account balances are amended to reflect the changed estimates as follows:

ACCOUNTS	Amounts		
	Account Balance*	Amended Balance	Change
AMLIP - Admin <i>PO #16-036, City Hall Addition Project</i>	\$ 165,196.47	\$ 40,196.47	\$(125,000.00)
FBNA Checking account <i>Transferred for use by the City Hall Addition Project. Cost of the addition was not fully covered by CIP 11-DC-131.</i>	\$ 422,194.78	\$ 547,194.78	\$ 125,000.00
Total Change in Account Balances			\$ 0.00

Section 4. The City held accounts are hereby amended as indicated.

Section 5. Effective Date. This ordinance becomes effective upon its adoption by the Gustavus City Council.

DATE INTRODUCED: *September 21, 2015*

DATE OF PUBLIC HEARING: *October 12, 2015*

PASSED and **APPROVED** by the Gustavus City Council this ____ day of _____, 2015.

Mike Taylor, Mayor

Attest: Lori Ewing, City Clerk

Item No. 10. New Business:

A. Publish changes to Title 4.03 and 4.13

**CITY OF GUSTAVUS
ORDINANCE FY16-04**

**AN ORDINANCE FOR THE CITY OF GUSTAVUS PROVIDING FOR THE AMENDMENT OF
CITY ORDINANCE TITLES 4.04 and 4.13**

Section 1. Classification. This ordinance is of general and permanent nature and shall become a part of the City of Gustavus Municipal Code.

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

Section 3. Enactment. Now therefore, it is enacted by the Gustavus City Council that **TITLE 4, CHAPTERS 4.04 and 4.13** be amended as follows: **Bold and underlined** items are additions. ~~Strikeout~~ items are deletions.

Chapter 4.04 - BUDGET PROCEDURE

Sections:

Section 4.04.010 - Fiscal year.

The fiscal year of the city government shall begin on the first day of July of each calendar year and end on the last day of June of the following calendar year. The fiscal year shall also constitute the budget and accounting year.

Section 4.04.020 - Tax schedule.

The collection of sales and room tax will be monthly unless otherwise prearranged.

Section 4.04.030 - Public records.

The proposed budget and budget message, and upon adoption, the budget, shall be a public record open to inspection pursuant to Section 2.50.020 of the Gustavus Municipal Code.

Section 4.04.040 - Proposed budget.

The mayor, city clerk or designated budget committee; shall prepare and submit to the council no later than May 1 of each year, the proposed budget for the following fiscal year, together with a budget message. The "budget message" is a brief statement of the budget (surplus/deficit), and the direction the city council would like to direct the budget for the coming year (surplus/deficit), while accomplishing which goals. The proposed budget shall set out estimates of all revenues expected to be received, and provide and appropriate for all anticipated expenditures of money, including contract and other commitments, except

expenditures of construction funds derived from bonds or from special assessment. The budget shall be submitted as an ordinance. The council may amend the budget estimate at any time prior to adoption.

Section 4.04.050 - Reserved.

Section 4.04.060 - Amendment of proposed budget, adoption, appropriation of funds.

After the conclusion of the public hearing on the proposed budget, the council may insert new items or may increase or decrease the items of the budget in proposed expenditures fixed by law. The council shall adopt the budget and make the appropriation by ordinance not later than the fifteenth (15th) day of June. The council shall then appropriate the money required for the approved budget.

Section 4.04.070 - Amendment.

The budget can be amended by the council at any time after adoption provided no such amendment shall be made until after a public hearing.

Section 4.04.080 - Encumbrance.

No budget appropriations may be encumbered without prior certification by the mayor that there is an unencumbered appropriation sufficient to cover such encumbrances and sufficient funds available to meet the expenditure.

Section 4.04.090 - Excess liability; lapse of appropriation.

The mayor and city clerk shall not permit, without budget amendment, an expenditure or contract incurring a liability in excess of the amount appropriated for each department of the city during any budget year.

Section 4.04.100 - City funds to be used for City services adopted by code ordinance.

(a) Public monies received by the City, other than proceeds of the Endowment Fund, shall be spent only for public services adopted by the City by code ordinance.

(b) Requests for City funds not directly related to City services adopted by code ordinance shall be directed by the City Clerk/Treasurer or Mayor to the Endowment Fund for consideration according to the Endowment Fund Policy, as amended.

City of Gustavus Municipal Code
Chapter 4.13 - GUSTAVUS ENDOWMENT FUND

Editor's note— Ord. No. FY13-14, § 3, adopted April 11, 2013, amended Ch. 4.13 as set out herein.

□ **Section 4.13.010 - Gustavus Endowment Fund established.**

There is established as a separate fund within the finances of the City of Gustavus, a fund to be known as the Gustavus Endowment Fund (hereinafter referred to as the **Ffund**).

□ **Section 4.13.020 - Purpose.**

The purpose for establishment of the **Ffund** is to preserve in trust, ~~city assets~~ for the benefit of present and future generations of Gustavus residents, **monies dedicated to the community of Gustavus in compensation for the loss of commercial fishing in Glacier Bay.**

□ **Section 4.13.030 - Deposits to the **Ffund**.**

- (a) The first deposit to the **Ffund** shall be the approximately nine hundred sixty-three thousand dollars (\$963,000.00) that the city received from the Gustavus Community Association that received the money from the National Park Service in compensation for the loss of commercial fisheries in Glacier Bay National Park.
- (b) The **Council** may, ~~from time to time~~, make deposits to the principal of this fund in the same manner as it makes other appropriations. Any funds received by the **City** from any **non-city-tax** source may be deposited into the **Ffund**.
- (c) Donations to the **Ffund** by private individuals and groups will be honored and accepted.
- (d) Funds once dedicated are intended to be held in the **Ffund** for perpetuity.
- ~~(e) The council will seek to attain an appropriate return on the fund commensurate with the level of risk. The fund shall not be exposed to risk greater than that expected of a diversified portfolio invested in the authorized asset classes. All participants in the investment process shall ensure that the fund is invested wisely with due fiduciary care. Investment officials shall avoid any transaction that might impair public confidence in the City of Gustavus.~~

□ **Section 4.13.040 - Long-term goal of the **Eendowment Ffund**.**

(a) ~~The long-term goals of the **Ffund** is **are to 1) to maintain the inflation-adjusted value of the original principal, as added to per section 4.13.030 (b) and (c); and 2) to generate at least a three (3) percent total return after inflation on investments of the Fund.** achieve a three (3) percent total return plus inflation.~~

(b) The Council will seek to attain an appropriate return on the Fund commensurate with the level of risk. The Fund shall not be exposed to risk greater than that expected of a diversified portfolio invested in the authorized asset classes. All participants in the investment process shall ensure that the Fund is invested wisely with due fiduciary care. Investment officials shall avoid any transaction that might impair public

~~**confidence in the City of Gustavus.** In order to avoid the effect of market volatility year to year market values are to be compared to a five year rolling average plus the rate of inflation. Until the fund has been in existence for five (5) years, the market value will be expected to meet the average rate of inflation since inception.~~

□ **Section 4.13.050 - Treasury Fund management.**

(a)The **F**fund shall be managed in accordance with the Prudent Expert Rule which requires management with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and like aims.

(b)The council may retain a registered investment advisor to manage all or part of the fund. Such advisor will be bound by all aspects of this chapter. A report of absolute and comparative performance and of compliance with this chapter shall be provided to the city council quarterly by the investment advisor. In addition, a copy of the Association of Investment Management and Research Report and a completed copy of Part II of Securities and Exchange Commission Form ADV shall be provided to the city council annually by the investment advisor. These reporting requirements are in addition to any other reporting requirements contained within this chapter. Investment guidelines given to such advisor(s) may be more restrictive than the policies contained herein, but may not be less restrictive.

□ **Section 4.13.060 - Asset allocation and performance benchmarks.**

(a)No more than five (5) percent of the **F**fund portfolio that is managed by an investment manager may be held in the form of cash equivalents for a period longer than thirty (30) days unless extenuating circumstances exist. Such circumstances should be documented in writing by the investment manager.

(b)The portion of the **F**fund managed by an investment manager shall be compared to appropriate benchmarks. Asset allocation of the investment portfolio shall hold securities similar to those held in the appropriate benchmarks.

(c)The **C**ouncil shall annually review and approve an asset allocation plan for investment of the **C**eity's fund, as well as evaluating performance measuring benchmarks for managing investment of the fund. The yearly evaluation shall be conducted at the beginning of the fiscal year and shall be amended as necessary by resolution.

□ **Section 4.13.070 - Permissible investments.**

(a)The City of Gustavus Endowment Fund may be invested in:

(1)U.S. government treasury, agency, and instrumentality securities;

(2)Notes or bonds issued by the State of Alaska or its political subdivisions, or other states of the United States, maturing within two (2) years, with a credit rating of A-/A3 or better from two (2) national rating agencies;

(3)Federally insured or fully collateralized certificates of deposit of banks and credit unions, maturing within two (2) years;

(4) Repurchase agreements collateralized by U.S. Treasury securities and marked-to-market. If purchase agreements are overnight investments or if securities are collateralized in excess of one hundred two (102) percent, marked-to-market is not necessary;

(5) A state investment pool formed within the State of Alaska and comprised of agencies of the state and/or its political subdivisions;

(6) Money market mutual funds whose portfolios consist entirely of U.S. government securities; or

(7) Any of the following:

(A) Mortgage-backed and asset-backed obligations denominated in U.S. dollars with a credit rating of A-/A3 or better from two (2) national ratings agencies;

(B) Corporate debt obligations of U.S. domiciled corporations denominated in U.S. dollars with a rating of A-/A3 or better from at least two (2) national ratings agencies;

(C) Convertible debt obligations of U.S. domiciled corporations denominated in U.S. dollars with a credit rating of A-/A3 or better from two (2) national ratings agencies; or

(D) Domestic equities, which taken as a whole, attempt to mirror the characteristics or replicate the Standard and Poor's 500 Index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETFs).

Domestic equities, which taken as a whole, attempt to replicate the Standard and Poor's 400 Mid-Cap Index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETFs).

Domestic equities, which taken as a whole, attempt to replicate the Standard and Poor's 600 Small-Cap Index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETFs).

International equities, which taken as a whole, attempt to replicate the Financial Times Stock Exchange Developed ex North America Index or another index of similar characteristics including both mutual funds and exchange traded funds (ETFs).

Equities, which taken as a whole, attempt to replicate the universe of domestic real estate investment trusts as represented by the Standard and Poor's REIT composite index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETFs).

Emerging market equities, which taken as a whole, attempt to replicate the Financial Times Stock Exchange Emerging Index or another index of similar characteristics including both mutual funds and exchange traded funds (ETFs).

(E) Bond funds which taken as a whole, attempt to replicate the Barclays Aggregate Index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETFs).

Bond funds, which taken as a whole, attempt to replicate the Barclays US Treasury Inflation Securities Index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETFs).

Bond funds, which taken as whole, attempt to replicate the Barclays Capital Global Treasury ex-US Capped Bond Index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETFs).

□ **Section 4.13.080 - Income.**

(a) The market value of the fund shall be determined annually as of the last day of the ~~(fund*)~~ fiscal year in accordance with ~~this section and utilizing~~ generally accepted accounting practices.

~~*Per Ordinance 2006-04 Amendment~~

~~(b) Determining the market value of the fund, shall be calculated by the value reported by the custodian as of the end of the period less any amounts needed.~~

~~(1) To offset any depletive effect of inflation on the fund principal during the fiscal year, using the Anchorage CPI index; and~~

~~(2) To offset any reduction in fund principal due to administrative costs.~~

□ **Section 4.13.090 - Distribution of earnings.**

Up to three percent of the average annual market value (AAMV) of the fund over the previous five years may be appropriated to provide funding for capital outlays, grant matching funds, and community projects, as provided for in the Gustavus City Endowment Fund Grant Awards Section 4.13.100 – provided that the original inflation adjusted principal of the fund is maintained. ~~The average market value of the fund over a five year period, not otherwise reinvested in the fund as required for inflation proofing and administrative costs, may be appropriated to provide funding for capital outlays, grant matching funds and community projects as provided for in the Gustavus City Endowment Fund Policy and Procedures.~~

□ **Section 4.13.100 - Appropriating principal.**

The city council may appropriate from the principal effective only upon approval by a two-thirds (2/3) majority of votes cast in a regular ballot election.

□ **Section 4.13.110 - Grant awards.**

(a) The City Council will develop and maintain an Endowment Fund Grant Policy and Procedures which will include a means of determining the amount available for dispersal, grant application process and form, application schedule, evaluation criteria, payment process and other pertinent information to further address the following:

(b) By July 31 of each year, the City Council shall determine the average annual market value (AAMV) of the Fund. Up to three percent (3%) of the AAMV of the Fund may be added to the portion of the Fund designated “available for grants.” provided that the original inflation adjusted principal of the Fund is maintained.

(c) Eligible recipients: Grants may be awarded to city departments, non-governmental organizations within the City of Gustavus, or other local entities whose proposals the City Council deems worthy based on criteria outlined in 4.13.130 Endowment Fund Grant Policy and Procedure. At least one applicant for each project must at least 16 years of age and a Gustavus resident. All applicants must be current on city taxes (if applicable).

(d) Eligible purposes: Capital outlays, grant matching funds, and projects of broad community value may be funded in accordance with the Endowment Fund Grant Policy and Procedure.

(e) Solicitation of proposals: The City Council shall establish a procedure and timeline for soliciting proposals for community needs desiring funding. Proposals should, at minimum, include a written justification of need, explanation of benefits, and itemized budget showing how the funds will be spent in accordance with the Endowment Fund Grant Policy and Procedure.

(f) Awards of grants: The City Council, after due public input, shall decide by roll call vote which, if any, of the submitted proposals receive funding and in what amount, up to the total “available for grants.” Any amount “available for grants” but not appropriated shall be carried forward as “available for grants” the following year. The Council shall notify the investment advisor, if any, of the timeline for withdrawals from the Fund.

(g) Payments: The Treasurer may make withdrawals from the Fund as needed to pay for appropriated grants. Payment may be reimbursable or direct-to-third party basis as needed to assure the grant is used for the intended purpose. Payments may be made in advance in special circumstances.

(h) Follow-up Report: The grantee shall submit to the council, no later than one year after the date of the award, a report describing the progress of award expenditure and evaluation of results. This report shall include, if necessary, a request for grant extension beyond one year.

(i) Retracting Awards: Awards not paid out of the Fund after one year may be retracted by the City Council for failure to 1) proceed in a timely fashion, 2) submit an acceptable and timely follow-up report, or 3) failure to obtain a grant extension. Retracted awards are returned to the amount “available for grants.”

(j) Inappropriate Expenditures: If expenditures for the project are determined to be inappropriate or excessive, the grant award may be retracted and recipients will be required to repay expenses immediately.

Section 4.13.120 - Other Withdrawals:

(a) Emergency Appropriations: In extenuating circumstances the Council may award emergency grants at a regular meeting, outside the annual schedule for awarding grants. Such awards require a proposal and the extenuating circumstances must be documented in the appropriation ordinance, and may not exceed the amount “available for grants.”

B. MOA Rink Creek bridge replacement

1. Memorandum of Agreement 2. Between the City of Gustavus & the Alaska Department of Transportation & Public Facilities 3. for the GUSTAVUS RINK CREEK BRIDGE REPLACEMENT PROJECT 4. (AKDOT&PF Project # 68064)

I. Introduction

The Alaska Department of Transportation and Public Facilities (DOT&PF) and the City of Gustavus (CITY), an Alaska Second Class City, mutually agree to the terms and conditions of this Memorandum of Agreement (MOA). Alaska Statute 44.42.020 authorizes DOT&PF to cooperate, coordinate, and enter into agreements with the federal government and municipalities to plan, design, and construct transportation facilities. The Gustavus Rink Creek Bridge Replacement Project (“Project”) was included in the current 2010-2013 DOT&PF Statewide Transportation Improvement Plan (STIP). This MOA is being executed to facilitate the planning, design and construction of said Project.

II. Project Scope: Remove existing Rink Creek Bridge, No. 2203, and replace with a culvert that will provide access to the Falls Creek Hydroelectric Project. This Project will use Federal Highway Administration (FHWA) funds for planning, design, and construction. The CITY will provide matching funds (9.03%). Both the CITY and DOT&PF (the Parties) will review and approve the Project’s budget. The Project’s budget is only an estimate, and the Parties recognize and acknowledge that actual costs may exceed the original estimated budget.

III. Planning, Design, Construction, and Ownership of the Project and Improvements

A. Project Developed in Stages or Phases

The Project will be broken down into four phases (preliminary engineering, right-of-way certification, utility agreements, and construction). Each of the four phases will require appropriate federal authorization before work may proceed.

DOT&PF Policy and Procedure numbered 09.01.040 (Local Match for CIP) requires a minimum of 15% contingency to be included with the total cost estimate for each project (“adjusted total cost estimate”). Accordingly, DOT&PF will not seek a federal authorization

to proceed with a phase of the Project prior to the CITY's transfer of the local match fund requirement for the adjusted total cost estimate for that phase. Unspent contingency funds from any completed phase will be applied to the required contingency amount for subsequent phases.

Upon completion and final closeout of the Project, if the final cost is less than the programmed amount, the CITY's contribution will be recalculated and any excess CITY contribution will be refunded to the CITY.

B. DOT&PF's Responsibilities

DOT&PF shall:

1. Ensure that the FHWA funds appropriated for the Project are expended in accordance with Federal and State laws and regulations.
2. Plan, design, and construct the Project.
3. Acquire all necessary rights of way in the name of the CITY.
4. Include the Project in the STIP and update STIP as necessary.
5. Include the Project in the State capital budgeting process, and obtain Legislative authority to spend the funding.
6. Plan, design, and construct the Project in accordance with the requirements of National Environmental Policy Act (NEPA).
7. Develop Requests for Proposals ("RFPs") and enter into contracts for engineering services to develop the Project. The RFPs shall be submitted to the CITY for comment prior to advertising for proposals.
8. Execute and manage any professional services agreements as necessary.
9. Keep the CITY point-of-contact informed of Project status.
10. Charge staff time and expenses to the Project.
11. Submit plan set to the CITY for review when design is approximately 35% complete.
12. When design is 95% complete, submit to the CITY for review and comment on the plans, specifications and estimate (PS&E) that will go to advertisement for bid solicitation.
13. Submit the final PS&E package to the CITY for approval prior to advertising the Project for bids.

14. Provide the construction engineering ~~and indirect cost allocation plan (ICAP)~~ to CITY with a copy of the contractor's Notice to Proceed.
16. Deduct the appropriate rate of ICAP to the Project to cover DOT&PF indirect expenses. The current ICAP rate for FHWA projects is 4.65% of the total Project costs.
17. Submit each proposed change order to the CITY for review and comment prior to commencement of the work covered by the change order, and note if approval may result in the CITY exceeding the amount of local match transferred for the particular phase.
18. The DOT&PF shall add a special provision to its bid documents extending the protections of Standard Specification 107-1.13 to the CITY. The DOT&PF shall add a special provision to its bid documents requiring the CITY to be listed as an additional insured on the policies required by Standard Specification 103-1.06, paragraphs 2 through 4. The CITY shall have the right to enforce these requirements against the successful bidder.

C. The CITY's Responsibilities

The CITY shall:

1. Establish a single point-of-contact with sufficient authority and responsibility to communicate to DOT&PF all decisions or notifications required by this agreement. The CITY shall be solely responsible for payment of contract price adjustments to compensate for any owner-caused contract delay claims that are directly attributable to the CITY's failure to timely communicate decisions or notices required by this agreement.
2. Prior to initiation of each phase of the Project and as a condition precedent to the obligation of federal-aid highway funding, the CITY must transfer the local match funding for the estimated cost of that phase as shown in Appendix A. The local match funding percentage requirement is 9.03% of the total Project costs. The CITY's funding responsibility, including 15% contingency amount for each phase ("the adjusted total cost"), is estimated to be: \$0 for design and preliminary engineering; \$1,038 for right of way; \$3,115 for utilities; and \$132,228 for construction..
3. Provide funding to cover any work in the original scope of work, or under any change order recommended for approval by the CITY, determined to be ineligible for federal funding or exceeding actual or anticipated available funding for the Project.
4. Timely recommend approval or rejection of any change order that may exceed the 15% contingency amount for a phase; in no instance shall the CITY's recommendation be more than

10 calendar days after DOT&PF's delivery of the proposed change order and all supporting documents to the CITY's authorized representative. If the CITY intends to recommend rejection of any proposed change order that DOT&PF finds necessary for the completion of the Project, within 7 days of the DOT&PFs delivery of the proposed change order the CITY shall provide an alternative change order proposal—which may include reduction of the Project scope of work—that would allow timely completion of Project. At the time of the CITY's recommended approval or recommended alternative proposal, the CITY must transfer local match funding to cover any change order costs that may exceed the 15% contingency amount for the phase.

4. Provide funding at the match rate to cover the costs of all Project related litigation, including legal fees and costs, including challenges to Federal permits or decisions, condemnation or right-of-way matters, procurement claims, and construction claims. The CITY shall assist the DOT&PF, as necessary, during the course of Project related administrative or civil proceedings and shall have the right to actively participate in the control of the litigation, including participating in strategy and settlement discussions, if it elects to do so.
5. Review information and action items from DOT&PF and provide any necessary responses within fourteen calendar days of receipt.
6. Provide project management staff for coordination and review as needed with no cost to the Project.
7. Authorize the DOT&PF and its contractors on the Project to conduct the necessary work within the CITY's rights-of-way, and provide the DOT&PF with construction easements and such other interests as required to meet federal right-of-way certification requirements.
8. Inspect the Project right-of-way and property prior to Project closeout. The CITY may perform an environmental assessment of that property for the purpose of determining whether any hazardous material contaminates the property. For purposes of this MOA, a "hazardous material" is any chemical, metal, petroleum product, or other substance (or any combination of hazardous materials) that is designated as "hazardous" by the U.S. Environmental Protection Agency and that is regulated by any government agency in any quantity as a contaminant, hazardous material, or threat to health or safety.
9. Participate in determining "substantial completion" of each stage of the Project, and accept full ownership and complete responsibility for each stage of the Project, and all improvements thereon, upon substantial completion of each stage. The CITY will continue to own and maintain

the facility upon completion of the improvements. The CITY's acceptance of ownership is not a direct or implied waiver of a contractor's responsibility to satisfactorily complete the work.

IV. PROJECT ADMINISTRATION

1. Except as otherwise expressly stated in this MOA, the DOT&PF shall be solely responsible for all Project procurement.
2. Except as otherwise expressly stated in this MOA, the DOT&PF will be solely responsible for the administration of all Project contracts, in accordance with its contract(s) with the contractor(s) ("construction contract(s)"). Except as provided in subparagraph 3 of this section, the CITY has no direct or implied right to enforce any terms or conditions of any professional services or construction contract(s) against either the DOT&PF or the contractor(s) except where there is alleged Project mismanagement premised upon the DOT&PF's gross negligence, recklessness, or intentional misconduct.
3. Nothing herein shall be read to modify the scope of AS 09.50.250 or to waive any provisions thereof.

V. FINAL INSPECTION

Representatives of the CITY and the DOT&PF may jointly conduct final inspections of each phase or stage of the Project's construction. The DOT&PF shall, however, determine when each such phase or stage of the Project reaches the point of substantial completion. The term "substantial completion" as used in this MOA means that the construction is sufficiently completed to allow the CITY or a person authorized by the CITY: A) to occupy the phase or stage constructed and improvements thereon; B) to use the phase or stage constructed and improvements thereon in the manner for which they were intended; or C) to assume responsibility for the Project if construction contract(s) are cancelled.

The DOT&PF shall provide the CITY with an "As Built" of the Project and all improvements at Project closeout.

VI. THE CITY'S RIGHT-OF-WAY, OPERATIONS, AND MAINTENANCE OBLIGATIONS

The CITY's right-of-way, operations, and maintenance duties for the any stage or phase of

the Project shall commence on the date of substantial completion of that stage or phase. The CITY agrees that its obligations with regard to the Project's right-of-way, operations, and maintenance include the following:

A. The CITY agrees to perform, at its own expense, those right-of-way, operations, and maintenance obligations required by the use of FHWA funds. In carrying out these obligations, the CITY's duties include:

1. Those identified in 23 C.F.R. §1.23 ("Rights-of-Way") and 23 C.F.R. §1.27 ("Maintenance"), which would otherwise be required of the DOT&PF if the DOT&PF owned the facility and improvements constructed under this MOA;

2. Management of the right-of-way and any utilities in accordance with relevant sections of 23 CFR Part 710 ("Right-of-Way and Real Estate") and 23 C.F.R. Part 645 ("Utilities");

3. Complying with the DOT&PF's Right-of-Way Manual;

4. Conducting oversight and management of utilities located in any Project right-of-way consistent with the DOT&PF's Utility Manual, and complying with the utility policies and requirements set forth in AS 19.25.010-020 and 17 AAC 15;

5. Allowing no encroachments within the right-of-way of the Project without the prior consent of the DOT&PF and the FHWA;

6. Refraining from selling or conveying any portion of the right-of-way without prior consent from the DOT&PF. In the event that the DOT&PF gives its consent to the disposal of any portion of right-of-way acquired with federal-aid highway funds for the Project, the CITY shall pay proceeds of the sale to the DOT&PF, which the DOT&PF will credit to the appropriate federal-aid and State accounts, based on the percentage of State match;

7. Issuing permits as required by the foregoing duties, and assuming sole responsibility for enforcement of all terms and conditions of such permits.

B. The CITY agrees to maintain and operate the Project consistent with 23 C.F.R. §1.27 and the DOT&PF's *Alaska Highway Maintenance and Operations Manual* ("AHMOM") and with the maintenance requirements of Fish Habitat Permit FH14-I-0011 issued by the Alaska Department of Fish and Game (attached). In the event of conflict between 23 C.F.R. §1.27 and AHMOM, the more stringent provisions will establish the minimum standards with which the CITY must comply.

C. The CITY shall perform all operation and maintenance activities required by this MOA at its own expense and without reimbursement from the DOT&PF. Maintenance activities include, but are not limited to:

1. Planning, scheduling, administration, and logistics of maintenance activities;
2. Traffic control and safety;
3. Embankment protection, including erosion control, to as-built conditions;
4. Roadside management;
5. Guardrails and guardrail end treatments;
6. Snow and ice control, including all plowing, sanding, snow hauling, winging, opening of shoulders, ice scraping, drift control, snow slide removal, and associated tasks as may be required for the safe and timely passage of the public;
7. Maintaining signs and delineators in an as-built condition and their replacement, including posts and foundations, when damaged, unreadable, or worn out;
9. Removal of debris, rubbish, and dead animals;
10. Pothole repair by grading and using the pit-run aggregate available for Gustavus community roads.

VII. TERM

This MOA shall become effective on the date of the last signature and shall apply in perpetuity.

VIII. INCORPORATION CLAUSE

The CITY shall comply with all applicable Federal and State laws, regulations, executive orders, stewardship agreements, and applicable DOT&PF manuals and guidelines, including those provisions that would apply to the DOT&PF if the DOT&PF were to perform those tasks to be performed under this MOA by the CITY. This obligation is in addition to compliance with any law, regulation, or executive order specifically referenced in this MOA.

This obligation includes, but is not limited to, compliance with Federal and State uniform relocation assistance and real property acquisition policies; compliance with provisions of the

Federal-Aid Policy Guide (“FAPG”); and compliance with the requirements of Title 23 of the United States Code and related implementing regulations, as set forth in the Code of Federal Regulations.

IX. INDEMNIFICATION

The CITY shall hold the DOT&PF, the State, its officers, employees, and agents (collectively, “the State”) harmless from and defend and indemnify the State for liability, claims, or causes of action arising out of the City’s performance under this MOA or relating to the Project or property and facilities being transferred and the obligations being assigned.

(a) Notwithstanding the foregoing, the CITY shall have no obligation to hold harmless and indemnify the State to the extent the State is determined to be liable for its own acts or omissions, except that:

(i) to the maximum extent allowed by law, the CITY shall hold the State harmless from and indemnify the State for liability, claims, or causes of action arising from an alleged defect in the design or construction of any facility transferred to the CITY pursuant to this MOA, regardless of negligence or other fault, if such liability, claim, or cause of action arises out of an incident that occurs more than two years after the DOT&PF transfers ownership and maintenance responsibilities for the facility.

(b). The CITY’s duty to defend shall apply regardless of whether it is also alleged that the State’s acts or omissions contributed to the injury (including injury to personal property, real property or persons, including fatal injury).

(c) Neither liability, claims or causes of action arising from injuries which occurred prior to the date of a transfer, nor liabilities imposed by or claims or causes of action arising from or asserted under AS 46.03.822, shall be governed by this paragraph.

X. EACH PARTY IS AN INDEPENDENT CONTRACTOR

For the purposes of this Agreement and all services to be provided hereunder, each party shall be, and shall be deemed to be, an independent contractor and not a partner, agent, or employee of the other party. Neither party shall have authority to make any statements, representations, or commitments of any kind, or to take any action, which shall be binding on the other party, except as may be explicitly provided for herein or authorized by the other party in writing.

XI. CANCELLATION REMEDIES

1. If the CITY is the primary cause of cancellation of any professional services, consultant or construction contracts entered into by the DOT&PF, the CITY shall be responsible for those costs not accepted for reimbursement by the FHWA, amounts the FHWA expects to be reimbursed for, and any other costs or expenses incurred by the CITY or the DOT&PF in the Project to the date of cancellation or related to finalizing cancellation and Project termination.

2. If the DOT&PF is the primary cause of the cancellation, the DOT&PF shall bear those costs not accepted for reimbursement by the FHWA, amounts the FHWA expects to be reimbursed for, and any other costs or expenses incurred by the CITY or the DOT&PF in the Project to the date of cancellation or related to finalizing cancellation and Project termination.

3. If it is determined that the cancellation was caused by third parties or circumstances beyond the control of the DOT&PF or the CITY, the parties shall meet in good faith to negotiate a fair and equitable allocation of responsibility for those costs not accepted for reimbursement by the FHWA, amounts the FHWA expects to be reimbursed for, and any other costs or expenses incurred by the CITY or the DOT&PF in the Project to the date of cancellation or related to finalizing cancellation and Project termination.

4. The foregoing remedies are in addition to any other remedies referenced in this MOA, and do not bar or limit the parties from resorting to any other remedy available at law or equity.

XII. PENALTY FOR BREACH OF MAINTENANCE OBLIGATIONS

A. Notification and Opportunity to Cure

If notified by the DOT&PF in writing that it is in violation of any of the terms, conditions, or provisions of Section VI, VII, or VIII of this Agreement, the CITY shall have thirty (30) days from the date of such notification to remedy the violation; or, if the remedy will take in excess of thirty (30) days to complete, the CITY shall have thirty (30) days to commence implementation of a satisfactory remedy.

Expiration of the thirty (30) days and failure by the CITY to remedy is a breach of this MOA. If the CITY is in substantial breach, the DOT&PF may elect to terminate this MOA. Failure to implement a satisfactory remedy will also result in the DOT&PF not considering any contribution by the CITY in evaluating the City of Gustavus municipal capital improvement project nominations in the six years after breach (17 ACC 05.175(l)).

B. Remedies

In the event of breach of the CITY's obligations to own, maintain and operate the Project or its improvements, damages shall include, but are not limited to:

1. Return of the Federal and State funds expended on the Project under this MOA;
2. Reimbursement to the DOT&PF for any costs incurred by the DOT&PF which are directly or indirectly related to fulfilling any of the CITY's contractual commitments; and
3. Withholding of approval of future federal-aid projects until such time as the CITY puts the Project in a state of compliance with this MOA.

XIII. MISCELLANEOUS PROVISIONS

A. Amendment or modification of Agreement: This MOA may only be modified or amended by written agreement signed by authorized representatives for both Parties.

B. The Whole Agreement: This MOA constitutes the entire agreement between the Parties. There are no other understandings or agreements between the Parties, either oral or memorialized in writing regarding the matters addressed in this MOA. This MOA may not be amended by the Parties unless an amendment is agreed to in writing, with the both Parties signing through their authorized representatives.

C. Assignment: Without the written consent of the DOT&PF, this MOA is not assignable by the CITY either in whole or in part.

D. Third Parties and Responsibilities for Claims: Nothing in this MOA shall be construed as conferring any legal rights, privileges, or immunities, or imposing any legal duties or obligations, on any person or persons other than the Parties named in this MOA, whether such rights, privileges, immunities, duties or obligations be regarded as contractual, equitable, or beneficial in nature as to such other person or persons. Nothing in this MOA shall be construed as creating any legal relations between the DOT&PF and any person performing services or supplying any equipment, materials, goods, or supplies for the Project.

E. Duty of Cooperation: The CITY agrees to provide reasonable access to the Project and to relevant Project records, to any authorized representatives of the DOT&PF or U.S. Government. The CITY further agrees to cooperate in good faith with inquiries and requests for information relating to the Project or its obligations under this MOA.

F. Necessary Approvals: In the event that any election, referendum, ordinance, approval, permit, notice, or other proceeding or authorization is requisite under applicable law to enable the CITY to enter into this MOA or to undertake the Project, or to observe, assume or carry out any of the provisions of the MOA, the CITY will initiate and consummate, as provided by law, all actions necessary with respect to any such matters so requisite.

G. Joint Drafting: This MOA has been jointly drafted by the Parties, and each party has had the ability and opportunity to consult with its legal counsel prior to signature. The MOA shall not be construed for or against either party.

K. Third Party Beneficiary Status: The CITY is not an intended beneficiary of any contracts between the DOT&PF and any contractors, subcontractors or consultants or any other third parties, and has no contractual rights with respect to such contracts or any provisions thereof, unless expressly stated otherwise.

XIV. CONTACTS

The DOT&PF’s contact is Charles Tripp (chuck.tripp@alaska.gov; 465-4439), Engineering Manager for the Southeast Region, or as may be re-designated in writing from time to time. The CITY’s contact is Mike Taylor, Mayor, or as may be re-designated in writing from time to time.

The undersigned agree to the terms of this Memorandum of Agreement:

STATE OF ALASKA,
DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

Dated: _____

By: _____

Albert H. Clough, CPG
Regional Director, Southeast Region

SUBSCRIBED AND SWORN TO OR AFFIRMED before me by Albert H. Clough, who is Regional Director for the Southeast Region of the Alaska Department of Transportation & Public Facilities, an agency established under Alaska law, on this ____ day of _____, 20____.

Notary Public, State of Alaska
My commission expires: _____

CITY OF GUSTAVUS

Dated: _____

By: _____

Mike Taylor
Mayor, City of Gustavus

SUBSCRIBED AND SWORN TO OR AFFIRMED before me by Sandi Marchbanks, who is Mayor of the City of Gustavus, a Second Class City established under Alaska law, on this _____ day of _____, 20____.

Notary Public, State of Alaska
My commission expires: _____

AUTHORATION FOR EXECUTION OF AGREEMENT BY THE CITY OF GUSTAVUS CITY COUNCIL

BE IT REMEMBERED that on the _____ day of _____, 20____ at a regular meeting, of the City Council of the City of Gustavus, a Second Class City established under Alaska law, the Gustavus City Council granted its authorization for the execution of the foregoing instrument.

Dated: _____

Lori Ewing
Clerk, City of Gustavus

C. Resolution CY15-27 A Resolution Establishing a Policy and Procedure on Pets in City Hall (Read by Council Member Howell)

**CITY OF GUSTAVUS
RESOLUTION CY 15-27**

**A RESOLUTION BY THE CITY OF GUSTAVUS ESTABLISHING A
POLICY AND PROCEDURE ON PETS IN CITY HALL**

WHEREAS City Hall is a place where employees and members of the public expect a safe and healthy environment for conducting City business; and

WHEREAS pets, in the past, have created unsafe and uncomfortable situations inside and within the near vicinity of City Hall; and

WHEREAS the attached Policy and Procedure allows pets to be left in a vehicle in the City Hall parking lot while City business is attended to; and

WHEREAS the attached Policy and Procedure allows reasonable accommodations for certified service dogs to be allowed inside City Hall;

NOW THEREFORE BE IT RESOLVED that the Gustavus City Council adopts the attached Policy and Procedure on pets in City Hall.

PASSED and **APPROVED** by a duly constituted quorum of the Gustavus City Council this ____ day of _____, 2015, and effective upon adoption.

Mike Taylor, Mayor

Attest: Lori Ewing, City Clerk

CITY OF GUSTAVUS

POLICIES AND PROCEDURES

Title: Policy on Pets in City Hall

POLICY:

City Hall shall be a safe and healthy work location where employees and members of the public feel comfortable meeting and conducting City business. Because some people may have allergies to pets or do not feel comfortable being at City Hall if a pet is present, the City Council declares that no pets shall be allowed in City Hall or outside City Hall where they may be in a position to challenge or interfere with persons inside, entering or leaving City Hall.

Regarding service animals, the City is committed to reasonably accommodating medically documented physical and mental disabilities that would otherwise preclude employees from performing the essential functions of their positions, or would preclude a member of the public from participating in a public meeting or conducting business at City Hall. Before allowing a service animal as an accommodation, the City must be satisfied that the animal is appropriately trained and certified as a service animal and well behaved in all respects.

PROCEDURE:

1. Employees assigned to work at City Hall shall not bring pets to work.
2. Members of the public arriving at City Hall to attend a meeting or to conduct City business shall either keep their pet securely inside a parked vehicle, or if no vehicle is available, the pet may be securely tied at least 50 feet from any parking area or entrance to City Hall.
3. An accommodation may be made for an employee or visitor with a qualified service animal in accordance with the policy above.

Signed

Mayor of the City of Gustavus

Date

Item No. 11 Staff Reports:

- A. Library
- B. GVFD

Item No. 12 City Council Reports:

- A. City Clerk's Report
- B. City Treasurer's Report
- C. Mayor's Report

Item No. 13 City Council Questions and Comments

Item No. 14 Public Comment on Non-Agenda Items

This is the second opportunity for the public to comment on non-agenda items **only**.

Comments on agenda items should be addressed at the time the Item is open to public comment.

Item No. 15 Executive Session

Item No. 16 Adjournment