

## City of Houston, Alaska

**Location-** Houston City Hall – 13878 W.  
Armstrong Road  
Houston, Alaska 99694

### MAYOR

Virgie Thompson, Seat A

### DEPUTY MAYOR

Lance Wilson, Seat D

### CITY CLERK

Sonya Pevan, CMC

### COUNCIL MEMBERS

Mike Adams, Seat G  
Dawnita Brunswick, Seat E  
Carter Cole, Seat C  
Sandra Porter, Seat B  
Paul Stout, Seat F

907-892-6869

[www.houstonak.com](http://www.houstonak.com)

## HOUSTON CITY COUNCIL REGULAR MEETING AGENDA

Meeting Date: Thursday, February 10, 2022- 6:00 p.m.

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1. CALL TO ORDER
2. ROLL CALL
3. INVOCATION AND PLEDGE OF ALLEGIANCE
4. APPROVAL OF AGENDA
5. SPECIAL ORDERS OF THE DAY
6. REPORTS/CORRESPONDENCE
  - 6.1 Mat-Su Borough Assembly District 7 Representative: Assembly Member Ron Bernier
  - 6.2 [Mayor's Report](#)
    - a. [Report to Council regarding meeting with marijuana cultivators.](#)
    - b. [Mayoral IM 22-01: Request to Council Regarding Separation of Powers Doctrine.](#)
  - 6.3 Commission/Committee Reports
    - a. Planning Commission- Chair Rebecca Rein
    - b. Parks & Recreation Commission-Chair Katie Stavick
      1. [December 2, 2021, Regular Meeting Minutes](#)
    - c. Houston Land Use Advisory Committee- Chair Sandy McDonald
  - 6.4 City Partners
    - a. Mat-Su Borough School District
    - b. [Presentation of Fiscal Year 2021 Financial Statement and Federal Single Audit Certification - Steve Altman of Altman, Rogers & Co.](#)
  - 6.5 Department Head Reports
    - b. [City Clerk's Report](#)
    - c. [City Treasurer's Report](#)
    - d. [Public Work's Report](#)
    - e. [Fire Chief's Report](#)

## 7. PUBLIC PARTICIPATION

- 7.1 Public Hearings -3 minutes per person-A member of the public may address the council for a maximum of three minutes before council discussion and action.

7.1.1 [Action Memorandum 22-06](#): City Council Statement of Non-Protest for the renewal of Beverage Dispensary License #533 held by Doris Jane Incorporated DBA Houston Lodge. (Set to a Public Hearing by Mayor Thompson HMC 5.08).

7.1.2 [Action Memorandum 22-07](#): City Council Statement of Non-Protest for the renewal of Marijuana Standard Cultivation Facility License #14956 Held by 50 Shades of Green LLC. (Set to a Public Hearing by Mayor Thompson HMC 5.10).

7.1.3 [Resolution 22-01- Amended](#): A Resolution of the Houston City Council Amending the Fiscal 2023-2029 Capital Improvement Program by Replacing the Utility Infrastructure Distribution and Subprojects with the Power and Natural Gas Utilities Master Plan, Phase 1 Utility Infrastructure Distribution.

(Introduced, amended and set to public hearing on January 13, 2022).

**Clerk's Note:** the motion to approve is on the table.

[Public comments received after January 13, 2022](#)

[Notice of possible amendment to substitute- Mayor Thompson](#)

7.1.4 [Resolution 21-26- Amended](#): A Resolution of the Houston City Council Confirming State Legislative Priorities and Requesting Support from the State Legislature to Meet Capital Improvement Needs for FY2023 (Introduced, amended and set to public hearing on December 9, 2021, amended and set to a second public hearing on January 13, 2022).

[Public comments received after January 13, 2022](#)

[Notice of possible amendment- Councilmember Cole](#)

[Notice of possible amendment to substitute- Mayor Thompson](#)

7.1.5 [Ordinance 22-01](#): An Ordinance of the Houston City Council Amending Houston Municipal Code (HMC) Section 2.04.090, Mayor and Section 2.04.100 Deputy Mayor by Establishing the Election of the Mayor and Deputy Mayor are not held on the same day as the Certification of Election. (Introduced, and set to public hearing on January 13, 2021).

- 7.2 Persons to Be Heard (Three minutes per person)

- 7.3 Audience Comments (Three minutes per person)

## 8. CONSENT AGENDA

*All items under the Consent Agenda are approved with a single motion, no discussion, and one vote. A Council Member may request to remove an item(s) for discussion and a separate vote.*

- 8.1 Minutes of Previous Meeting  
[1. January 13, 2022, Regular Meeting Minutes](#)
- 8.2 Introduction of Ordinances – ***Recommended for Public Hearing on March 10, 2022***
- 8.3 Resolutions- Recommended for Approval
- 8.4 Action Memorandums- Recommended for Approval

## 9. UNFINISHED BUSINESS

## 10. NEW BUSINESS

- 10.1 [Resolution 22-02](#): A Resolution of the Houston City Council accepting the Fiscal Year 2021 Financial Statement and Federal Single Audit Certification for Public Record.
- 10.2 [Resolution 22-03](#): A Resolution of the Houston City Council Requesting Participation in the Federal Building a Better America Grant Programs.

## 11. RECORD OF ITEMS PLACED ON THE TABLE

## 12. AUDIENCE COMMENTS (Three minutes per person).

## 13. EXECUTIVE SESSION

## 14. COUNCIL, CLERK AND MAYOR COMMENTS

## 15. ADJOURNMENT

Disabled Persons Needing Reasonable Accommodation in Order to Participate at a Council Meeting Should Contact the City Clerk at 892-6869 At Least Five Days in Advance of the Meeting.



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January 2022 Report

*Council and Community Members,*

I attended the Mat- Su. Delegation Special meeting on January 7, called by the Mat-Su borough. The Mat-Su Borough and Assembly presented the long-term and short-term goals of the Mat-Su Borough. Many of them will also benefit the city of Houston. That is exciting. One for instance is completing the rail spur. I did not discuss the legislative priorities for the city, as until the council makes final approval, I find it inappropriate to state our plans until confirmed by the council. I did confirm with them the city will be passing legislative priorities to present to the state and thanked them for the open dialog as our representatives. Legislators are confident there will be some capital funding this next fiscal year and assured all in attendance they would do their best to make sure that we in the Mat-Su get a fair share.

January 24<sup>th</sup> was a meeting with Senator Murkowski. Her purpose was to discuss the Infrastructure bill. It is going to be complicated, unlike past funding municipalities has received from the Feds. There will be a grant application process, matching funds and competing with other communities similar to our community. She is anticipating more clear information in the next 6 months. Along with the bill she is going to propose a grant writing symposium. It is acknowledged that not all municipalities have staff to write grants.

I will be in Juneau January 16<sup>th</sup>-18<sup>th</sup> Meetings are being set to talk with the Governor, our district representatives and others on finance. While in Juneau I will be available via email or phone. In the event of an emergency Deputy Mayor Wilson has authority to take action.

I am available every day for questions or concerns.

Please email or leave a message on my phone. (907) 355-1514.

Respectfully,

A handwritten signature in blue ink that reads "Virgie Thompson".

*Virgie Thompson, Mayor*

Checks over \$5000.00 in the last 30 days

Employee Health Insurance \$8,700.00



February 10, 2022  
Meeting with Cultivators

Dear Council Members and Staff,  
On Wednesday January 26<sup>th</sup>, 2022 I requested a meeting with current and future Marijuana cultivators in the city. 55% either attended the meeting or responded via email. The discussion point was, *"Should the city provide residents a map of all the cultivation facilities in the city limits?"*

All felt there was no need for a map showing where their facility is located. They would prefer to have a good neighbor and someone knock on the door with a concern. They appreciate the city providing contact information for AMCO for complaints and welcome any inspections.

They all realize it is public information, but to provide the information in their opinion puts a target on their business. One cultivator made it clear that if the city **provided** a map and he had a break-in, the city is the first place he would send his attorney.

Attached: Advisory Notice from AMCO Enforcement

Respectfully,

A handwritten signature in blue ink that reads "Virgie Thompson".

Virgie Thompson, Mayor

# Advisory Notice

Marjuana Advisory (AAC 306.805)

Date: 1/31/22

Case Number: AM 22-0183

Licensee:

DBA:

License #/Type: All Licensees

Address:

This is a notice to you as licensee that an incident has occurred or a defect is noted that could result in a violation of a statute, regulation or municipal ordinance.  
**Note: This is not an accusation or a criminal complaint.**

AMCO Enforcement has had a large increase in reported burglaries at Marijuana Licensed facilities. This increase has mainly been reported in the Anchorage and Mat-Su areas.

Anyone with additional information is asked to call your local law enforcement or Crime Stoppers at (907) 561-7867. You may also contact AMCO at [amco.enforcement@alaska.gov](mailto:amco.enforcement@alaska.gov)

Below are some safety considerations and links.

Make sure your alarms are working.

Be mindful of your surroundings.

If you are a victim of a burglary, file a police report and report it to AMCO.

Be mindful of any suspicious activities/person(s) during business hours and opening/closing.

[Click box for link to DPS crime prevention FAQ's](#)

[Click box for theft and burglary form](#)

Issuing Investigator: J. Hoelscher

Received by:

SIGNATURE: 

SIGNATURE:

Delivered VIA: Email

Date:

**CITY OF HOUSTON**  
**INFORMATIONAL MEMORANDUM No. 22-01**

Title: Request to Council Regarding Separation of Powers Doctrine.

Date: February 3, 2022

Originator: Virgie Thompson, Mayor

Attachment(s): None

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**Summary Statement.** Under the City's code the City is a strong Mayor form of Government. This means all executive power and administrative power are vested in the Mayor; the Mayor's powers are the same as those for a City Manager under AS 29.20.500. The City Council's primary authority is within its legislative and policy making powers, HMC 2.04.010(a).

**Council Action Requested.**

- 1). All questions and concerns by Council members regarding a City department or staff member should be brought to the Mayor's attention through email for resolution.
- 2). Councilmembers should contact City administration only to make inquires. All other communications about the administration of the City, including reports must be through the Mayor as the City Administrator.
- 3). Councilmembers may not give any orders to City administration, either publicly or privately.

**Direction to Staff.**

- 1). Administration should follow the direction of the City Administrator or their department head.



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**I. CALL TO ORDER**

The Regular Meeting of the Houston Parks & Recreation Commission was held on Thursday, December 2, 2021 at Houston City Hall, 13878 W. Armstrong Road, Houston, Alaska. Chair Stavick called the meeting to order at 6:05 p.m.

**II. ROLL CALL**

Commission Members Present and establishing a quorum were:

- Commissioner Rein
- Commissioner Kimberly S Mietzah Damkoehler
- Vice-Chair Christian Hartley
- Chair Katie Stavick

Clerk Note: Commissioner Roberts Resigned from his seat on December 2, 2021

**City of Houston Staff and Officials in Attendance:**

City Clerk, Sonya Pevan  
Public Works Director, Ray Russell

**III. INVOCATION AND PLEDGE OF ALLEGIANCE**

Adam Rein led the Pledge of Allegiance. There was no Invocation.

**IV. PUBLIC COMMENTS**

There were no public comments.

**V. APPROVAL OF THE AGENDA:**

**MOTION:** Commissioner Kimberly S Mietzah Damkoehler moved to approve the agenda for December 2, 2021.

**DISCUSSION:** There was no discussion

**VOTE:** There were none opposed and the agenda was approved.

**VI. SPECIAL ORDERS OF THE DAY:**

There were no special orders of the day.

**VII. REPORTS**

1. **Chair Report** – No report was given.
2. **City Clerk** – A verbal report was given.
3. **Planning Commission Report** – No report was given.



4. **Public Works Report** – A verbal report was given.
5. **Recent Legislation** – No report was given.

#### VIII. MINUTES OF THE PREVIOUS MEETING

Regular Meeting Minutes of October 7, 2021.

**MOTION:** Vice Chair Hartley moved to approve the Regular Meeting Minutes of October 7, 2021.

**DISCUSSION:** There was no discussion.

**VOTE:** There were none opposed and the Regular Meeting Minutes of October 7, 2021, were approved.

#### IX. PERSONS TO BE HEARD:

#### X. COMMITTEE OF THE WHOLE

Entered committee of the whole at 6:11 p.m.

- 1) Trunk or Treat Event Planning
- 2) 2022 Goals Planning

Discussion ensued

Exited committee of the whole at 6:51 p.m.

#### XI. UNFINISHED BUSINESS

There was no unfinished business

#### XII. NEW BUSINESS

There was no new business

#### XIII. COMMISSION AND COMMISSION STAFF COMMENTS:

- Commissioner Kimberly S Mietzah Damkoehler – Stated she is looking forward to the PARC Calendar.
- Commissioner Adam Rein – Stated he would like to see a spring event on the trails.
- Vice Chair Hartley – Encouraged that the PARC Calendar could have the following events



December 2, 2021  
Approved: January 6, 2022

- 
- Easter Event in April, Cleanup Day in May, Flag Day in June, 4th of July, Founders Day in August, and Trunk or Treat in October. Stated that Snowman Day is January 18<sup>th</sup>.
  - Chair Stavick – Stated she is excited for the new Calendar for PARC Commission and wished everyone a happy holiday and happy new year.
  - Stated that she Enjoys coming and being apart of the PARC Commission meetings. Confirmed that she would have Marilyn and Amy work on the PARC Calendar.

**XIV. ADJOURNMENT**

**MOTION:** Commissioner Adam Rein moved to adjourn the meeting.

**DISCUSSION:** There was no discussion.

**VOTE:** There were no objections and the meeting adjourned at 6:56 p.m.

  
Katie Stavick, Chair

ATTEST:

  
Marilyn Bell, Public Works Clerk

Introduced by: Mayor Thompson

Action:

Date:

Vote: Yes:

No:

Absent:

**CITY OF HOUSTON, ALASKA  
RESOLUTION 22-02**

**A RESOLUTION OF THE HOUSTON CITY COUNCIL ACCEPTING THE FISCAL  
YEAR 2021 FINANCIAL STATEMENT AND FEDERAL SINGLE AUDIT  
CERTIFICATION FOR PUBLIC RECORD**

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**WHEREAS**, pursuant to Houston Municipal Code Section 4.01.070, the Council will provide for an audit or certified financial statement of annual income and expenditures; and

**WHEREAS**, on May 5, 2020, Mayor Thompson engaged with Altman, Rogers & Co. for the purpose of auditing the City of Houston’s annual financial statements for the fiscal year ending June 30, 2021, (Fiscal Year 2021); and

**WHEREAS**, pursuant to Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* the City also provided for a Federal Single Audit due to the fact the City received more than \$750,000 through the Coronavirus Local Fiscal Recovery Funds; and

**WHEREAS**, the audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**NOW, THEREFORE, BE IT RESOLVED**, by the Houston City Council accepts the Fiscal Year 2021 Financial Statement Audit as attached for public record and it shall be submitted to the Department of Community and Regional Affairs by May 31, 2022.

**EFFECTIVE DATE**, this resolution becomes effective upon its adoption by the Houston City Council.

**ADOPTED** by the Houston City Council on \_\_\_\_\_.

**THE CITY OF HOUSTON, ALASKA**

\_\_\_\_\_  
Virgie Thompson, Mayor

**Bold and Underline**, added. ~~Strike through~~, deleted.

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**ATTEST:**

\_\_\_\_\_  
Sonya Pevan, CMC, City Clerk

[SEAL]

CITY OF HOUSTON, ALASKA

Letter to the Governing Board

Year Ended June 30, 2021

*Altman, Rogers*  
*& Co.* | CERTIFIED  
PUBLIC  
ACCOUNTANTS

CITY OF HOUSTON, ALASKA

Letter to the Governing Board

Year Ended June 30, 2021

November 30, 2021

Members of the City Council  
City of Houston  
Houston, Alaska

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Houston, Alaska (the City), for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 14, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Accounting Policies and Transactions

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Houston, Alaska, are described in Note I to the financial statements. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

All opinion units:

Management's estimate of the collectability of accounts receivable is based on historical collections. We evaluated the key factors and assumptions used to develop the collectability of accounts receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

Governmental activities opinion unit:

Management's estimate of the useful lives and depreciation is based upon the expected life of an asset. We evaluated the key factors and assumptions used to develop the useful lives and depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

#### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The following misstatements were detected as a result of audit procedures and corrected by management:

- \$4,608 to adjust deferred revenue in the Volunteer Fire Assistance Special Revenue Fund.
- \$19,774 to adjust revenues in the General Fund.
- \$36,789 to accrue sales tax revenue in the General Fund.
- \$7,068 to accrue payroll expenditures in the General Fund.
- \$18,319 to adjust cash in the General Fund.
- \$68,748 to adjust insurance expenditures and prepaid expenses in the General Fund.
- \$429,552 to adjust unavailable revenues and accounts receivable in the General Fund.
- \$5,505 to record a transfer to the CARES Act Special Revenue Fund to cover Excess Expenditures.
- \$4,258 to adjust notes payable and interest expense in the General Fund.
- \$4,258 to record gain on sale of foreclosed properties in the General Fund.

#### Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### Internal Control Matters

See the June 30, 2021 financial statements, compliance section for definition and descriptions of deficiencies, significant deficiencies, material weaknesses and any reported findings.

#### Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 30, 2021.

#### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to City of Houston, Alaska's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Accounting Assistance

As part of our engagement, we drafted the basic financial statements of the City from the City's accounting records; however, management of the City was involved in the drafting process and retains responsibility for the basic financial statements.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

Supplementary Information Accompanying the Financial Statements

We applied certain limited procedures to the Major Governmental Fund: Schedule of Revenues, Expenditures and Changes in Fund Balance Original and Final Budget to Actual – General Fund and CARES Act Special Revenue Fund which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquires or management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the information listed in the table of contents as "Additional Supplementary Information," which includes the Schedule of Expenditures of Federal Awards and related Notes, as required by Title 2 US. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. With respect to this additional supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior year, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of City Council and management of City of Houston, Alaska and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

*Altman, Rogers & Co.*

Anchorage, Alaska

CITY OF HOUSTON, ALASKA

Basic Financial Statements, Required Supplementary  
Information, Additional Supplementary Information,  
and Compliance Reports

Year Ended June 30, 2021

CITY OF HOUSTON, ALASKA

Basic Financial Statements, Required Supplementary  
Information, Additional Supplementary Information,  
and Compliance Reports

Year Ended June 30, 2021

CITY OF HOUSTON, ALASKA

Table of Contents

	<u>Page</u>
<b>Independent Auditor’s Report</b>	1-3
<b>Basic Financial Statements:</b>	
Government-Wide Financial Statements:	
Statement of Net Position	A-1      4
Statement of Activities	B-1      5
Fund Financial Statements:	
Balance Sheet - Governmental Funds	C-1      6
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	D-1      7
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	D-2      8
Notes to Basic Financial Statements	9-20
<b>Required Supplementary Information:</b>	
Major Governmental Funds:	
Schedule of Revenues, Expenditures and Changes in Fund Balance Original and Final Budget to Actual –	
General Fund	E-1      21-22
CARES Act Special Revenue Fund	E-2      23
Notes to Required Supplementary Information	24
<b>Additional Supplementary Information:</b>	
Schedule of Expenditures of Federal Awards and Related Notes	F-1      25
<b>Compliance Reports:</b>	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	26-27
Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the <i>Uniform Guidance</i>	28-29

CITY OF HOUSTON, ALASKA

Table of Contents, continued

	<u>Page</u>
<b>Compliance Reports, continued:</b>	
Schedule of Findings and Questioned Costs	30-31
Status of Prior Year Audit Findings	32
Corrective Action Plan	33

## **Independent Auditor's Report**

Members of the City Council  
City of Houston  
Houston, Alaska

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Houston, Alaska, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Houston, Alaska's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Houston, Alaska, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules and notes to the required supplementary information on pages 21-24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Houston, Alaska's basic financial statements. The information listed in the table of contents as "Additional Supplementary Information", which includes the Schedule of Expenditures of Federal Awards and Related Notes, as required by Title 2 US. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Additional Supplementary Information, listed above, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Additional Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Members of the City Council  
City of Houston, Alaska

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2021, on our consideration of City of Houston, Alaska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Houston, Alaska's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Houston, Alaska's internal control over financial reporting and compliance.



Anchorage, Alaska  
November 30, 2021

## CITY OF HOUSTON, ALASKA

## Statement of Net Position

June 30, 2021

Assets

Current:		
Cash and cash equivalents	\$	807,753
Receivables, net:		
Taxes		466,341
Other		54,939
Prepaid expenses		73,899
Assets held for resale		6,135
Total current		<u>1,409,067</u>
Long-term:		
Notes receivable		12,812
Capital assets		21,253,511
Accumulated depreciation		<u>(16,612,172)</u>
Total long-term		<u>4,654,151</u>
Total assets		<u>6,063,218</u>

Liabilities

Current:		
Accounts payable		5,093
Accrued payroll and payroll liabilities		18,123
Deferred revenue		4,608
Notes payable - due within one year		17,457
Total current		<u>45,281</u>
Long term:		
Notes payable		<u>13,847</u>
Total liabilities		<u>59,128</u>

Net Position

Net investment in capital assets		4,610,035
Unrestricted		<u>1,394,055</u>
Total net position	\$	<u>6,004,090</u>

The notes to the financial statements are an integral part of this statement.

## CITY OF HOUSTON, ALASKA

## Statement of Activities

Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Primary government:				
Governmental activities:				
Administration	\$ 234,418	52,454	8,060	(173,904)
Park service and visitor center	14,628	17,156	-	2,528
Public works	519,675	-	953,474	433,799
Public safety	626,882	-	171,913	(454,969)
Unallocated interest expense	5,100	-	-	(5,100)
Total primary government	\$ <u>1,400,703</u>	<u>69,610</u>	<u>1,133,447</u>	<u>(197,646)</u>
General revenues:				
Sales taxes			\$ 443,963	
Property taxes			441,520	
Motor vehicle taxes			53,540	
Grants and contributions not restricted to specific programs			95,337	
MJ Excise Tax			234,397	
Interest			529	
Proceeds from insurance claims			272,501	
Other			70,826	
Total general revenues			<u>1,612,613</u>	
Change in net position				1,414,967
Net position - beginning of year				4,589,123
Net position - end of year				\$ <u><u>6,004,090</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF HOUSTON, ALASKA  
Balance Sheet - Governmental Funds  
June 30, 2021

	General Fund	Other Governmental Fund Voluntary Fire Department Special Revenue Fund	Total Governmental Funds
<u>Assets</u>			
Cash and cash equivalents	\$ 807,753	-	807,753
Receivables, net of allowance for uncollectible accounts:			
Taxes	466,341	-	466,341
Other	54,939	-	54,939
Notes receivable	12,812	-	12,812
Prepaid expenses	73,899	-	73,899
Assets held for resale	6,135	-	6,135
Due from other funds	-	4,608	4,608
	<hr/>	<hr/>	<hr/>
Total assets	\$ 1,421,879	4,608	1,426,487
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>			
Liabilities:			
Accounts payable	5,093	-	5,093
Accrued payroll and payroll liabilities	18,123	-	18,123
Unearned revenue	-	4,608	4,608
Due to other funds	4,608	-	4,608
Total liabilities	<hr/> 27,824 <hr/>	<hr/> 4,608 <hr/>	<hr/> 32,432 <hr/>
Deferred inflows of resources:			
Unavailable notes and property tax revenues	459,570	-	459,570
	<hr/>	<hr/>	<hr/>
Fund balances:			
Non-spendable:			
Prepaid expenses	73,899	-	73,899
Long-term note receivables	12,812	-	12,812
Unassigned	847,774	-	847,774
Total fund balances	<hr/> 934,485 <hr/>	<hr/> - <hr/>	<hr/> 934,485 <hr/>
Total liabilities, deferred inflows of resources and fund balances	\$ 1,421,879	4,608	
	<hr/> <hr/>	<hr/> <hr/>	

Amounts reported for governmental activities in the Statement of Net Positions are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds	4,641,339
Capital assets, net	
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Long-term debt	(31,304)
Long-term receivables, delinquent property taxes and loans are not available to pay for current-period expenditures and, therefore, are unavailable in the funds:	
Property taxes and receivables	446,758
Long-term notes receivable	12,812
Total net position	<hr/> \$ 6,004,090 <hr/>

The notes to the financial statements are an integral part of this statement.

## CITY OF HOUSTON, ALASKA

## Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

Year Ended June 30, 2021

	General Fund	CARES Act Special Revenue Fund	Total Governmental Funds
Revenues:			
Intergovernmental:			
State of Alaska	\$ 95,337	-	95,337
Federal sources	-	1,125,387	1,125,387
Local sources:			
Taxes	1,186,328	-	1,186,328
Charges for services	69,610	-	69,610
Contributions and donations	8,060	-	8,060
Proceeds from insurance claims	272,501	-	272,501
Other	29,600	-	29,600
Total revenues	<u>1,661,436</u>	<u>1,125,387</u>	<u>2,786,823</u>
Expenditures:			
Current:			
Administration	253,337	-	253,337
Park service and visitor center	14,628	-	14,628
Public works	393,557	958,138	1,351,695
Public safety	426,450	172,754	599,204
Debt service:			
Principal	28,239	-	28,239
Interest	5,100	-	5,100
Total expenditures	<u>1,121,311</u>	<u>1,130,892</u>	<u>2,252,203</u>
Excess (deficiency) of revenues over expenditures	<u>540,125</u>	<u>(5,505)</u>	<u>534,620</u>
Other financing sources (uses):			
Sale of land	5,057	-	5,057
Transfers in (out)	(5,505)	5,505	-
Total other financing sources (uses)	<u>(448)</u>	<u>5,505</u>	<u>5,057</u>
Net change in fund balances	539,677	-	539,677
Fund balances, beginning of year	<u>394,808</u>	<u>-</u>	<u>394,808</u>
Fund balances, end of year	<u>\$ 934,485</u>	<u>-</u>	<u>934,485</u>

The notes to the financial statements are an integral part of this statement.

## CITY OF HOUSTON, ALASKA

Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities

Year Ended June 30, 2021

Net change in fund balances - total governmental funds	\$ 539,677
--	------------

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	938,988
Depreciation expense	<u>(115,727)</u>
	<u>823,261</u>

Certain revenues in the statement of activities do not provide current financial resources and are unavailable in the funds.

Amounts listed below represent the change in:

Property taxes and receivables	24,850
Long-term receivables	<u>(1,060)</u>
	<u>23,790</u>

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position:

Principal payments	<u>28,239</u>
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Change in net position of governmental activities	\$ <u><u>1,414,967</u></u>
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The notes to the financial statements are an integral part of this statement.

CITY OF HOUSTON, ALASKA

Notes to Basic Financial Statements

Year Ended June 30, 2021

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The financial statements of the City of Houston, Alaska, (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The City of Houston is a municipal corporation governed by an elected council. The City was incorporated in 1966 as a third-class city and re-classified as a second-class city in 1973. The City provides a variety of services including fire, roads maintenance and public works, animal safety and protection, parks and recreation services, community development and administration. As required by accounting principles generally accepted in the United States of America, these financial statements present the government and entities for which the government is considered to be financially accountable. There are no component units based on operational and financial relationship criteria.

The more significant of the City's accounting policies are described below.

**B. Government-Wide and Fund Financial Statements**

The Government-Wide Financial Statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The City does not presently have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include grants and contributions that are restricted to meeting the operations or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*.

Deferred inflows of resources are the acquisition of fund balance/net position by the City that is applicable to a future reporting period. Deferred outflows of resources are the consumption of fund balance/net position by the City that is applicable to a future reporting period.

Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The Government-Wide Financial Statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## CITY OF HOUSTON, ALASKA

### Notes to Basic Financial Statements, Continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for grant revenues which are recognized when the related expenditure is incurred irrespective of when the cash is received. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property tax and sales tax are susceptible to accrual. Other receipts, including licenses, interest, and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of a receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants, including capital grants, recognize revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and when revenues are considered to be available and measurable, which is considered to be within 12 months of the end of the current fiscal period.

The City has the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *CARES Act Special Revenue Fund* accounts for contributions in relation to COVID-19.

As a general rule the effect of inter-fund activity has been eliminated from the government wide financial statements.

When both restricted and unrestricted resources are available for use for governmental activities, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

#### Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

CITY OF HOUSTON, ALASKA

Notes to Basic Financial Statements, Continued

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance**

**1. Deposits and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. There are no statutory limitations on the type of investment allowed; however, there are policies in place listing accepted investment vehicles as noted below:

- a. Bonds, notes or other obligations of the United States;
- b. Bonds or other evidence of indebtedness of the state;
- c. Savings accounts or certificates of deposits of banks authorized to do business in Alaska to the extent that the account is insured;
- d. Federally insured savings and loan associations to the extent that the investment is insured; and
- e. Commercial paper and other short-term taxable instruments that, at the time of investment.

No investment is to be made for a term beyond the time when the City expects to need the funds.

**2. Receivables and Payables**

Activity between funds that are representative of lending/ borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All current outstanding balances between funds are reported as "due from other funds" or "due to other funds." These balances represent the numerous transactions that occur during the course of operations between individual funds for goods provided or services rendered.

All tax receivables and other receivables are shown net of an allowance for uncollectible receivables.

**3. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business type activities columns in the Government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

CITY OF HOUSTON, ALASKA

Notes to Basic Financial Statements, Continued

Property, plant, and equipment of the City is depreciated using the straight line method over the following estimated useful lives:

Roads and improvements	20-45 years
Buildings and improvements	30-35 years
Motor vehicles and motorized equipment	5-10 years
Furniture, machinery and equipment	5-10 years

**4. Fair Value of Financial Instruments**

The following financial instruments are recorded at fair value or at amounts that approximate fair value: (1) cash and cash equivalents, (2) receivables, net, (3) certain other current assets, (4) accounts payable, and (5) other current liabilities. The carrying amounts reported in the balance sheet and Statement of Net Position for the above financial instruments closely approximates their fair value due to the short-term nature of these assets and liabilities.

The carrying amount of notes receivable and notes payable approximate fair value for those financial instruments with interest at variable rates, as those rates approximate current market rates for notes with similar maturities and credit quality.

**5. Unearned Revenue and Unavailable Revenues**

Amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met are recorded as unearned revenue.

Unavailable revenues are reported as deferred inflow of resources and represent revenue received beyond the period of availability.

**6. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements the face amount of the debt issued is reported as other financing sources and an expenditure of the fund incurring the debt. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**7. Net Position**

In the government-wide financial statements, net position is reported in three categories:

Net investment in capital assets – consists of the historical costs of capital assets less accumulated depreciation and less any related debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.

Restricted net position consist of assets that are restricted by the City's creditors (for example through debt covenants) by enabling legislation (through restrictions or shared on shared revenues), by grantors (both federal and state), and other contributors.

Unrestricted net position – consists of all other net positions.

CITY OF HOUSTON, ALASKA

Notes to Basic Financial Statements, Continued

**8. Fund Balance**

In the Fund Financial Statements, fund balance includes five classifications as follows:

**Nonspendable Fund Balance** – Amounts that are legally or contractually required to be maintained intact (such as the corpus of an endowment fund) or amounts that are not in a spendable form (such as inventory, prepaid expenses, supplies, long-term receivables). Such constraint is binding until the legal or contractual requirement is repealed or the amounts become spendable.

**Restricted Fund Balance** – Amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions, or by enabling legislation. Such constraint is binding unless modified or rescinded by external body, laws, or regulation.

**Committed Fund Balance** – Includes amounts that can be used only for the specific purposes determined by a formal action of the City's Council in the form of an ordinance and resolution. Commitments may be changed or lifted by the Council taking the same formal action that imposed the constraint originally.

**Assigned Fund Balance** – Fund balance comprises amounts intended to be used by the City for specific purposes: intent can be expressed by the Council or by management, having been designated such authority. Such constraint is binding unless modified or eliminated by the Council or Management. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed.

**Unassigned Fund Balance** – Fund balance is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Positive unassigned amounts will be reported only in the General Fund. If another governmental fund, other than the General Fund, has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund.

The order of spending, regarding the restricted and unrestricted fund balance when an expenditure is incurred for which both restricted and unrestricted fund balance is available should first reduce restricted fund balance and then unrestricted fund balance. The order of spending regarding unrestricted fund balance is that committed amounts should be reduced first, followed by the assigned amounts, and then the unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The City's Special Revenue Funds are used to account for administration, fire, parks and public works and roads programs that are restricted or committed.

CITY OF HOUSTON, ALASKA

Notes to Basic Financial Statements, Continued

**E. Revenues, Expenditures, and Expenses**

**1. Property Taxes**

The City receives its share of property taxes from the Borough for property located in the City of Houston. The current rate is 3 mills per \$1,000 property value. The Borough's policy is as follows:

Property taxes are based on the assessed value of taxable property as of January 1. Pursuant to Alaska Statute 29.45.240, the Borough establishes the mill rate on or before June 15<sup>th</sup>. Tax bills are then mailed on or before July 1<sup>st</sup>.

Taxes are due when billed and generally become delinquent on or after March 15<sup>th</sup>. The Borough code also provides for split payments. If a taxpayer avails themselves of this provision, one-half must be paid on or before August 15<sup>th</sup> and the remainder becomes due on or before February 15<sup>th</sup>. Borough property tax revenues are recognized in the fiscal year in which they become measurable and available, which is generally the year following the year the tax bills are mailed.

All taxes are delinquent on February 16<sup>th</sup>, and a tax foreclosure process may commence as outlined in Alaska Statutes Title 29. Briefly, this entails the petition for Judgment of Foreclosure signed by the District Court Judge and the publication of all delinquent taxes in the local newspaper for four consecutive weeks.

The property taxes shall be administered and collected in the manner provided by the ordinances of the Borough.

**2. Intergovernmental Revenue**

State shared revenues, safe communities, and State levied taxes, the proceeds of which are distributed to local governments, are recorded in the fiscal year to which they relate, including accrual at year end if final payments due are measurable and received within approximately two months after year end.

State of Alaska and Federal government cost reimbursable grants and contracts are recorded to the extent of allowable expenditures in the period in which the expenditures were incurred.

**II. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The City maintains a cash pool that is available for use by all funds. All deposits are carried at cost plus accrued interest. The City's investment policy is presented under Footnote I. D. 1.

Custodial credit risk – is the risk that, in the event of a bank failure, the City will not be able to recover its deposits or collateral. The City does not have a policy that addresses custodial credit risk.

The bank accounts are insured by the Federal Depositary Insurance Corporation (FDIC) to a maximum of \$250,000. At June 30, 2021, the city had \$656,560 in uninsured and collateralized cash and cash equivalents.

CITY OF HOUSTON, ALASKA

Notes to Basic Financial Statements, Continued

**B. Receivables, Deferred Inflows of Resources, and Unearned Revenues**

Receivables at year end for the City's General Fund, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund
Sales tax	\$ 36,789
Property taxes	429,552
Other	74,939
Total gross receivables	<u>541,280</u>
Less allowance for uncollectibles	<u>(20,000)</u>
Net total receivables	<u>\$ 521,280</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenues in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Unavailable property taxes receivable	\$ 446,758	-	446,758
Unavailable long-term receivables	12,812	-	12,812
Unearned revenue – Grants	<u>-</u>	<u>4,608</u>	<u>4,608</u>
Totals	<u>\$ 459,570</u>	<u>4,608</u>	<u>464,178</u>

**C. Long-Term Note Receivable**

The City of Houston entered into a long-term note receivable agreement for the sale of land (assets held for resale) in the amount of \$17,200. The note is due in fixed monthly installments of \$200, with an interest rate of 10%.

Future annual note receipts at June 30, 2021, are as follows:

Year Ended	Principal	Interest	Total
June 30,			
2022	1,172	1,228	2,400
2023	1,294	1,106	2,400
2024	1,430	970	2,400
2025	1,579	821	2,400
Thereafter	<u>7,337</u>	<u>1,456</u>	<u>8,793</u>
	<u>\$ 12,812</u>	<u>5,581</u>	<u>18,393</u>

CITY OF HOUSTON, ALASKA

Notes to Basic Financial Statements, Continued

**D. Capital Assets**

The following is a summary of changes in the capital assets for the year ended June 30, 2021:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,470,500	-	-	1,470,500
Capital assets, being depreciated:				
Buildings	4,684,488	865,660	-	5,550,148
Vehicles and equipment	1,189,547	73,328	-	1,262,875
Infrastructure	12,969,988	-	-	12,969,988
Total capital assets, being depreciated	<u>18,844,023</u>	<u>938,988</u>	<u>-</u>	<u>19,783,011</u>
Less accumulated depreciation for:				
Buildings	2,935,673	76,593	-	3,012,266
Vehicles and equipment	974,332	30,214	-	1,004,546
Infrastructure	12,586,440	8,920	-	12,595,360
Net accumulated depreciation	<u>16,496,445</u>	<u>115,727</u>	<u>-</u>	<u>16,612,172</u>
Net capital assets, being depreciated	<u>2,347,578</u>	<u>823,261</u>	<u>-</u>	<u>3,170,839</u>
Governmental capital assets, net	<u>\$ 3,818,078</u>	<u>823,261</u>	<u>-</u>	<u>4,641,339</u>

Depreciation expense was charged to functions of the City as follows:

Governmental activities:	
Administration	\$ 11,871
Public works	70,216
Public safety	<u>33,640</u>
Total depreciation expense	<u>\$ 115,727</u>

**E. Leases**

The City of Houston leases equipment under non-cancelable lease agreements. The City of Houston leases two Sharp copy/scan/print/fax machines which require monthly payments of \$222. These leases end February 22, 2026. The future minimum lease payments for these leases are as follows:

Year Ending	
June 30,	
2022	\$ 2,664
2023	2,664
2024	2,664
2025	2,664
2026	<u>1,776</u>
	<u>\$ 12,432</u>

CITY OF HOUSTON, ALASKA

Notes to Basic Financial Statements, Continued

The City is the lessor on a lease for a Cell Tower Land Lease. The Cell Tower Land Lease is with AT&T, and calls for payments of \$760 per month from November 1, 2018 through October 31, 2023. Future minimum lease payments to be received are as follows:

Year Ending June 30,		
2022	\$	9,120
2023		9,120
2024		<u>3,040</u>
	\$	<u>21,280</u>

**F. Interfund Receivables, Payables and Transfers**

Interfund receivables and payables are shown as “Due From Other Funds” and “Due To Other Funds” in each of the individual funds. The composition of interfund balances on June 30, 2021, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Other Governmental Fund	General Fund	\$ <u>4,608</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

<u>Transfers Out</u>	<u>Transfers In</u>
General Fund	CARES Act Special Revenue Fund
\$	<u>5,505</u>

Transfers were used to cover cost overing in the Cares Act Special Revenue Fund.

**G. Long-Term Debt**

Changes in long-term debt are as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
Loans	\$ <u>59,543</u>	<u>-</u>	<u>28,239</u>	<u>31,304</u>	<u>17,457</u>

In 2018, the City entered into a note payable for the purchase of an F450 pickup truck. The note payable of \$38,891 requires monthly payments of principal and interest with a fixed interest rate of 4.95%. The note payable began in September 2017 and ends August 2022.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	8,610	280	8,890
2023	954	5	959
Total	\$ <u>9,564</u>	<u>285</u>	<u>9,849</u>

Less current portion	8,610
Long-term portion	\$ 954

CITY OF HOUSTON, ALASKA

Notes to Basic Financial Statements, Continued

In 2019, the City entered into a note payable for the purchase of an F250 pickup truck. The note payable of \$42,429 requires monthly payments of principal and interest with a fixed interest rate of 6.70%. The note payable began in January 2019 and ends December 2023.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	8,847	1,235	10,082
2023	9,459	623	10,082
2024	3,434	70	3,504
Total	\$ <u>21,740</u>	<u>1,928</u>	<u>23,668</u>

Less current portion	8,847
Long-term portion	\$ 12,893

**III. OTHER INFORMATION**

Contingencies - Grants

The City participates in a number of State and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City does not expect such amounts.

**IV. SUBSEQUENT PRONCEMENTS**

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates covering several topics as follows:

- GASB 87 *Leases*. Effective for fiscal years beginning after June 15, 2021.
- GASB 89 *Accounting for Interest Cost Incurred before the End of a Construction Period*. Effective for fiscal years beginning after December 15, 2020.
- GASB 91 *Conduit Debt Obligations*. Effective for fiscal years beginning after December 15, 2021.
- GASB 92 *Omnibus 2020*. This Statement has multiple effective dates which vary by topic.
- GASB 93 *Replacement of Interbank Offered Rates*. Effective for fiscal years beginning after June 15, 2021.
- GASB 94 *Public-Private and Public-Public Partnerships and Availability Payments Arrangements*. Effective for fiscal years beginning after June 15, 2022.
- GASB 95 *Postponement of the Effective Dates of Certain Authoritative Guidance*. Effective immediately.
- GASB 96 *Subscription-Based Information Technology Arrangements*. Effective for fiscal years beginning after June 15, 2022.
- GASB 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Effective for fiscal years beginning after June 15, 2021.

CITY OF HOUSTON, ALASKA

Notes to Basic Financial Statements, Continued

GASB Statement No. 94 and 97 are not expected to have any significant impact on the financial statements of the City.

GASB Statement No. 87, the objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 89 requires interest costs incurred before the end of a construction period to be recognized as an expenditure or expense in the period in which the cost is incurred for financial statements prepared under the current financial resources measurement focus or the economic resource measurement focus.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures

GASB Statement No. 92, the objectives of this Statement are to enhance comparability and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement No. 93, addresses the fact that some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate.

GASB Statement No. 95 provides temporary relief to governments in light of the COVID-19 pandemic. The effective dates of the following pronouncement are postponed by one year: GASB Statements No. 83, No. 84, No. 88, No. 89, No. 90, No. 91, No. 92, and No. 93. The effective date for GASB 87 has been postponed by 18 months.

CITY OF HOUSTON, ALASKA

Notes to Basic Financial Statements, Continued

GASB Statement No. 96 will improve financial reporting by establishing a definition for Subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

## CITY OF HOUSTON, ALASKA

## General Fund

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Original and Final Budget to Actual

Year Ended June 30, 2021

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
State of Alaska:			
Community revenue sharing	75,320	75,711	391
Liquor license tax refund	7,000	-	(7,000)
Electric and telephone cooperative	20,000	19,093	(907)
Shared fisheries business tax	859	533	(326)
Total State of Alaska	<u>103,179</u>	<u>95,337</u>	<u>(7,842)</u>
Local sources:			
Taxes:			
Sales taxes	390,000	443,963	53,963
Property taxes	377,866	441,520	63,654
Motor vehicle taxes	11,500	53,540	42,040
MJ excise tax	90,000	234,397	144,397
Penalties and interest on sales taxes	3,500	12,908	9,408
Total taxes	<u>872,866</u>	<u>1,186,328</u>	<u>313,462</u>
Charges for services:			
Park fees	17,086	17,156	70
Cell tower lease	6,900	9,125	2,225
Other rentals and leases	3,700	2,640	(1,060)
Animal control	500	30	(470)
Business licenses	8,000	6,875	(1,125)
Permits	30,500	33,135	2,635
Other services	300	649	349
Total charges for services	<u>66,986</u>	<u>69,610</u>	<u>2,624</u>
Contributions and donations	-	8,060	8,060
Proceeds from insurance claims	-	272,501	272,501
Other:			
Interest	300	529	229
Miscellaneous	16,000	29,071	13,071
Total other	<u>16,300</u>	<u>29,600</u>	<u>13,300</u>
Total local sources	<u>956,152</u>	<u>1,566,099</u>	<u>609,947</u>
Total revenues	<u>1,059,331</u>	<u>1,661,436</u>	<u>602,105</u>
Expenditures:			
Administration:			
Salaries and benefits	184,211	172,327	11,884
Travel	5,200	2,098	3,102
Facility	12,950	17,673	(4,723)
Supplies	4,050	4,849	(799)
Equipment and maintenance	5,100	40	5,060
Dues and subscriptions	6,157	7,609	(1,452)
Insurance	5,641	4,754	887
Contractual	29,936	33,194	(3,258)
Records information	2,410	1,574	836
Elections and hearings	900	2,641	(1,741)
Advertising	1,750	1,078	672
Donations and special events	500	5,200	(4,700)
City resiliency and recovery	-	300	(300)
Other	1,950	-	1,950
Total administration	<u>260,755</u>	<u>253,337</u>	<u>7,418</u>

(Continued)

## CITY OF HOUSTON, ALASKA

## General Fund

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Original and final Budget to Actual, Continued

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Expenditures, continued:			
Park service and visitor center:			
Salaries and benefits	\$ 10,888	5,789	5,099
Facility	3,150	5,329	(2,179)
Supplies	950	1,674	(724)
Equipment and maintenance	1,600	1,167	433
Insurance	48	623	(575)
Advertising	400	46	354
Other	50	-	50
Total park service and visitor center	<u>17,086</u>	<u>14,628</u>	<u>2,458</u>
Public works:			
Salaries and benefits	267,565	254,432	13,133
Travel	100	89	11
Facility	19,040	65,160	(46,120)
Supplies	8,050	4,275	3,775
Equipment and maintenance	25,500	37,184	(11,684)
Dues and subscriptions	1,200	749	451
Insurance	9,534	14,804	(5,270)
Contractual	40,470	16,633	23,837
Advertising	1,000	231	769
Total public works	<u>372,459</u>	<u>393,557</u>	<u>(21,098)</u>
Public safety:			
Salaries and benefits	210,067	199,477	10,590
Travel	1,000	443	557
Facility	52,000	52,677	(677)
Supplies	4,944	13,869	(8,925)
Equipment and maintenance	30,500	71,503	(41,003)
Dues and subscriptions	7,600	735	6,865
Insurance	20,973	33,816	(12,843)
Contractual	62,407	51,928	10,479
Advertising	500	2,002	(1,502)
Other	340	-	340
Total public safety	<u>390,331</u>	<u>426,450</u>	<u>(36,119)</u>
Debt service:			
Principal	31,042	28,239	2,803
Interest	4,162	5,100	(938)
Total debt service	<u>35,204</u>	<u>33,339</u>	<u>1,865</u>
Total expenditures	<u>1,075,835</u>	<u>1,121,311</u>	<u>(45,476)</u>
Excess of revenues over expenditures	<u>(16,504)</u>	<u>540,125</u>	<u>556,629</u>
Other financing sources (uses):			
Sale of land	33,336	5,057	(28,279)
Transfer out - CARES Act Special Revenue fund	-	(5,505)	(5,505)
Total other financing sources (uses)	<u>33,336</u>	<u>(448)</u>	<u>(33,784)</u>
Net change in fund balance	<u>\$ 16,832</u>	<u>539,677</u>	<u>522,845</u>
Fund balance, beginning of year		<u>394,808</u>	
Fund balance, end of year		<u>\$ 934,485</u>	

## CITY OF HOUSTON, ALASKA

## CARES Act Special Revenue Fund

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Final Budget and Actual

Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental:			
Federal sources	\$ 1,135,290	1,125,387	(9,903)
Expenditures:			
Public works:			
City resiliency and recovery	802,746	958,138	(155,392)
Public safety:			
Salaries and benefits	5,044	3,903	1,141
Relief grants	317,500	167,137	150,363
City mitigation	10,000	1,714	8,286
Total public safety	<u>332,544</u>	<u>172,754</u>	<u>159,790</u>
Total expenditures	<u>1,135,290</u>	<u>1,130,892</u>	<u>4,398</u>
Excess (deficiency) of revenues over expenditures	-	(5,505)	(5,505)
Other financing sources:			
Transfers in - General Fund	-	5,505	5,505
Net change in fund balance	<u>\$ -</u>	-	<u>-</u>
Fund balances, beginning of year		-	
Fund balances, end of year		<u>\$ -</u>	

CITY OF HOUSTON, ALASKA

Notes to Required Supplementary Information

Year Ended June 30, 2021

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental fund types. All annual appropriations lapse at fiscal year-end.

The appropriated budget is prepared by fund and department. Budgetary control is exercised at the department level. The City Mayor is authorized to transfer budget amounts between categories within any department; however, any supplemental appropriations that amend the total expenditures of any department or fund, require City ordinance. Reported budgeted amounts are as originally adopted or as amended by ordinance.

**B. Excess of Expenditures over Appropriations**

For the year ended June 30, 2021, expenditures exceeded appropriations in the General Fund as follows:

	Amount over <u>Expenditures</u>
Public works	\$ 21,098
Public safety	36,119

Excess of expenditures over appropriations were funded through available fund balance.

**ADDITIONAL SUPPLEMENTARY  
INFORMATION**

CITY OF HOUSTON, ALASKA

Schedule of Expenditures of Federal Awards and Related Notes

Year Ended June 30, 2021

Grant Title	Grant Pass-through Number	Catalog of Federal Assistance Number	Total Grant Award	Eligible Expenditures
<b>U.S. Department of the Treasury</b>				
Passed through the State of Alaska Department of Commerce, Community, and Economic Development				
COVID-19 Coronavirus Relief Fund	20-CRF-086	21.019	\$ <u>1,135,290</u>	<u>1,125,387</u>

**Note 1. Basis of Presentation**

The schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because this Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the basic financial statements of the City.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on this Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on this Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City has elected not to use the 10% de Minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3. Subrecipients**

No federal funds were passed through to subrecipients.

# **COMPLIANCE REPORTS**

**Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards**

**Independent Auditor's Report**

Members of the City Council  
City of Houston  
Houston, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Houston, Alaska, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise City of Houston, Alaska's basic financial statements and have issued our report thereon dated November 30, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Houston, Alaska's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Houston, Alaska's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Houston, Alaska's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Houston, Alaska's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **City of Houston, Alaska's Response to the Finding**

City of Houston, Alaska's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs and the Corrective Action Plan. City of Houston, Alaska's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Anchorage, Alaska  
November 30, 2021

**Report on Compliance for Each Major Federal Program and on Internal Control over Compliance  
Required by the Uniform Guidance**

**Independent Auditor's Report**

Members of the City Council  
City of Houston  
Houston, Alaska

**Report on Compliance for Each Major Federal Program**

We have audited the City of Houston, Alaska's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Houston, Alaska's major federal programs for the year ended June 30, 2021. City of Houston, Alaska's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City of Houston, Alaska's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Houston, Alaska's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Houston, Alaska's compliance.

Members of the Council  
City of Houston, Alaska

### **Opinion on Each Major Federal Program**

In our opinion, the City of Houston, Alaska, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### **Report on Internal Control over Compliance**

Management of the City of Houston, Alaska, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Houston, Alaska's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Houston, Alaska's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Anchorage, Alaska  
November 30, 2021

CITY OF HOUSTON, ALASKA

Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

**Section I - Summary of Auditor's Results**

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Is a going concern emphasis-of-matter paragraph included in report?

       Yes      x   No

Internal control over financial reporting:

Material weakness identified?

       Yes      x   No

Significant deficiency identified?

  x   Yes           None reported

Noncompliance material to financial statements noted?

       Yes      x   No

Federal Awards

Internal control over major programs (2 CFR 200.516 (a)(1)):

Material weakness identified?

       Yes      x   No

Significant deficiency identified?

       Yes      x   None reported

Any material noncompliance with provisions of laws, Regulations, contracts, or grant agreements related To a major program 2 CFR 200.516(a)(2)?

       Yes      x   No

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)(3) or (4)?

       Yes      x   No

Identification of major programs:

CFDA Number(s)

21.019

Name of Federal Program or Cluster

Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

       Yes      x   No

CITY OF HOUSTON, ALASKA

Schedule of Findings and Questioned Costs, continued

**Section II – Financial Statement Findings**

**Finding 2021-001**

**Internal Control over Credit Cards**

**Significant Deficiency**

**Condition:** During our testing of internal controls over the credit card system we noted lack of supporting documentation for multiple charges.

**Criteria:** Financial Accounting Standards states that management is responsible for ensuring that financial information is reliable and properly reported. Proper internal control over credit cards should be in place to ensure that supporting documentation is retained, reviewed and approved by the appropriate level of management. Ensuring that any unauthorized or personal charges are identified and corrected.

**Context:** We tested detailed supporting documentation and authorization for individual charges for two (2) monthly statements and noted a total of approximately seven (7) transactions for which there was no supporting documentation.

**Cause:** Lack of internal controls over credit card purchases.

**Effect:** Charges with no legitimate business purposes could remain undetected without the implementation of proper internal controls.

**Recommendation:** All credit card charges should be supported by third party documentation via vendor invoice, receipt, or statement.

**Management Response:** Management agrees with this finding, see corrective action plan.

***Section III – Federal Award Findings and Questioned Costs***

City of Houston, Alaska did not have any findings related to federal programs.



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Status of Prior Year Audit Findings

Year Ended June 30, 2021

**Financial Statement Findings**

**Finding 2020-001**

Significant Deficiency

**Internal Control Over Payroll**

**Condition:**

During testwork performed over the payroll system, we encountered 1 transaction in our sample of 25 which was incorrectly coded in the general ledger. The employee's time should have been split coded between the Public Works and the Public Safety functions, however the employee's entire time was incorrectly coded to the Public Works function.

**Status:**

This finding has been resolved.



Corrective Action Plan

Year Ended June 30, 2021

**Finding 2021-001**

**Internal Control over Credit Cards**

**Name of Contact Person:** Sally Schug

**Corrective Action:** The Mayor and I have discussed this issue with the Department Heads. They are to stop using the cards for any small items unless they order from Amazon. The recurring renewals of Stamps, GPS, Adobe are acceptable and if we don't have an account with the vendor and it is the only place to get the product in an emergency. They are to ask first to be able to use it and do a purchase order before using the credit card. All invoices are required for the charges.

**Proposed Completion Date:** July 30, 2021.



To: Honorable Mayor and Houston City Council  
 From: Sonya Pevan, City Clerk *SP*  
 Through: Mayor Virgie Thompson *VTW*  
 Date: February 3, 2022  
 Subject: City Clerk's Report – January 2022

**Licenses, Excise Tax, Sales Tax, and Permanent Fund Levies:**

The City Clerk's office has issued the following licenses.

Business Licenses 2020 – 258	Business Licenses 2021 – 275	Business License 2022- 170
Marijuana Licenses – Active/Operating		
<ul style="list-style-type: none"> <li>● #10316 Denali 420 Recreationals – Retail</li> <li>● #11050 Houston Grass Station – Retail</li> <li>● #10799 Calm N Collective LLC. – Standard</li> <li>● #12461 Guest Services – Standard</li> <li>● #13588 High North LLC. – Standard</li> <li>● #13663 Arctic Farm – Limited</li> <li>● #14885 Karma Grown Gardens, LLC. – Limited</li> <li>● #14956 50 Shades of Green – Standard</li> <li>● #16225 Green Ghost Farms – Limited</li> <li>● #16261 Matanuska Thunder Farms LLC. – Standard</li> <li>● #17409 Kine Co. LLC. – Standard</li> <li>● #17873 Freedom 49 Farms – Standard</li> <li>● #18516 Bro Bro Budz – Standard</li> <li>● #21021 Choice Extracts – Limited</li> <li>● #22396 Houston Refinery – Standard</li> <li>● #21022 Choice Extracts – Concentrate Manufacturing</li> </ul>		
Marijuana Licenses – Expired/Surrendered		
<ul style="list-style-type: none"> <li>● Lazy Mountain Harvest Expired – 8/31/19</li> </ul>		
Liquor Licenses Active/Operating		
<ul style="list-style-type: none"> <li>● # 533 Houston Lodge – Beverage Dispensary *waiver of operation</li> <li>● # 534 Bears Den – Package Store</li> </ul>		
Non-Compliant Fireworks-Liquor and Marijuana licenses and permits		
Fireworks: All are in compliant <ul style="list-style-type: none"> <li>● Liquor # 4380 Jazco Investment, LLC. DBA Susitna Bar &amp; Grill – Restaurant or eating place</li> <li>● Liquor # 4526 Jazco Investment, LLC. DBA Susitna Bar &amp; Grill – Beverage Dispensary</li> </ul> Marijuana: * Pending due to an internal audit		

**Business Licenses and New Sales Tax Forms:** Nothing new to report.

**Remote Sales Tax Program:**( MuniRevs)

***December*** - There was a total of 96 business that submitted sales tax to the City, an increase of 8 businesses.

**Update to the Uniform Code:** Under review by the City Clerk.

<b>Waivers issued by the City Clerk HMC 4.20.150 (F)</b>				
The City Clerk shall report all waivers of penalties and fees to the Council at least once each calendar quarter.				
Quarterly Ending <b>March 31, 2022</b> - Pending				
Business Name	Waiver Period	Amount Waived	Date Approved	Approved by

**Appeals:** Nothing to report.

**Elections:** The City’s election web page is now current for 2022.

**PFD Garnishments:** Nothing new to report.

**Records and Information Management Project (RIM):** City staff has begun working on preparing and moving records to the records room and destroying any records up for destruction in accordance with the City’s Records Retention Schedule. (RRS) and that are not under records hold.

**Other Office Administration:** \*Internal audit of excise tax accounts. I am finalizing the internal audit on all excise tax accounts in the City. Business owners have been notified. I have requested a quote from Altman, Rogers & Co.to assist with the excise revenue portion of the audit.



**CITY OF HOUSTON**  
P.O. Box 940027  
Houston, Alaska 99694

## Treasurer's Report for January 2022

### For Public Review:

#### A. Reports

- Attached are departmental reports reflecting actual expenses versus budget for January FY2022, as well as a report for revenues to date.
- The City of Houston is at 66% through the Fiscal Year 2022
- The Quarterly Reports are done as well as Year End Reports.
- If you have any questions, please feel free to ask me.

  
\_\_\_\_\_  
Sally Schug  
Treasurer and Personnel Officer

Approved by: Mayor Virgie Thompson

Signature:   
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# City of Houston

## \*Budget Control Summary

Current Period: JANUARY 21-22

Account Descr	21-22 Cumulative Budget	21-22 Cumulative Actuals	21-22 Cumulative Variance	21-22 %	21-22 Adopted Budget	21-22 Forecast	Variance at Completion	21-22 YTD Perf	21-22 Est to Complete
FUND 01 General Fund Account									
Revenue Accounts									
DEPT	\$1,149,300.00	\$1,210,658.86	-\$61,358.86	-5.34%	\$0.00	\$1,149,300.00	-\$1,149,300.00	0.40	-0.08
Total Revenue Accounts	\$1,149,300.00	\$1,210,658.86	-\$61,358.86	-5.34%	\$0.00	\$1,149,300.00	-\$1,149,300.00	0.40	-0.08
Expenditure Accounts									
DEPT 100 General - Administration	\$248,146.00	\$170,759.44	-\$4,838.20	31.19%	\$0.00	\$248,146.00	-\$248,146.00	0.36	-0.12
DEPT 101 Council & Commissions	\$41,577.00	\$28,215.39	-\$1,443.16	32.14%	\$0.00	\$41,577.00	-\$41,577.00	1.33	0.80
DEPT 102 Records Management	\$3,898.00	\$3,703.99	\$2,928.52	4.98%	\$0.00	\$3,898.00	-\$3,898.00	0.48	-0.27
DEPT 103 Elections	\$5,000.00	\$6,283.19	-\$5,583.00	-25.66%	\$0.00	\$5,000.00	-\$5,000.00	0.61	-0.05
DEPT 104 Fire Department	\$437,405.00	\$217,892.56	\$45,960.88	50.19%	\$0.00	\$437,405.00	-\$437,405.00	0.37	-0.36
DEPT 105 Public Works & Roads	\$413,274.00	\$228,804.27	\$29,420.60	44.64%	\$0.00	\$413,274.00	-\$413,274.00	0.46	-0.22
DEPT 600 Grants	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Expenditure Accounts	\$1,149,300.00	\$655,658.84	-\$66,445.64	42.95%	\$0.00	\$1,149,300.00	-\$1,149,300.00	0.53	-0.08
Total FUND 01 General Fund Account	\$0.00	\$555,000.02	-\$127,804.50	0.00%	\$0.00	\$0.00	\$0.00		
FUND 02 Capital Fund Account									
Revenue Accounts									
DEPT	\$25,700.00	\$180,227.11	-\$154,527.11	-601.27%	\$0.00	\$25,700.00	-\$25,700.00	0.31	0.03
Total Revenue Accounts	\$25,700.00	\$180,227.11	-\$154,527.11	-601.27%	\$0.00	\$25,700.00	-\$25,700.00	0.31	0.03
Expenditure Accounts									
DEPT 200 Capital	\$18,970.80	\$9,517.40	-\$12,917.90	49.83%	\$0.00	\$18,970.80	-\$18,970.80	0.02	-0.02
Total Expenditure Accounts	\$18,970.80	\$9,517.40	\$12,917.90	49.83%	\$0.00	\$18,970.80	-\$18,970.80	0.02	-0.02
Total FUND 02 Capital Fund Account	\$6,729.20	\$170,709.71	-\$141,609.21	-2436.85	\$0.00	\$6,729.20	-\$6,729.20		
FUND 03 Parks Fund Account									
Revenue Accounts									
DEPT	\$0.00	\$11,528.24	-\$11,528.24	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Revenue Accounts	\$0.00	\$11,528.24	-\$11,528.24	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Expenditure Accounts									
DEPT 300 Parks & Recreation	\$0.00	\$4,108.03	-\$5,302.98	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00



City of Houston

\*Budget Control Summary

Current Period: JANUARY 21-22

Account Descr	21-22 Cumulative Budget	21-22 Cumulative Actuals	21-22 Cumulative Variance	21-22 % Variance	21-22 Adopted Budget	21-22 Forecast	Variance at Completion	21-22 YTD Perf	21-22 Est to Complete
Total Expenditure Accounts	\$0.00	\$4,108.03	\$5,302.98	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total FUND 03 Parks Fund Account	\$0.00	\$7,420.21	-\$6,225.26	0.00%	\$0.00	\$0.00	\$0.00		
FUND 04 Reserves Fund Account									
Revenue Accounts									
DEPT	\$0.00	\$50,000.00	-\$50,000.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Revenue Accounts	\$0.00	\$50,000.00	-\$50,000.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Expenditure Accounts									
DEPT 610 Reserve	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Expenditure Accounts	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total FUND 04 Reserves Fund Account	\$0.00	\$50,000.00	-\$50,000.00	0.00%	\$0.00	\$0.00	\$0.00		
FUND 06 Grant Account									
Revenue Accounts									
DEPT	\$587,537.09	\$0.00	\$587,537.09	100.00%	\$0.00	\$587,537.09	-\$587,537.09	0.00	-0.27
Total Revenue Accounts	\$587,537.09	\$0.00	\$587,537.09	100.00%	\$0.00	\$587,537.09	-\$587,537.09	0.00	-0.27
Expenditure Accounts									
DEPT 600 Grants	\$115,099.00	\$5,299.00	\$105,192.00	95.40%	\$0.00	\$115,099.00	-\$115,099.00	0.18	-0.09
Total Expenditure Accounts	\$115,099.00	\$5,299.00	-\$105,192.00	95.40%	\$0.00	\$115,099.00	-\$115,099.00	0.18	-0.09
Total FUND 06 Grant Account	\$472,438.09	-\$5,299.00	\$482,345.09	101.12%	\$0.00	\$472,438.09	-\$472,438.09		
	\$479,167.29	\$777,830.94	\$156,706.12	-62.33%	\$0.00	\$479,167.29	-\$479,167.29		

FILTER: None



**City of Houston**  
**\*Budget YTD Rev-Exp©**

02/03/22 11:59 AM

Page 1

Current Period: JANUARY 21-22

		21-22	21-22	JANUARY	21-22	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
<b>General Fund Account</b>						
	<b>Revenues</b>	\$1,149,300.00	\$1,210,658.86	\$70,401.63	-\$61,358.86	105.34%
	<b>Expenditures</b>	\$1,149,300.00	\$655,658.84	\$62,534.23	\$66,445.64	57.05%
	<b>Gain/(Loss)</b>	\$0.00	\$555,000.02	\$7,867.40	(\$127,804.50)	0.00%
<b>Revenue</b>						
Active	R 01-4000 REVENUE TAXES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-4001 MJ Excise Tax Cult	\$156,058.00	\$106,262.11	\$16,629.89	\$49,795.89	68.09%
Active	R 01-4002 MJ Penalty Interest Fines	\$554.00	\$1,402.00	\$236.95	(\$848.00)	253.07%
Active	R 01-4003 Utility Coop Tax	\$0.00	\$18,214.37	\$0.00	(\$18,214.37)	0.00%
Active	R 01-4004 Liquor License Tax	\$7,000.00	\$0.00	\$0.00	\$7,000.00	0.00%
Active	R 01-4005 Sales Tax	\$390,000.00	\$348,016.50	\$43,485.19	\$41,983.50	89.24%
Active	R 01-4006 Sales Tax Penalty Intere	\$4,000.00	\$1,181.33	\$229.44	\$2,818.67	29.53%
Active	R 01-4007 Shared Fisheries Busine	\$711.00	\$0.00	\$0.00	\$711.00	0.00%
Active	R 01-4008 Property Tax	\$400,000.00	\$270,190.44	\$4,373.54	\$129,809.56	67.55%
Active	R 01-4009 Motor Vehicle Tax	\$40,000.00	\$0.00	\$0.00	\$40,000.00	0.00%
Active	R 01-4010 Remote Sales Tax	\$4,800.00	\$11,099.31	\$2,013.12	(\$6,299.31)	231.24%
Active	R 01-4100 LICENSES & PERMITS	\$0.00	\$200.00	\$100.00	(\$200.00)	0.00%
Active	R 01-4101 Vendor Permit	\$200.00	\$110.00	\$0.00	\$90.00	55.00%
Active	R 01-4102 Animal Control Register	\$500.00	\$360.00	\$0.00	\$140.00	72.00%
Active	R 01-4103 Business Licenses	\$5,625.00	\$5,200.00	\$1,075.00	\$425.00	92.44%
Active	R 01-4104 Permits Other	\$25,000.00	\$21,600.00	\$0.00	\$3,400.00	86.40%
Active	R 01-4105 MJ Excise Tax License	\$2,500.00	\$1,250.00	\$250.00	\$1,250.00	50.00%
Active	R 01-4106 SOA MJ License Fee/ Re	\$4,000.00	\$4,900.00	\$2,000.00	(\$900.00)	122.50%
Active	R 01-4200 FINES & PENALTIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-4201 PFD Levy	\$500.00	\$2,957.46	\$0.00	(\$2,457.46)	591.49%
Active	R 01-4202 Fines & Citations	\$100.00	\$0.00	\$0.00	\$100.00	0.00%
Active	R 01-4300 MISCELLANEOUS	\$0.00	\$509.28	\$0.00	(\$509.28)	0.00%
Active	R 01-4301 Fire Equip/Gear From Ca	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-4302 Computer System Upgra	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-4303 Penalty Interest Late Fee	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-4304 Administrative Fees	\$250.00	\$51.00	\$5.50	\$199.00	20.40%
Active	R 01-4305 Office Fees	\$0.00	\$61.00	\$3.00	(\$61.00)	0.00%
Active	R 01-4306 Reimburse for City Servic	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-4307 Appeals	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-4308 Rental of Public Works E	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-4309 Rental of Fire Truck Equi	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-4310 Other Revenues	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-4311 Safety Equipment/Trainin	\$0.00	\$691.00	\$0.00	(\$691.00)	0.00%
Active	R 01-4312 Rescue Funding	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-4313 Animal Donations	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-4314 Founders Day Donations	\$15,000.00	\$6,950.00	\$0.00	\$8,050.00	46.33%
Active	R 01-4315 Donations Other	\$200.00	\$0.00	\$0.00	\$200.00	0.00%
Active	R 01-4316 Interest on Bank Account	\$300.00	\$0.00	\$0.00	\$300.00	0.00%
Active	R 01-4317 Fireworks Public Educati	\$1,500.00	\$0.00	\$0.00	\$1,500.00	0.00%
Active	R 01-4318 Candidate Filing Fee	\$100.00	\$200.00	\$0.00	(\$100.00)	200.00%
Active	R 01-4319 NCI Reimbursement Cler	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-4320 Noticing Fee For Rezonin	\$800.00	\$0.00	\$0.00	\$800.00	0.00%
Active	R 01-4321 Transfer To Parks Cover	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-4322 Transfer From Parks	\$0.00	\$6,114.65	\$0.00	(\$6,114.65)	0.00%
Active	R 01-4323 Interest Income	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-4324 Miscellaneous Income	\$0.00	\$0.00	\$0.00	\$0.00	0.00%



**City of Houston**  
**\*Budget YTD Rev-Exp©**

02/03/22 11:59 AM

Page 2

Current Period: JANUARY 21-22

		21-22	21-22	JANUARY	21-22	% of		
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget		
Active	R 01-4325 Insurance Claims	\$0.00	\$27,904.17	\$0.00	(\$27,904.17)	0.00%		
Active	R 01-4700 InterGovernmental Reve	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	R 01-4701 Community Assistant Pro	\$84,994.00	\$84,115.19	\$0.00	\$878.81	98.97%		
Active	R 01-4702 FEMA Earthquake	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	R 01-4703 Volunteer Fire Assistanc	\$4,608.00	\$0.00	\$0.00	\$4,608.00	0.00%		
Active	R 01-4800 Covid Act Funding Progr	\$0.00	\$291,119.05	\$0.00	(\$291,119.05)	0.00%		
Active	R 01-4901 Reserve	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	R 01-4999 Transfer of Funds	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
<b>Total Revenue</b>		<b>\$1,149,300.00</b>	<b>\$1,210,658.86</b>	<b>\$70,401.63</b>	<b>(\$61,358.86)</b>	<b>105.34%</b>		
<b>Expenditure</b>								
Active	E 01-100-5000 Personal Services E	\$0.00	\$400.00	\$0.00	(\$400.00)	0.00%		
Active	E 01-100-5001 Salaries & Wages	\$145,719.00	\$78,969.68	\$5,778.97	\$66,749.32	54.19%		
Active	E 01-100-5002 Payroll Taxes SS &	\$11,182.00	\$6,007.49	\$426.14	\$5,174.51	53.72%		
Active	E 01-100-5003 ESC Unemployment	\$1,457.00	\$755.34	\$49.40	\$701.66	51.84%		
Active	E 01-100-5004 Retirement Deductio	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-100-5005 Retirement Co Paid	\$966.00	\$385.70	\$23.30	\$580.30	39.93%		
Active	E 01-100-5006 Health & Life Insuran	\$34,854.00	\$29,862.55	\$6,629.67	(\$29,862.55)	185.68%	(\$34,854.00 enc)	
Active	E 01-100-5007 Workers Compensati	\$656.00	\$0.00	\$0.00	\$656.00	0.00%		
Active	E 01-100-5009 Background Check &	\$50.00	\$0.00	\$0.00	\$50.00	0.00%		
Active	E 01-100-5100 Travel Expense	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-100-5101 Travel, Training, Erra	\$3,000.00	\$1,710.00	\$0.00	(\$569.00)	118.97%	(\$1,859.00 enc)	
Active	E 01-100-5102 Safety Security & Tr	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-100-5200 Facility Expenses	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-100-5201 Telephone Expense	\$2,750.00	\$1,614.91	\$296.27	(\$1,614.91)	158.72%	(\$2,750.00 enc)	
Active	E 01-100-5202 Electric Expense	\$3,000.00	\$1,679.37	\$0.00	(\$1,679.37)	155.98%	(\$3,000.00 enc)	
Active	E 01-100-5203 Heating Fuel Expens	\$2,750.00	\$2,000.98	\$492.64	(\$2,000.98)	172.76%	(\$2,750.00 enc)	
Active	E 01-100-5205 Solid Waste - Garba	\$1,500.00	\$963.82	\$408.10	(\$963.82)	164.25%	(\$1,500.00 enc)	
Active	E 01-100-5206 Building Repair & Ma	\$0.00	\$33.45	\$0.00	(\$33.45)	0.00%		
Active	E 01-100-5207 Postage& Delivery	\$1,350.00	\$350.06	\$29.99	\$499.08	63.03%	(\$500.86 enc)	
Active	E 01-100-5208 Licenses & Permits	\$1,500.00	\$1,100.00	\$0.00	(\$700.00)	146.67%	(\$1,100.00 enc)	
Active	E 01-100-5209 Subscriptions & Due	\$1,700.00	\$290.00	\$0.00	(\$1,653.00)	197.24%	(\$3,063.00 enc)	
Active	E 01-100-5210 Certifications & Rene	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-100-5211 Operating Expenses	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-100-5212 Advertising & Promo	\$750.00	\$252.00	\$0.00	\$99.00	86.80%	(\$399.00 enc)	
Active	E 01-100-5213 Printing & Signage	\$500.00	\$375.00	\$0.00	\$125.00	75.00%		
Active	E 01-100-5214 Bank Fees, Merch F	\$0.00	\$327.80	\$0.00	(\$548.58)	0.00%	(\$220.78 enc)	
Active	E 01-100-5215 Court & State Fees	\$250.00	\$0.00	\$0.00	\$250.00	0.00%		
Active	E 01-100-5216 Penalties & Interest	\$250.00	\$0.00	\$0.00	\$250.00	0.00%		
Active	E 01-100-5217 Discretionary Fund	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-100-5218 Bad Debt Return CK	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-100-5219 Credit Card Fees &	\$400.00	\$0.00	\$0.00	\$400.00	0.00%		
Active	E 01-100-5220 Donations & Special	\$100.00	\$0.00	\$0.00	\$100.00	0.00%		
Active	E 01-100-5221 Founders Day Expen	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-100-5224 Remote Sales Tax F	\$0.00	\$1,750.14	\$261.70	(\$1,750.14)	0.00%		
Active	E 01-100-5300 Supplies	\$0.00	\$38.78	\$0.00	(\$260.72)	0.00%	(\$221.94 enc)	
Active	E 01-100-5301 Supplies & Consuma	\$2,250.00	\$1,790.20	\$154.69	(\$1,391.14)	161.83%	(\$1,850.94 enc)	
Active	E 01-100-5302 Janitorial Supplies	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-100-5304 Equipment & Gear P	\$2,000.00	\$20,678.05	\$0.00	(\$19,278.05)	1063.90%	(\$600.00 enc)	
Active	E 01-100-5305 Training Supplies &	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-100-5306 Miscellaneous Expen	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-100-5400 Vehicle & Equipment	\$0.00	\$3,972.44	\$0.00	(\$3,972.44)	0.00%		
Active	E 01-100-5402 Vehicle & Equipment	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		



**City of Houston**  
**\*Budget YTD Rev-Exp©**

02/03/22 11:59 AM

Page 3

Current Period: JANUARY 21-22

		21-22 YTD Budget	21-22 YTD Amt	JANUARY MTD Amt	21-22 YTD Balance	% of Budget	
Active	E 01-100-5403 Vehicle & Equipment	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-100-5500 Insurance Expenses	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-100-5501 Mobile Equipment In	\$28.00	\$0.00	\$0.00	\$28.00	0.00%	
Active	E 01-100-5502 General Liability Insu	\$4,853.00	\$0.00	\$0.00	\$4,853.00	0.00%	
Active	E 01-100-5503 Property Insurance	\$571.00	\$0.00	\$0.00	\$571.00	0.00%	
Active	E 01-100-5504 Vehicle Insurance	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-100-5505 Insurance Claim Ded	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-100-5600 Contractual	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-100-5601 Contractual Software	\$760.00	\$824.99	\$14.99	(\$1,301.24)	271.22%	(\$1,236.25 enc)
Active	E 01-100-5602 Contractual Leases	\$4,000.00	\$4,103.93	\$354.51	(\$4,713.62)	217.84%	(\$4,609.69 enc)
Active	E 01-100-5604 Contractual Legal Ad	\$10,000.00	\$1,813.75	\$570.25	(\$2,934.00)	129.34%	(\$11,120.25 enc)
Active	E 01-100-5605 Contractual Accounti	\$6,250.00	\$5,500.34	\$0.00	(\$4,750.68)	176.01%	(\$5,500.34 enc)
Active	E 01-100-5606 Contractual Internet,	\$2,500.00	\$2,779.17	\$395.66	(\$5,145.88)	305.84%	(\$4,866.71 enc)
Active	E 01-100-5607 Contractual Engineer	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-100-5608 Contractual Towing	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-100-5609 Contractual Vetinaria	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-100-5610 Contractual Security	\$250.00	\$129.50	\$37.00	(\$101.50)	140.60%	(\$222.00 enc)
Active	E 01-100-5611 Contractual LID	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-100-5612 Contractual Planner	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-100-5700 Founders Day Expen	\$0.00	\$300.00	\$0.00	(\$300.00)	0.00%	
Active	E 01-100-6101 Bank Service Charg	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-100-6102 Unallocated Funds	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-100-6103 Purchase Orders	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-100-6200 Grants Expenses	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-100-6201 Insurance Paid for S	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-100-6202 Community Assistan	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-101-5000 Personal Services E	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-101-5001 Salaries & Wages	\$8,350.00	\$5,622.65	\$133.70	\$2,727.35	67.34%	
Active	E 01-101-5002 Payroll Taxes SS &	\$344.00	\$240.88	\$10.23	\$103.12	70.02%	
Active	E 01-101-5003 ESC Unemployment	\$45.00	\$27.24	\$1.34	\$17.76	60.53%	
Active	E 01-101-5004 Retirement Deductio	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-101-5005 Retirement Co Paid	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-101-5006 Health & Life Insuran	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-101-5007 Workers Compensati	\$38.00	\$0.00	\$0.00	\$38.00	0.00%	
Active	E 01-101-5100 Travel Expense	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-101-5101 Travel, Training, Erra	\$1,200.00	\$0.00	\$0.00	\$1,200.00	0.00%	
Active	E 01-101-5200 Facility Expenses	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-101-5201 Telephone Expense	\$600.00	\$939.04	\$338.34	(\$1,952.32)	425.39%	(\$1,613.28 enc)
Active	E 01-101-5207 Postage& Delivery	\$200.00	\$0.00	\$0.00	\$200.00	0.00%	
Active	E 01-101-5209 Subscriptions & Due	\$3,000.00	\$0.00	\$0.00	\$3,000.00	0.00%	
Active	E 01-101-5213 Printing & Signage	\$250.00	\$494.14	\$0.00	(\$244.14)	197.66%	
Active	E 01-101-5220 Donations & Special	\$500.00	\$200.00	\$0.00	\$300.00	40.00%	
Active	E 01-101-5221 Founders Day Expen	\$15,000.00	\$1,812.93	\$0.00	\$11,059.92	26.27%	(\$2,127.15 enc)
Active	E 01-101-5300 Supplies	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-101-5301 Supplies & Consuma	\$600.00	\$325.83	\$0.00	\$274.17	54.31%	
Active	E 01-101-5302 Janitorial Supplies	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-101-5304 Equipment & Gear P	\$100.00	\$3,400.50	\$0.00	(\$3,300.50)	3400.50%	
Active	E 01-101-5306 Miscellaneous Expen	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-101-5400 Vehicle & Equipment	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-101-5403 Vehicle & Equipment	\$100.00	\$54.79	\$0.00	(\$54.79)	154.79%	(\$100.00 enc)
Active	E 01-101-5600 Contractual	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-101-5601 Contractual Software	\$0.00	\$2,472.50	\$0.00	(\$3,708.75)	0.00%	(\$1,236.25 enc)



**City of Houston**  
**\*Budget YTD Rev-Exp©**

02/03/22 11:59 AM

Page 4

Current Period: JANUARY 21-22

		21-22	21-22	JANUARY	21-22	% of	
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget	
Active	E 01-101-5604 Contractual Legal Ad	\$2,500.00	\$312.50	\$0.00	(\$312.50)	112.50%	(\$2,500.00 enc)
Active	E 01-101-5605 Contractual Accounti	\$6,250.00	\$5,500.34	\$0.00	(\$4,750.68)	176.01%	(\$5,500.34 enc)
Active	E 01-101-5606 Contractual Internet,	\$2,500.00	\$1,047.05	\$72.00	\$390.20	84.39%	(\$1,062.75 enc)
Active	E 01-101-5700 Founders Day Expen	\$0.00	\$5,765.00	\$0.00	(\$6,430.00)	0.00%	(\$665.00 enc)
Active	E 01-101-5903 Appeals / Hearings	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-101-5904 Hearing Officer	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-102-5800 Records Info Progra	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-102-5801 Records Software	\$3,548.00	\$3,568.00	\$0.00	\$2,968.00	16.35%	(\$2,988.00 enc)
Active	E 01-102-5802 Records Supplies	\$150.00	\$135.99	\$135.99	(\$239.48)	259.65%	(\$253.49 enc)
Active	E 01-102-5803 Records Destruction	\$200.00	\$0.00	\$0.00	\$200.00	0.00%	
Active	E 01-103-5209 Subscriptions & Due	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-103-5212 Advertising & Promo	\$1,000.00	\$1,735.00	\$0.00	(\$2,323.00)	332.30%	(\$1,588.00 enc)
Active	E 01-103-5301 Supplies & Consuma	\$1,000.00	\$317.19	\$53.89	\$452.00	54.80%	(\$230.81 enc)
Active	E 01-103-5900 Elections	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-103-5901 Ballots Expense	\$1,000.00	\$2,481.00	\$0.00	(\$3,962.00)	496.20%	(\$2,481.00 enc)
Active	E 01-103-5902 Casual Labor/Electio	\$1,800.00	\$1,750.00	\$0.00	\$50.00	97.22%	
Active	E 01-103-5903 Appeals / Hearings	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-103-5904 Hearing Officer	\$100.00	\$0.00	\$0.00	\$100.00	0.00%	
Active	E 01-103-5905 Transcripts & Expen	\$100.00	\$0.00	\$0.00	\$100.00	0.00%	
Active	E 01-104-5000 Personal Services E	\$0.00	\$200.00	\$0.00	(\$200.00)	0.00%	
Active	E 01-104-5001 Salaries & Wages	\$172,512.00	\$74,096.08	\$6,000.33	\$98,415.92	42.95%	
Active	E 01-104-5002 Payroll Taxes SS &	\$13,197.00	\$6,003.78	\$452.36	\$7,193.22	45.49%	
Active	E 01-104-5003 ESC Unemployment	\$1,725.00	\$742.71	\$60.02	\$982.29	43.06%	
Active	E 01-104-5004 Retirement Deductio	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-104-5005 Retirement Co Paid	\$585.00	\$416.22	\$32.50	\$168.78	71.15%	
Active	E 01-104-5006 Health & Life Insuran	\$19,917.00	\$16,279.28	\$3,120.47	(\$16,279.28)	181.74%	(\$19,917.00 enc)
Active	E 01-104-5007 Workers Compensati	\$8,916.00	\$0.00	\$0.00	\$8,916.00	0.00%	
Active	E 01-104-5008 Fireworks Public Edu	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-104-5009 Background Check &	\$400.00	\$0.00	\$0.00	\$400.00	0.00%	
Active	E 01-104-5100 Travel Expense	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-104-5101 Travel, Training, Erra	\$1,000.00	\$400.00	\$0.00	\$200.00	80.00%	(\$400.00 enc)
Active	E 01-104-5102 Safety Security & Tr	\$1,000.00	\$199.75	\$0.00	\$0.09	99.99%	(\$800.16 enc)
Active	E 01-104-5200 Facility Expenses	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-104-5201 Telephone Expense	\$7,000.00	\$3,598.09	\$547.10	\$2,821.47	59.69%	(\$580.44 enc)
Active	E 01-104-5202 Electric Expense	\$24,000.00	\$8,993.46	\$0.00	(\$8,993.46)	137.47%	(\$24,000.00 enc)
Active	E 01-104-5203 Heating Fuel Expens	\$8,000.00	\$14,573.41	\$6,648.19	(\$21,697.39)	371.22%	(\$15,123.98 enc)
Active	E 01-104-5204 Enstar Natural Gas 9	\$4,000.00	\$1,277.94	\$0.00	\$2,722.06	31.95%	
Active	E 01-104-5205 Solid Waste - Garba	\$3,000.00	\$1,327.49	\$188.20	(\$1,327.49)	144.25%	(\$3,000.00 enc)
Active	E 01-104-5206 Building Repair & Ma	\$5,000.00	\$7,708.33	\$83.91	(\$8,103.80)	262.08%	(\$5,395.47 enc)
Active	E 01-104-5207 Postage& Delivery	\$500.00	\$323.82	\$0.00	\$11.91	97.62%	(\$164.27 enc)
Active	E 01-104-5208 Licenses & Permits	\$7,000.00	\$2,208.00	\$0.00	\$3,267.00	53.33%	(\$1,525.00 enc)
Active	E 01-104-5209 Subscriptions & Due	\$300.00	\$454.88	\$0.00	(\$434.76)	244.92%	(\$279.88 enc)
Active	E 01-104-5210 Certifications & Rene	\$400.00	\$134.00	\$0.00	\$132.00	67.00%	(\$134.00 enc)
Active	E 01-104-5211 Operating Expenses	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-104-5212 Advertising & Promo	\$250.00	\$157.55	\$0.00	\$92.45	63.02%	
Active	E 01-104-5213 Printing & Signage	\$250.00	\$375.00	\$0.00	(\$125.00)	150.00%	
Active	E 01-104-5214 Bank Fees, Merch F	\$0.00	\$4.34	\$0.00	(\$4.34)	0.00%	
Active	E 01-104-5217 Discretionary Fund	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-104-5219 Credit Card Fees &	\$400.00	\$0.00	\$0.00	\$400.00	0.00%	
Active	E 01-104-5220 Donations & Special	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-104-5300 Supplies	\$0.00	\$0.00	\$0.00	(\$12.84)	0.00%	(\$12.84 enc)
Active	E 01-104-5301 Supplies & Consuma	\$800.00	\$301.85	\$0.00	\$0.36	99.96%	(\$497.79 enc)



**City of Houston**  
**\*Budget YTD Rev-Exp©**

02/03/22 11:59 AM

Page 5

Current Period: JANUARY 21-22

		21-22 YTD Budget	21-22 YTD Amt	JANUARY MTD Amt	21-22 YTD Balance	% of Budget	
Active	E 01-104-5302 Janitorial Supplies	\$744.00	\$778.31	\$599.60	(\$270.31)	136.33%	(\$236.00 enc)
Active	E 01-104-5303 Animal Food & Supp	\$600.00	\$826.33	\$139.95	(\$1,141.99)	290.33%	(\$915.66 enc)
Active	E 01-104-5304 Equipment & Gear P	\$20,000.00	\$18,625.32	\$0.00	(\$16,898.26)	184.49%	(\$18,272.94 enc)
Active	E 01-104-5305 Training Supplies &	\$1,500.00	\$229.00	\$0.00	\$1,042.00	30.53%	(\$229.00 enc)
Active	E 01-104-5306 Miscellaneous Expen	\$546.00	\$27.72	\$0.00	\$518.28	5.08%	
Active	E 01-104-5400 Vehicle & Equipment	\$0.00	\$539.18	\$539.18	(\$539.18)	0.00%	
Active	E 01-104-5401 Vehicle Equipment	\$12,500.00	\$4,696.25	\$2,317.03	(\$9,968.53)	179.75%	(\$17,772.28 enc)
Active	E 01-104-5402 Vehicle & Equipment	\$200.00	\$0.00	\$0.00	\$200.00	0.00%	
Active	E 01-104-5403 Vehicle & Equipment	\$12,500.00	\$6,205.90	\$1,025.64	(\$2,731.90)	121.86%	(\$9,026.00 enc)
Active	E 01-104-5500 Insurance Expenses	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-104-5501 Mobile Equipment In	\$1,375.00	\$0.00	\$0.00	\$1,375.00	0.00%	
Active	E 01-104-5502 General Liability Insu	\$4,853.00	\$0.00	\$0.00	\$4,853.00	0.00%	
Active	E 01-104-5503 Property Insurance	\$11,885.00	\$0.00	\$0.00	\$11,885.00	0.00%	
Active	E 01-104-5504 Vehicle Insurance	\$15,000.00	\$0.00	\$0.00	\$15,000.00	0.00%	
Active	E 01-104-5505 Insurance Claim Ded	\$10,000.00	\$0.00	\$0.00	\$10,000.00	0.00%	
Active	E 01-104-5600 Contractual	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-104-5601 Contractual Software	\$0.00	\$2,046.25	\$0.00	(\$3,282.50)	0.00%	(\$1,236.25 enc)
Active	E 01-104-5602 Contractual Leases	\$2,000.00	\$1,070.83	\$126.81	(\$270.83)	113.54%	(\$1,200.00 enc)
Active	E 01-104-5603 Contractual Medical	\$1,500.00	\$246.18	\$0.00	\$1,078.82	28.08%	(\$175.00 enc)
Active	E 01-104-5604 Contractual Legal Ad	\$500.00	\$0.00	\$0.00	\$0.00	100.00%	(\$500.00 enc)
Active	E 01-104-5605 Contractual Accounti	\$6,250.00	\$5,500.34	\$0.00	(\$4,750.68)	176.01%	(\$5,500.34 enc)
Active	E 01-104-5606 Contractual Internet,	\$4,000.00	\$3,025.92	\$395.65	(\$3,892.63)	197.32%	(\$4,866.71 enc)
Active	E 01-104-5608 Contractual Towing	\$500.00	\$0.00	\$0.00	\$500.00	0.00%	
Active	E 01-104-5609 Contractual Vetinaria	\$5,300.00	\$1,377.30	\$410.00	\$2,955.40	44.24%	(\$967.30 enc)
Active	E 01-104-5610 Contractual Security	\$500.00	\$606.50	\$186.50	(\$1,114.50)	322.90%	(\$1,008.00 enc)
Active	E 01-104-5613 Contractual Mainten	\$30,000.00	\$22,500.00	\$0.00	(\$22,500.00)	175.00%	(\$30,000.00 enc)
Active	E 01-104-5614 Contractual Dispatch	\$15,000.00	\$9,815.25	\$0.00	(\$4,630.50)	130.87%	(\$9,815.25 enc)
Active	E 01-104-6103 Purchase Orders	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-104-6200 Grants Expenses	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-104-6201 Insurance Paid for S	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-105- 8001	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-105-5000 Personal Services E	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-105-5001 Salaries & Wages	\$210,636.00	\$103,717.72	\$7,361.92	\$106,918.28	49.24%	
Active	E 01-105-5002 Payroll Taxes SS &	\$16,114.00	\$7,866.30	\$553.99	\$8,247.70	48.82%	
Active	E 01-105-5003 ESC Unemployment	\$2,106.00	\$1,029.17	\$73.61	\$1,076.83	48.87%	
Active	E 01-105-5004 Retirement Deductio	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-105-5005 Retirement Co Paid	\$568.00	\$447.96	\$41.81	\$120.04	78.87%	
Active	E 01-105-5006 Health & Life Insuran	\$45,289.00	\$30,802.06	\$7,652.80	(\$30,802.06)	168.01%	(\$45,289.00 enc)
Active	E 01-105-5007 Workers Compensati	\$10,976.00	\$0.00	\$0.00	\$10,976.00	0.00%	
Active	E 01-105-5009 Background Check &	\$200.00	\$0.00	\$0.00	\$200.00	0.00%	
Active	E 01-105-5100 Travel Expense	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-105-5101 Travel, Training, Erra	\$100.00	\$0.00	\$0.00	\$100.00	0.00%	
Active	E 01-105-5102 Safety Security & Tr	\$400.00	(\$95.58)	\$0.00	\$495.58	-23.90%	
Active	E 01-105-5200 Facility Expenses	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 01-105-5201 Telephone Expense	\$3,540.00	\$1,845.24	\$339.65	(\$8,910.12)	351.70%	(\$10,604.88 enc)
Active	E 01-105-5202 Electric Expense	\$6,000.00	\$2,939.53	\$0.00	(\$2,939.53)	148.99%	(\$6,000.00 enc)
Active	E 01-105-5203 Heating Fuel Expens	\$5,000.00	\$2,605.58	\$1,097.21	(\$3,210.15)	164.20%	(\$5,604.57 enc)
Active	E 01-105-5205 Solid Waste - Garba	\$2,500.00	\$1,222.85	\$667.10	(\$1,481.85)	159.27%	(\$2,759.00 enc)
Active	E 01-105-5206 Building Repair & Ma	\$3,000.00	\$1,911.18	\$103.05	(\$600.68)	120.02%	(\$1,689.50 enc)
Active	E 01-105-5207 Postage& Delivery	\$1,000.00	\$1,582.52	\$140.00	(\$1,353.00)	235.30%	(\$770.48 enc)
Active	E 01-105-5208 Licenses & Permits	\$2,362.00	\$1,110.00	\$0.00	\$152.00	93.56%	(\$1,100.00 enc)
Active	E 01-105-5209 Subscriptions & Due	\$945.00	\$215.30	\$27.90	\$394.90	58.21%	(\$334.80 enc)



**City of Houston**  
**\*Budget YTD Rev-Exp©**

02/03/22 11:59 AM

Page 6

Current Period: JANUARY 21-22

		21-22	21-22	JANUARY	21-22	% of		
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget		
Active	E 01-105-5210 Certifications & Rene	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-105-5211 Operating Expenses	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-105-5212 Advertising & Promo	\$100.00	\$325.50	\$105.00	(\$440.75)	540.75%		(\$215.25 enc)
Active	E 01-105-5213 Printing & Signage	\$500.00	\$376.10	\$0.00	\$123.90	75.22%		
Active	E 01-105-5214 Bank Fees, Merch F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-105-5216 Penalties & Interest	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-105-5217 Discretionary Fund	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-105-5219 Credit Card Fees &	\$400.00	\$0.00	\$0.00	\$400.00	0.00%		
Active	E 01-105-5222 Summer Maintenan	\$14,000.00	\$8,084.57	\$0.00	(\$2,078.49)	114.85%		(\$7,993.92 enc)
Active	E 01-105-5223 Winter Maintenance	\$20,000.00	\$21,681.12	\$208.56	(\$18,585.29)	192.93%		(\$16,904.17 enc)
Active	E 01-105-5300 Supplies	\$0.00	\$62.85	\$0.00	(\$191.95)	0.00%		(\$129.10 enc)
Active	E 01-105-5301 Supplies & Consuma	\$1,000.00	\$849.27	\$47.49	(\$814.50)	181.45%		(\$965.23 enc)
Active	E 01-105-5302 Janitorial Supplies	\$500.00	\$471.19	\$50.49	(\$84.10)	116.82%		(\$112.91 enc)
Active	E 01-105-5304 Equipment & Gear P	\$1,000.00	\$350.26	\$0.00	\$298.55	70.15%		(\$351.19 enc)
Active	E 01-105-5305 Training Supplies &	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-105-5306 Miscellaneous Expen	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-105-5400 Vehicle & Equipment	\$0.00	\$38.28	\$38.28	(\$430.79)	0.00%		(\$392.51 enc)
Active	E 01-105-5401 Vehicle Equipment	\$7,000.00	\$13,548.60	\$895.52	(\$28,270.58)	503.87%		(\$21,721.98 enc)
Active	E 01-105-5402 Vehicle & Equipment	\$1,000.00	\$1,104.34	\$0.00	(\$2,138.68)	313.87%		(\$2,034.34 enc)
Active	E 01-105-5403 Vehicle & Equipment	\$16,000.00	\$12,222.35	\$2,927.66	(\$10,761.35)	167.26%		(\$14,539.00 enc)
Active	E 01-105-5500 Insurance Expenses	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-105-5501 Mobile Equipment In	\$1,309.00	\$0.00	\$0.00	\$1,309.00	0.00%		
Active	E 01-105-5502 General Liability Insu	\$4,853.00	\$0.00	\$0.00	\$4,853.00	0.00%		
Active	E 01-105-5503 Property Insurance	\$4,537.00	\$0.00	\$0.00	\$4,537.00	0.00%		
Active	E 01-105-5504 Vehicle Insurance	\$4,697.00	\$0.00	\$0.00	\$4,697.00	0.00%		
Active	E 01-105-5505 Insurance Claim Ded	\$10,000.00	\$0.00	\$0.00	\$10,000.00	0.00%		
Active	E 01-105-5600 Contractual	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-105-5601 Contractual Software	\$350.00	\$2,046.25	\$0.00	(\$2,932.50)	937.86%		(\$1,236.25 enc)
Active	E 01-105-5602 Contractual Leases	\$1,500.00	\$1,606.47	\$245.82	(\$3,118.47)	307.90%		(\$3,012.00 enc)
Active	E 01-105-5604 Contractual Legal Ad	\$500.00	\$0.00	\$0.00	\$0.00	100.00%		(\$500.00 enc)
Active	E 01-105-5605 Contractual Accounti	\$6,250.00	\$5,500.34	\$0.00	(\$4,750.68)	176.01%		(\$5,500.34 enc)
Active	E 01-105-5606 Contractual Internet,	\$4,820.00	\$3,025.95	\$395.66	(\$3,072.66)	163.75%		(\$4,866.71 enc)
Active	E 01-105-5607 Contractual Engineer	\$500.00	\$0.00	\$0.00	\$500.00	0.00%		
Active	E 01-105-5608 Contractual Towing	\$500.00	\$200.00	\$0.00	\$100.00	80.00%		(\$200.00 enc)
Active	E 01-105-5610 Contractual Security	\$222.00	\$111.00	\$18.50	(\$111.00)	150.00%		(\$222.00 enc)
Active	E 01-105-5611 Contractual LID	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-105-5612 Contractual Planner	\$1,000.00	\$0.00	\$0.00	\$1,000.00	0.00%		
Active	E 01-105-6103 Purchase Orders	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-105-6200 Grants Expenses	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-105-6201 Insurance Paid for S	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-600-5102 Safety Security & Tr	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 01-600-5305 Training Supplies &	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
	<b>Total Expenditure</b>	<b>(\$1,149,300.00)</b>	<b>(\$655,658.84)</b>	<b>(\$62,534.23)</b>	<b>(\$66,445.64)</b>	<b>57.05%</b>		<b>\$427,195.52 enc)</b>
	<b>Total General Fund Account</b>	<b>\$0.00</b>	<b>\$555,000.02</b>	<b>\$7,867.40</b>	<b>(\$127,804.50)</b>	<b>0.00%</b>		<b>\$427,195.52 enc)</b>
<b>Capital Fund Account</b>								
	<b>Revenues</b>	<b>\$25,700.00</b>	<b>\$180,227.11</b>	<b>\$0.00</b>	<b>-\$154,527.11</b>	<b>701.27%</b>		
	<b>Expenditures</b>	<b>\$18,970.80</b>	<b>\$9,517.40</b>	<b>\$0.00</b>	<b>-\$12,917.90</b>	<b>50.17%</b>		
	<b>Gain/(Loss)</b>	<b>\$6,729.20</b>	<b>\$170,709.71</b>	<b>\$0.00</b>	<b>(\$141,609.21)</b>	<b>2536.85%</b>		
<b>Revenue</b>								
Active	R 02-4316 Interest on Bank Account	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		



**City of Houston**  
**\*Budget YTD Rev-Exp©**

02/03/22 11:59 AM

Page 7

Current Period: JANUARY 21-22

		21-22	21-22	JANUARY	21-22	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Active	R 02-4318 Candidate Filing Fee	\$100.00	\$0.00	\$0.00	\$100.00	0.00%
Active	R 02-4324 Miscellaneous Income	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 02-4400 Miscellaneous Capital	\$0.00	\$114,094.95	\$0.00	(\$114,094.95)	0.00%
Active	R 02-4401 Capital Public Safety Exc	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 02-4402 Capital Public Safety Fire	\$15,000.00	\$56,188.10	\$0.00	(\$41,188.10)	374.59%
Active	R 02-4403 Capital Vehicle/Equip Au	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 02-4404 Capital Land/Property Sa	\$0.00	\$2,000.00	\$0.00	(\$2,000.00)	0.00%
Active	R 02-4405 Capital Vehicle/Equip Sal	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 02-4406 Capital Enstar Gas Refun	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 02-4407 Capital App to Purchase	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 02-4408 Capital Reclam Bond For	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 02-4409 Capital Levesque Refund	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 02-4600 Capital Leases	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 02-4601 Capital Lease App Fee C	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 02-4602 Capital AK Wildbird Leas	\$100.00	\$100.00	\$0.00	\$0.00	100.00%
Active	R 02-4603 Capital Office 9-1 Lease	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 02-4604 Capital Cell Tower Lease	\$6,900.00	\$1,520.88	\$0.00	\$5,379.12	22.04%
Active	R 02-4605 Capital Carrie McKee Le	\$2,400.00	\$1,200.00	\$0.00	\$1,200.00	50.00%
Active	R 02-4606 Capital Visitor Center Le	\$1,200.00	\$1,528.18	\$0.00	(\$328.18)	127.35%
Active	R 02-4607 Capital Dillon Gilroy Leas	\$0.00	\$3,595.00	\$0.00	(\$3,595.00)	0.00%
Active	R 02-4999 Transfer of Funds	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>Total Revenue</b>		<b>\$25,700.00</b>	<b>\$180,227.11</b>	<b>\$0.00</b>	<b>(\$154,527.11)</b>	<b>701.27%</b>
<b>Expenditure</b>						
Active	E 02-200- 8001	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 02-200-8000 Capital Projects	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 02-200-8002 Cap Ford F450 Plow	\$8,888.64	\$4,444.32	\$0.00	(\$4,444.32)	150.00% (\$8,888.64 enc)
Active	E 02-200-8003 Capital Ford F250	\$10,082.16	\$5,041.08	\$0.00	(\$5,041.08)	150.00% (\$10,082.16 enc)
Active	E 02-200-8004 Capital City Land	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 02-200-8005 Capital Recording D	\$0.00	\$32.00	\$0.00	(\$32.00)	0.00%
Active	E 02-200-8006 Capital Multiuse Faci	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 02-200-8007 Capital City Hall Pavi	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 02-200-8008 Capital Computer Sy	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 02-200-8009 Capital City Hall Rep	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 02-200-8010 Capital Road Grader	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 02-200-8011 Capital D3 Bulldozer	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 02-200-8012 Capital 40X60 Steel	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 02-200-8013 Capital Dump Truck	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 02-200-8014 Capital Equipment Tr	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 02-200-8015 Capital Park & Rec T	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 02-200-8016 Capital Bear Paw AD	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 02-200-8017 Capital Houston/Will	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 02-200-8018 Capital Parks Restro	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 02-200-8019 Capital Self Containe	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 02-200-8020 Capital Renovate 9-1	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 02-200-8021 Capital Ladder Truck	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 02-200-8022 Capital Disaster Co	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 02-200-8023 Capital School Camp	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 02-200-8024 Cap Police Officer &	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 02-200-8025 Cap Community Poli	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 02-200-8026 Capital Patrol Vehicl	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 02-200-8027 Capital Police Protec	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 02-200-8028 Capital Hire Consulti	\$0.00	\$0.00	\$0.00	\$0.00	0.00%



**City of Houston**  
**\*Budget YTD Rev-Exp©**

02/03/22 11:59 AM

Page 8

Current Period: JANUARY 21-22

		21-22	21-22	JANUARY	21-22	% of		
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget		
Active	E 02-200-8029 Cap Non Motor Boat	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 02-200-8030 Cap Emerg Dry Hydr	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 02-200-8031 Cap Heavy Rescue	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 02-200-8032 Cap Quick Attack Fir	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 02-200-8033 Cap Replace Fire Tr	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 02-200-8034 CapThermal Imaging	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 02-200-8035 Cap Replace Nozzel	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 02-200-8036 Cap Dog Park Little	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 02-200-8037 Cap Public Works F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 02-200-8038 Cap Fire Training Fa	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 02-200-8039 Cap Intermodal Parki	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 02-200-8040 Cap Transfer Station	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 02-200-8041 Cap Telephone Syst	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 02-200-8042 Cap Techn Upgrade/	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 02-200-8043 Cap Ballot Tabulatio	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 02-200-8044 Cap Audio Visual Sy	\$0.00	\$0.00	\$0.00	(\$3,400.50)	0.00%	(\$3,400.50 enc)	
Active	E 02-200-8045 Capital Cheri Lake R	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 02-200-8046 Capital Covered San	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 02-200-8047 Cap Armstrong Rd S	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 02-200-8048 Cap Parks & Rec Pla	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
<b>Total Expenditure</b>		<b>(\$18,970.80)</b>	<b>(\$9,517.40)</b>	<b>\$0.00</b>	<b>\$12,917.90</b>	<b>50.17%</b>	<b>(\$22,371.30 enc)</b>	
<b>Total Capital Fund Account</b>		<b>\$6,729.20</b>	<b>\$170,709.71</b>	<b>\$0.00</b>	<b>(\$141,609.21)</b>	<b>2536.85%</b>	<b>(\$22,371.30 enc)</b>	
<b>Parks Fund Account</b>								
<b>Revenues</b>		<b>\$0.00</b>	<b>\$11,528.24</b>	<b>\$0.00</b>	<b>-\$11,528.24</b>	<b>0.00%</b>		
<b>Expenditures</b>		<b>\$0.00</b>	<b>\$4,108.03</b>	<b>\$0.00</b>	<b>-\$5,302.98</b>	<b>0.00%</b>		
<b>Gain/(Loss)</b>		<b>\$0.00</b>	<b>\$7,420.21</b>	<b>\$0.00</b>	<b>(\$6,225.26)</b>	<b>0.00%</b>		

**Revenue**

Active	R 03-4104 Permits Other	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	R 03-4300 MISCELLANEOUS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	R 03-4315 Donations Other	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	R 03-4321 Transfer To Parks Cover	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	R 03-4322 Transfer From Parks	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	R 03-4323 Interest Income	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	R 03-4500 Parks & Recreation	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	R 03-4501 Houston/Willow Crk Parki	\$0.00	\$50.00	\$0.00	(\$50.00)	0.00%		
Active	R 03-4502 Bear Paw Park	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	R 03-4503 Little Su Park Fees	\$0.00	\$8,289.09	\$0.00	(\$8,289.09)	0.00%		
Active	R 03-4504 Dump Fees	\$0.00	\$1,777.00	\$0.00	(\$1,777.00)	0.00%		
Active	R 03-4505 Wood Sales	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	R 03-4506 Pavilion Rental	\$0.00	\$40.00	\$0.00	(\$40.00)	0.00%		
Active	R 03-4507 Little Su Day Park	\$0.00	\$1,352.15	\$0.00	(\$1,352.15)	0.00%		
Active	R 03-4508 Houston/Willow Creek Pa	\$0.00	\$20.00	\$0.00	(\$20.00)	0.00%		
Active	R 03-4999 Transfer of Funds	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
<b>Total Revenue</b>		<b>\$0.00</b>	<b>\$11,528.24</b>	<b>\$0.00</b>	<b>(\$11,528.24)</b>	<b>0.00%</b>		

**Expenditure**

Active	E 03-300-5000 Personal Services E	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		
Active	E 03-300-5001 Salaries & Wages	\$0.00	\$2,277.11	\$0.00	(\$2,277.11)	0.00%		
Active	E 03-300-5002 Payroll Taxes SS &	\$0.00	\$174.19	\$0.00	(\$174.19)	0.00%		
Active	E 03-300-5003 ESC Unemployment	\$0.00	\$22.30	\$0.00	(\$22.30)	0.00%		
Active	E 03-300-5004 Retirement Deductio	\$0.00	\$0.00	\$0.00	\$0.00	0.00%		



**City of Houston**  
**\*Budget YTD Rev-Exp©**

02/03/22 11:59 AM

Page 9

Current Period: JANUARY 21-22

		21-22	21-22	JANUARY	21-22	% of	
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget	
Active	E 03-300-5005 Retirement Co Paid	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 03-300-5006 Health & Life Insuran	\$0.00	\$199.17	\$0.00	(\$199.17)	0.00%	
Active	E 03-300-5007 Workers Compensati	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 03-300-5200 Facility Expenses	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 03-300-5202 Electric Expense	\$0.00	\$287.24	\$0.00	(\$287.24)	0.00%	
Active	E 03-300-5205 Solid Waste - Garba	\$0.00	\$482.16	\$0.00	(\$1,432.16)	0.00%	(\$950.00 enc)
Active	E 03-300-5206 Building Repair & Ma	\$0.00	\$70.86	\$0.00	(\$70.86)	0.00%	
Active	E 03-300-5207 Postage& Delivery	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 03-300-5211 Operating Expenses	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 03-300-5212 Advertising & Promo	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 03-300-5213 Printing & Signage	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 03-300-5300 Supplies	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 03-300-5301 Supplies & Consuma	\$0.00	\$315.22	\$0.00	(\$428.35)	0.00%	(\$113.13 enc)
Active	E 03-300-5302 Janitorial Supplies	\$0.00	\$279.78	\$0.00	(\$411.60)	0.00%	(\$131.82 enc)
Active	E 03-300-5304 Equipment & Gear P	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 03-300-5400 Vehicle & Equipment	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 03-300-5403 Vehicle & Equipment	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 03-300-5500 Insurance Expenses	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 03-300-5501 Mobile Equipment In	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 03-300-5502 General Liability Insu	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 03-300-5503 Property Insurance	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 03-300-5505 Insurance Claim Ded	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
<b>Total Expenditure</b>		<b>\$0.00</b>	<b>(\$4,108.03)</b>	<b>\$0.00</b>	<b>\$5,302.98</b>	<b>0.00%</b>	<b>(\$1,194.95 enc)</b>
<b>Total Parks Fund Account</b>		<b>\$0.00</b>	<b>\$7,420.21</b>	<b>\$0.00</b>	<b>(\$6,225.26)</b>	<b>0.00%</b>	<b>(\$1,194.95 enc)</b>
<b>Reserves Fund Account</b>							
<b>Revenues</b>		<b>\$0.00</b>	<b>\$50,000.00</b>	<b>\$0.00</b>	<b>-\$50,000.00</b>	<b>0.00%</b>	
<b>Expenditures</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00%</b>	
<b>Gain/(Loss)</b>		<b>\$0.00</b>	<b>\$50,000.00</b>	<b>\$0.00</b>	<b>(\$50,000.00)</b>	<b>0.00%</b>	
<b>Revenue</b>							
Active	R 04-4900 Reserve	\$0.00	\$50,000.00	\$0.00	(\$50,000.00)	0.00%	
Active	R 04-4901 Reserve	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	R 04-4999 Transfer of Funds	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
<b>Total Revenue</b>		<b>\$0.00</b>	<b>\$50,000.00</b>	<b>\$0.00</b>	<b>(\$50,000.00)</b>	<b>0.00%</b>	
<b>Expenditure</b>							
Active	E 04-610-6100 Reserve Expense	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
<b>Total Expenditure</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00%</b>	
<b>Total Reserves Fund Account</b>		<b>\$0.00</b>	<b>\$50,000.00</b>	<b>\$0.00</b>	<b>(\$50,000.00)</b>	<b>0.00%</b>	
<b>Grant Account</b>							
<b>Revenues</b>		<b>\$587,537.09</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$587,537.09</b>	<b>0.00%</b>	
<b>Expenditures</b>		<b>\$115,099.00</b>	<b>\$5,299.00</b>	<b>\$0.00</b>	<b>\$105,192.00</b>	<b>4.60%</b>	
<b>Gain/(Loss)</b>		<b>\$472,438.09</b>	<b>(\$5,299.00)</b>	<b>\$0.00</b>	<b>\$482,345.09</b>	<b>-1.12%</b>	
<b>Revenue</b>							
Active	R 06-4311 Safety Equipment/Trainin	\$691.00	\$0.00	\$0.00	\$691.00	0.00%	
Active	R 06-4326 MSHF Covid 19 Grant	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	R 06-4327 VFD Fed Pass Thru SOA	\$4,608.00	\$0.00	\$0.00	\$4,608.00	0.00%	
Active	R 06-4700 InterGovernmental Reve	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	R 06-4800 Covid Act Funding Progr	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	R 06-4801 Small Business Relief Gr	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	R 06-4802 PPE Personal Protective	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	



**City of Houston**  
**\*Budget YTD Rev-Exp©**

02/03/22 11:59 AM

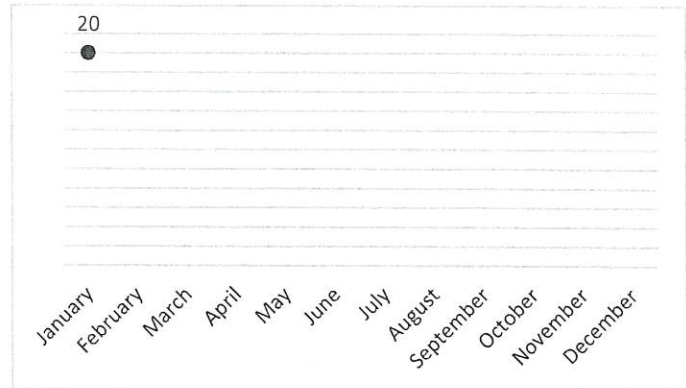
Page 10

Current Period: JANUARY 21-22

		21-22	21-22	JANUARY	21-22	% of	
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget	
Active	R 06-4803 City Mitigation Reimburs	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	R 06-4804 City Resiliency & Recove	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	R 06-4805 Non Profit Grant	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	R 06-4810 Coronavirus Local Fiscal	\$582,238.09	\$0.00	\$0.00	\$582,238.09	0.00%	
	<b>Total Revenue</b>	<b>\$587,537.09</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$587,537.09</b>	<b>0.00%</b>	
<b>Expenditure</b>							
Active	E 06-600-5102 Safety Security & Tr	\$691.00	\$691.00	\$0.00	\$0.00	100.00%	
Active	E 06-600-6000 COVID-19 Cares Act	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 06-600-6001 Small Business Reli	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 06-600-6002 Personal Protective	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 06-600-6003 City Resiliency & Re	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 06-600-6004 Non Profit COVID-19	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 06-600-6005 City Mitigation Reim	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 06-600-6006 Houston Jr/Sr High S	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 06-600-6200 Grants Expenses	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	
Active	E 06-600-6206 MSHF Covid 19	\$109,800.00	\$0.00	\$0.00	\$109,800.00	0.00%	
Active	E 06-600-6207 VFD Grant	\$4,608.00	\$4,608.00	\$0.00	(\$4,608.00)	200.00%	(\$4,608.00 enc)
	<b>Total Expenditure</b>	<b>(\$115,099.00)</b>	<b>(\$5,299.00)</b>	<b>\$0.00</b>	<b>(\$105,192.00)</b>	<b>4.60%</b>	<b>(\$4,608.00 enc)</b>
	<b>Total Grant Account</b>	<b>\$472,438.09</b>	<b>(\$5,299.00)</b>	<b>\$0.00</b>	<b>\$482,345.09</b>	<b>-1.12%</b>	<b>(\$4,608.00 enc)</b>
	<b>Report Total</b>	<b>\$479,167.29</b>	<b>\$777,830.94</b>	<b>\$7,867.40</b>	<b>\$156,706.12</b>	<b>162.33%</b>	<b>\$455,369.77 enc)</b>



To: Honorable Mayor and Houston City Council  
 From: Christian Hartley, Fire Chief *CH*  
 Thru: Mayor Virgie Thompson *VT*  
 Subj: Fire Chief's Report – February 2022



Fire – Local	4	Fire – Aid	6
Rescue	1	Comm Service	0
EMS	9	Landing Zones	1
<b>TOTAL CALLS -</b>		<b>20</b>	
<b>CALLS TO DATE – 2022</b>			<b>20</b>

January was a fairly uneventful month locally despite the turmoil of our mutual aid areas and the recent cold snaps, windy weather, and rain. A few calls of note include a very large abandoned structure in Big Lake that is under investigation still by appropriate agencies, and a very uncommon call near Parks Highway and Big Lake Road. In that call, an employee of a contractor experienced a seizure while working on the roof of a commercial building being expanded. That person was removed from the roof with assistance from other employees of the same company and an on-site lift trailer. Had we not had this equipment available, we would have had to bring the worker down using traditional ladders and carrying the patient. These are the types of calls where a ladder truck would provide a much safer work environment, but to have a ladder truck respond we would have to dispatch one from either West Lakes or Central Mat-Su fire departments because we do not have one.



*Firefighter Beard filling up a fire tender for a structure fire*

We would like to thank the council for supporting a Fire Station 9-3 proposal because this is part of our long-term plan and is essential to fixing a gap in our city. Homes at the end of Claudia Road and Anthony Road, as well as future developments off of Anatasia Drive, are all outside of 5 miles range of either fire station which results in ISO considering them “unprotected” despite being in the fire department service area. By combining with Public Works Department, we can store two fire trucks at this site to meet ISO standards for a fire station and also house two roads maintenance vehicles that are currently stored outside.

Also of note was the fact that we got a full-size excavator for free from Elmendorf due to its surplus status for them. This will be used for grounds maintenance around the fire stations, wildfire mitigation projects, and has potential to be rented to Alaska’s Division of Forestry for mopup after fires which could bring in a significant income to the city.



*Equipment obtained from JBER at no cost to city*

City of Houston, Alaska  
Public Work's Department



To: Honorable Mayor and Houston City Council  
From: Raymond Russell, Public Works Director *RR*  
Through: Mayor Virgie Thompson *VA*  
Subject: Public Works Report – February 2022

Public Works Report:

- Operations continuing normally.

Parks Report:

- The Little Su Campground has four active firewood cutting permits for reduction of the beetle killed spruce.
- Vandalism found at Zero Lake. PARC Commission has been included in mitigation discussion.

Permits Issued in 2022

Type	Issued in January	Total Issued for 2022
Construction Permit	1	1
Driveway Permit	0	0
Utility Permit	0	0
Conditional Use Permit	0	0
Land Use Amendment / Re-zone	0	0
Variance	0	0
Firewood cutting permits	4	4
Encroachment	0	0
Matsu Borough	0	0

<b>Code Related*:</b> Questions, interactions, actions, or complaints(confidential)	25 for January
---	----------------

\* Includes: zoning, floodplain, land use, private owners, realtors and government agencies.

Approved	Denied
Public Hearing	
Date Action Taken	
Attest:	

**CITY OF HOUSTON  
ACTION MEMORANDUM NO. 22-06**

**Title: City Council statement of non-protest for the renewal of Beverage Dispensary License #533 held by Doris Jane Incorporated DBA Houston Lodge**

Originator: Virgie Thompson, Mayor  
Date: January 24, 2022

Agenda of: February 10, 2022

Route to:	Department Head	Signature	Date
X	City Clerk	<i>[Signature]</i>	1/24/22
X	Fire Chief	<i>[Signature]</i>	1/28/2022
X	Police Chief/Mayor	<i>Virgie Thompson</i>	1/31/22
X	Public Works Director	<i>[Signature]</i>	1-27-22
X	Treasurer	<i>Sally Schug</i>	1-26-22

**Reviewed by Mayor:** *Virgie Thompson*

**Attachment(s):**

- Staff referrals under HMC 5.08.020
- Notice of Public Hearings
- Application Notice
- SOA Marijuana License Application

**Summary statement:** Doris Jane Incorporated DBA Houston Lodge has applied to renew Beverage Dispensary Liquor License #533.

State law requires local governing bodies to review requests pertaining to liquor licenses within their municipalities. The City may waive the right to protest or may file a protest to a request.

Before taking action on a liquor license application, the Mayor shall provide for a public hearing before the City Council. Within 15 business days after the referrals under HMC 5.08.020, the Mayor shall schedule each liquor license application for consideration by the City Council at its next City Council meeting and send written notice to the applicant.

A review of the referrals relating to liquor license application has been completed. Based on that review, The Mayor recommends the following action:

<b>X</b>	<b>WAIVE THE RIGHT TO PROTEST</b>
	<b>PROTEST</b> the issuance of the license for the following factors(s). (HMC 5.08.030).
	➤ Staff referrals.

	➤ Concentration of other licenses of the same and other types in the area.
	➤ Other factors.
	<b>CONDITIONS</b> recommend the <b>issuance</b> of the license with the following conditions(s). (HMC 5.08.030).
	➤
	<b>SUSPENSION OR REVOCATION</b> request a suspension or revocation of the license pursuant to AS 04.11.370;

If the City Council protests an application or recommends conditions on which the application shall be granted, the City Council shall state on record the reasons for its decisions, and the Mayor shall notify the Board and the applicant in writing of the decision.

If the City Council finds that the basis for its decision to protest an application, or to recommend conditions on which the application should be granted, no longer exists, the City Council may rescind its decision and direct the Mayor to notify the Board and the applicant of the decision.

**Administration recommendation:** Approve Action Memorandum 22-06.

<p><b>Office of the City Clerk Use Only</b></p> <p>Applicant noticed of Public Hearing: € Applicant noticed of decision: € AMCO noticed of decision: €  MSB Noticed (Relocation only) € Houston Planning Commission noticed of decision €</p>
---



Wednesday, January 12, 2022

TO: City Clerk  
 Public Works Director  
 Fire Chief  
 Police Chief/Mayor

**Application Type:** Renewal

**License Type:** Beverage Dispensary Liquor License

**License Number:**  (533)

**Licensee/Applicant Name:**  (Doris Jane Incorporated)

**Business Name:**  (Houston Lodge)

**Physical Location of Business:**  (Mile 57 Parks Hwy Houston, Alaska)

**The above referenced license was received by the City Clerk on:** 12/20/2021

Staff must determine whether the applicant complies with the provisions of  (HMC 5.08.020 Liquor Regulations).

The application was reviewed in accordance with  (HMC 5.08.020 Liquor Regulations); and the following findings are reported:

Department Name	Recommend Non- Protest	Recommend Protest (Please provide written statement under separate cover)	Authorized Signature
Clerk's Office	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>[Signature]</i>
Public Works	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>[Signature]</i>
Fire Chief	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>[Signature]</i>
Police Chief/Mayor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>Virgie Thorpso</i>

Revised 6/18

City of Houston, Alaska  
Mayor's Office



January 26, 2022

Doris Jane Incorporated  
Houston Lodge  
SOA License Number *433 533 SP*  
PO Box 2961  
Soldotna, AK. 99669

Re: Liquor License Review

Dear Business Owner:

Your liquor license application(s) has come up for review by the City of Houston. Per HMC 5.08.030 the City Council will be holding a public hearing and considering the application(s) at the next City Council meeting, to be held on the **February 10th at 6:00 pm** at Houston City Hall, 13878 W Armstrong Road, Houston AK 99694.

You may appear before the Council at this publicly noticed hearing to defend your application(s).

Below is a summary of any unresolved findings for your application under HMC 5.08.020:

- **There are no findings.**

If you have any questions, please contact the Clerk's Office at 907-892-6869.

Sincerely,

Virgie Thompson

Mayor

[vthompson@houston-ak.gov](mailto:vthompson@houston-ak.gov)

CC: Clerks Office

Public Works Department

Enclosure: Houston Municipal Code 5.08.020-5.08.030

#### 5.08.020 Review of liquor license applications.

Upon receipt of an application from the Alcoholic Beverage Control Board on a liquor license renewal, issuance of a new liquor license, or transfer of a liquor license in the City under AS 04.11.395 through 04.11.460, the City shall refer the application for review:

A. By the Public Works office to determine whether any structure or use of land does not conform to HMC Title 10, platting regulations, or the terms and conditions of any rezoning, conditional use permits, or administrative approval granted for the license location under HMC Title 10. The Public Works Director shall notify the applicant in writing of any nonconformity that is found. In response to the notice, that applicant shall either:

1. Provide evidence satisfactory to the Mayor that the nonconformity has been corrected; or
2. Provide a plan for correction of the non-conformity satisfactory to the Mayor, with security satisfactory to the Mayor for performance of the plan.

B. By the Clerk's office to determine whether the licensee or licensee transferee is delinquent in paying to the City any tax, assessment, business license fee, or to the Matanuska-Susitna Borough any real property tax for the business that operates, or will operate, under the liquor license. The City Clerk shall notify the applicant in writing of any delinquency found. In response to the notice, the applicant shall either:

1. Provide evidence satisfactory to the Mayor that the amount has been paid; or
2. Provide a plan for paying the delinquent amount satisfactory to the Mayor, with security satisfactory to the Mayor for the performance of the plan.

C. By the Police Department or Mayor to determine whether, in the opinion of the Police Chief or Mayor, there has been an excessive number of convictions or arrests for unlawful activity at the license location, police reports at the license location, or police dispatches to the license location, or violations of HMC Title 8. The Police Department or the Mayor shall notify the applicant in writing of any adverse finding under this subsection.

D. By the Fire Chief to determine whether, in the opinion of the Fire Chief, there are conditions present that would endanger the public or responders in the event of an emergency, or there has been an excessive number of responses to the property due to false alarms, illegal burning or unsafe burn practices. The Fire Chief shall notify the applicant in writing of any adverse finding under this subsection. (Ord. 75-L-1 § 4, 1975; Ord. 97-06, 1997; Ord. 16-07 § 5, 2016; Ord. 17-03 § 5, 2017)

#### 5.08.030 Consideration by Council.

A. Before taking action on a liquor license application under this section, the Mayor shall provide for a public hearing before the City Council. Within 15 business days after the referrals under HMC 5.08.020, the Mayor shall schedule each liquor license application for consideration by the City Council at its next City Council meeting and send written notice to the applicant. The notice shall include the following information:

1. The date and time of the meeting at which the Council will consider the application;

2. A statement that the applicant may appear before the Council at the meeting to defend the application; and

3. A summary of any unresolved findings adverse to the liquor license application that have resulted from the referrals under HMC 5.08.020.

B. During the public hearing, the City Council shall provide the applicant an opportunity to make a presentation in defense of the application.

C. The City Council after public hearing shall determine whether to protest, or recommend with conditions, the issuance, renewal or transfer of a liquor license application and shall consider the following factors it believes are pertinent. Such factors shall include, but are not limited to:

1. Review of referrals under HMC 5.08.020; and

2. The concentration of other licenses of the same and other types in the area; and

3. Any other factors the City Council determines are relevant to a particular application, including a reasonable expectation that the applicant will exercise the license for the duration of the term of the license.

D. For a liquor license application that is subject to protest by the City under AS 04.11.480:

1. After consideration of the application, the Council may decide to:

a. Protest the application under AS 04.11.480(a);

b. Recommend conditions on which the applicant should be granted under AS 04.11.480(c);

c. Notify the Board that a licensee has violated conditions and request a suspension or revocation of the license pursuant to AS 04.11.370; or

d. Take no action on the application.

2. If the City Council protests an application or recommends conditions on which the application shall be granted, the City Council shall state on record the reasons for its decisions, and the Mayor shall notify the Board and the applicant in writing of the decision.

3. If the City Council finds that the basis for its decision to protest an application, or to recommend conditions on which the application should be granted, no longer exists, the City Council may rescind its decision and direct the Mayor to notify the Board and the applicant of the decision.

E. For one or more applications to relocate a liquor license location in the City under AS 04.11.400(m):

1. After considering the applications, the City Council may decide to:

a. Approve one or more of the applications with or without conditions; or

b. Deny one or more of the applications.

2. The Mayor shall notify the Board, the Matanuska-Susitna Borough, and the applicants in writing of the decision of the Council and the reasons thereof. (Ord. 75-L-1 § 5, 1975; Ord. 16-07 § 5, 2016)



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Department of Commerce, Community,  
and Economic Development**

ALCOHOL & MARIJUANA CONTROL OFFICE  
550 West 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
Main: 907.269.0350

December 20, 2021

Matanuska-Susitna Borough

Via Email: [license.reviews@matsugov.us](mailto:license.reviews@matsugov.us); [alex.strawn@matsugov.us](mailto:alex.strawn@matsugov.us);

**Re: Notice of 2022/2023 Liquor License Renewal Application**

<b>License Type:</b>	Beverage Dispensary	<b>License Number:</b>	533
<b>Licensee:</b>	Doris Jane Incorporated		
<b>Doing Business As:</b>	Houston Lodge		

We have received a completed renewal application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under AS 04.11.480.

A local governing body may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of this notice, and by allowing the applicant a reasonable opportunity to defend the application before a meeting of the local governing body, as required by 3 AAC 304.145(d). If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable.

To protest the application referenced above, please submit your written protest within 60 days, and show proof of service upon the applicant and proof that the applicant has had a reasonable opportunity to defend the application before a meeting of the local governing body.

Sincerely,

Glen Klinkhart, Director  
[amco.localgovernmentonly@alaska.gov](mailto:amco.localgovernmentonly@alaska.gov)

STATE OF ALASKA - ALCOHOLIC BEVERAGE CONTROL BOARD

LICENSE NUMBER

FORM CONTROL

XXXX

ISSUED

12/20/2021

ABC BOARD

LIQUOR LICENSE

2022 - 2023

TEMPORARY

533

LICENSE RENEWAL APPLICATION DUE  
DECEMBER 31, 2023 (AS 04.11.270(b))

THIS LICENSE EXPIRES MIDNIGHT  
FEBRUARY 28, 2024 UNLESS DATED BELOW

TYPE OF LICENSE: Beverage Dispenser

LICENSE FEE: \$2,500.00

1104

CITY / BOROUGH: Houston  
Matanuska-Susitna Borough

D/B/A: Houston Lodge  
Mile 57 Parks Highway

Mail Address:  
Doris Jane Incorporated  
PO Box 2961  
Soldotna, AK 99669

This license cannot be transferred without permission  
of the Alcoholic Beverage Control Board

[ ] Special restriction - see reverse side

ISSUED BY ORDER OF THE  
ALCOHOLIC BEVERAGE CONTROL BOARD



DIRECTOR

04-900 (REV 7/21)

THIS LICENSE MUST BE POSTED IN A VISIBLE PLACE ON THE PREMISES

STATE OF ALASKA - ALCOHOLIC BEVERAGE CONTROL BOARD

LICENSE NUMBER

FORM CONTROL

XXXX

ISSUED

12/20

/2021 ABC

BOARD

LIQUOR LICENSE

2022 - 2023

TEMPORARY

533

LICENSE RENEWAL APPLICATION DUE  
DECEMBER 31, 2023 (AS 04.11.270(b))

THIS LICENSE EXPIRES MIDNIGHT  
FEBRUARY 28, 2024 UNLESS DATED BELOW

TYPE OF LICENSE: Beverage Dispenser

LICENSE FEE: \$2,500.00

CITY / BOROUGH: Houston  
Matanuska-Susitna Borough

This license cannot be transferred without permission  
of the Alcoholic Beverage Control Board

[ ] Special restriction - see reverse side

ISSUED BY ORDER OF THE  
ALCOHOLIC BEVERAGE CONTROL BOARD

COPY

DIRECTOR

D/B/A: Houston Lodge  
Mile 57 Parks Highway

Mailing Address:  
Doris Jane Incorporated  
PO Box 2961  
Soldotna, AK 99669

THIS LICENSE MUST BE POSTED IN A VISIBLE PLACE ON THE PREMISES

04-900 (REV 7/21)



Alaska Alcoholic Beverage Control Board

**2022-2023 Master Checklist: Renewal License Application**

Doing Business As:	Houston Lodge	License Number:	533
License Type:	Beverage Dispensary		
Examiner:	<i>Colleen Button</i>	Transaction #:	100307860

Document	Received	Completed	Notes
AB-17: Renewal Application	11/22	<i>12/20/21</i>	
App and License Fees	11/22	<i>12/17/21</i>	

Supplemental Document	Received	Completed	Notes
Tourism/Rec Site Statement			
AB-25: Supplier Cert (WS)			
AB-29: Waiver of Operation	11/22	<i>12/17/21</i>	<i>by Carrie</i>
AB-30: Minimum Operation			
AB-33: Restaurant Affidavit			
COI / COC / 5 Star / FAA Cert			
FP Cards & Fees / AB-08a			
Late Fee			

Names on FP Cards:	
--------------------	--

	Yes	No	N/A
CBPL Entity Printout included?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business License Copy included?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Background(s) Completed & Date: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Special Consideration: *N/A* Board Meeting Date: \_\_\_\_\_

LGB Sent Date: *12/20/21* LGB Deadline Date: \_\_\_\_\_

LGB 1 Name: *City of Houston* LGB 2 Name: *Matsu Borough*

Waive  Protest  Lapsed  Waive  Protest  Lapsed



2800<sup>00</sup>

Alaska Alcoholic Beverage Control Board

**Form AB-17: 2022/2023 General Renewal Application**

- This form and any required supplemental forms must be completed, signed by the licensee, and postmarked no later than 12/31/2021 per AS 04.11.270, 3 AAC 304.160, with all required fees paid in full, or a non-refundable \$500.00 late fee applies.
- Any complete application for renewal or any fees for renewal that have not been postmarked by 02/28/2022 will be expired per AS 04.11.540, 3 AAC 304.160(e).
- All fields of this application must be deemed complete by AMCO staff and must be accompanied by the required fees and all documents required, or the application will be returned without being processed, per AS 04.11.270, 3 AAC 304.105
- Receipt and/or processing of renewal payments by AMCO staff neither indicates nor guarantees in any way that an application will be deemed complete, renewed, or that it will be scheduled for the next ABC Board meeting.

**Establishment Contact Information**

Licensee (Owner):	Doris Jane Inc.	License #:	533
License Type:	Beverage Dispensary		
Doing Business As:	Houston Lodge		
Premises Address:	Mile 57 Parks HWY Houston Alaska 99694		
Local Governing Body:	City of Houston Alaska		
Community Council:	<del>City of Houston Alaska</del>		

If your mailing address has changed, write the NEW address below:

Mailing Address:	P.O. Box 2961				
City:	Houston	State:	Alaska	ZIP:	99669

**Section 1 – Licensee Contact Information**

**Contact Licensee:** The individual listed below must be listed in Section 2 or 3 as an Official/Owner/Shareholder of your entity and must be listed on CBPL with the same name and title.

This person will be the designated point of contact regarding this license, unless the Optional contact is completed.

Contact Licensee:	Laura Pruet	Contact Phone:	907-232-3211
Contact Email:	asc@alaska.net		

**Optional:** If you wish for AMCO staff to communicate with anyone other than the Contact Licensee about your license, list them below:

Name of Contact:	N/A	Contact Phone:	
Contact Email:			

Name of Contact:	N/A	Contact Phone:	
Contact Email:			

Name of Contact:	N/A	Contact Phone:	
Contact Email:			

AMCO



# Form AB-17: 2022/2023 License Renewal Application

## Section 2 – Entity or Community Ownership Information

**Sole Proprietors should skip this Section.**

Use the link from Corporations, Business and Professional Licensing (CBPL) below to assist you in finding the Entity #.  
<https://www.commerce.alaska.gov/cbp/main/search/entities>

Alaska CBPL Entity #:	116337
-----------------------	--------

**READ BEFORE PROCEEDING:** Any new or changes to Shareholders (10% or more), Managers, Corporate Officers, Board of Directors, Partners, Controlling Interest or Ownership of the business license must be reported to the ABC Board within 10 days of the change and must be accompanied by a full set of fingerprints on FBI-approved card stock, AB-08a's, payment of \$48.25 for each new officer with a date-stamped copy of the CBPL change per AS 04.11.045, 50 & 55, or a Notice of Violation will be issued to your establishment and your application will be returned.

The only exception to this is a Corporation who can meet the requirements set forth in AS 04.11.050(c).

### DO NOT LIST OFFICERS OR TITLES THAT ARE NOT REQUIRED FOR YOUR ENTITY TYPE.

- Corporations of any type including non-profit must list ONLY the following:
  - All shareholders who own 10% or more stock in the corporation
  - Each President, Vice-President, Secretary, and Managing Officer regardless of percentage owned
- Limited Liability Corporations, of any type must list ONLY the following:
  - All Members with an ownership interest of 10% or more
  - All Managers (of the LLC, not the DBA) regardless of percentage owned
- Partnerships of any type, including Limited Partnerships must list ONLY the following:
  - Each Partner with an interest of 10% or more
  - All General Partners regardless of percentage owned

**Important Note:** All entries below must match our records, or your application will be returned per AS 04.11.270, 3 AAC 304.105. You must list full legal names, all required titles, phone number, percentage of shares owned (if applicable) and a full mailing address for each official of your entity whose information we require. If more space is needed: attach additional completed copies of this page. Additional information not on this page will be rejected.

Name of Official:	Ernest Pruett				
Title(s):	P,D, AS, AT, SH	Phone:	907-232-3211	% Owned:	50%
Mailing Address:	P.O. Box 2961				
City:	Soldotna	State:	Alaska	ZIP:	99669

Name of Official:	Laura Pruett				
Title(s):	VP, S, T, SH	Phone:	907-232-3211	% Owned:	50%
Mailing Address:	PO Box 2961				
City:	Soldotna	State:	Alaska	ZIP:	99669

Name of Official:	N/A				
Title(s):		Phone:		% Owned:	
Mailing Address:					
City:		State:		ZIP:	

AMCO

NOV 22 2021



# Form AB-17: 2022/2023 License Renewal Application

## Section 3 – Sole Proprietor Ownership Information

Corporations, LLC's and Partnerships of ALL kinds should skip this section.

**READ BEFORE PROCEEDING:** Any new or changes to the ownership of the business license must be reported to the ABC Board within 10 days of the change and must be accompanied by a full set of fingerprints on FBI approved cardstock, AB-08a's, payment of \$48.25 for each new owner or officer and a date stamped copy of the CBPL change per AS 04.11.045, or a Notice of Violation will be issued to your establishment and your application will be returned.

**Important Note:** All entries below must match our records, or your application will be returned per AS 04.11.270, 3 AAC 304.105. You must list full legal names, phone number, and mailing address for each owner or partner whose information we require. **If more space is needed, attach additional copies of this page. Additional owners not listed on this page will be rejected.**

This individual is an:  Applicant  Affiliate

Name:				Contact Phone:	
Mailing Address:					
City:		State:		ZIP:	
Email:					

This individual is an:  Applicant  Affiliate

Name:				Contact Phone:	
Mailing Address:					
City:		State:		ZIP:	
Email:					

## Section 4 – License Operation

Check **ONE BOX** for EACH CALENDAR YEAR that best describes how this liquor license was operated:

- |  | 2020                                | 2021                                |
|--|-------------------------------------|-------------------------------------|
| 1. The license was regularly operated continuously throughout each year. (Year-round)  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 2. The license was only operated during a specific season each year. (Seasonal)<br><i>If your operation dates have changed, list them below:</i><br>_____ to _____   | <input type="checkbox"/>            | <input type="checkbox"/>            |
| 3. The license was only operated to meet the minimum requirement of 240 total hours each calendar year.<br><i>A complete AB-30: Proof of Minimum Operation Checklist, and all documentation must be provided with this form.</i>   | <input type="checkbox"/>            | <input type="checkbox"/>            |
| 4. The license was not operated at all or was not operated for at least the minimum requirement of 240 total hours each year, during one or both calendar years. <i>A complete Form AB-29: Waiver of Operation Application and corresponding fees must be submitted with this application for each calendar year during which the license was not operated.</i><br><b><u>If you have not met the minimum number of hours of operation in 2020 and/or 2021, you are not required to pay the fees, however a complete AB-29 is required with Section 2 marked "OTHER" and COVID is listed as the reason.</u></b> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |

## Section 5 – Violations and Convictions

Have ANY Notices of Violation been issued for this license **OR** has ANY person or entity in this application been convicted of a violation of Title 04, 3AAC 304 or a local ordinance adopted under AS 04.21.010 in 2020 or 2021?

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>

**If you checked YES, you MUST attach a list of all Notices of Violation and/or Convictions per AS 04.11.270(a)(2)**

**If you are unsure if you have received any Notices of Violation, contact the office before submitting this form.**

AMCO

NOV 23 2021



# Form AB-17: 2022/2023 License Renewal Application

## Section 6 – Certifications

As an applicant for a liquor license renewal, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 304, and that this application, including all accompanying schedules and statements, are true, correct, and complete.

- I agree to provide all information required by the Alcoholic Beverage Control Board or requested by AMCO staff in support of this application and understand that failure to do so by any deadline given to me by AMCO staff will result in this application being returned and potentially expired if I do not comply with statutory or regulatory requirements.
- I certify that all current licensees (as defined in AS 04.11.260) and affiliates have been listed on this application, and that in accordance with AS 04.11.450, no one other than the licensee(s) has a direct or indirect financial interest in the licensed business.
- I certify that this entity is in good standing with Corporations, Business and Professional Licensing (CBPL) and that all entity officials and stakeholders are current and accurately listed, and I have provided AMCO with all required changes of Shareholders (10% or more), Managers, Corporate Officers/Board of Directors, Partners, Controlling Interest or Ownership of the business license, and have provided all required documents for any new or changes in officers.
- I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check identification of patrons have completed an alcohol server education course approved by the ABC Board and keep current, valid copies of their course completion cards on the licensed premises during all working hours, if applicable for this license type as set forth in AS 04.21.025 and 3 AAC 304.465.
- I certify that I have not altered the functional floor plan or reduced or expanded the area of the licensed premises, and I have not changed the business name from what is currently approved and on file with the Alcoholic Beverage Control Board.

I certify on behalf of myself or of the organized entity that I understand that providing a false statement on this form or any other form provided by AMCO is grounds for rejection or denial of this application or revocation of any license issued.

*[Handwritten Signature]*

Signature of licensee

Laura D Pruett

Printed name of licensee

*[Handwritten Signature]*

Signature of Notary Public

Notary Public in and for the State of: Alaska

My commission expires: 9.29.24



Subscribed and sworn to before me this 19 day of November, 2021.

- Restaurant/Eating Place** applications must include a completed AB-33: Restaurant Receipts Affidavit
- Recreational Site** applications must include a completed Recreational Site Statement
- Tourism** applications must include a completed Tourism Statement
- Wholesale** applications must include a completed AB-25: Supplier Certification
- Common Carrier** applications must include a current safety inspection certificate

All renewal and supplemental forms are available online

**Any application that is not complete or does not include ALL required completed forms and fees will not be processed and will be returned per AS 04.11.270, 3 AAC 304.105.**

### FOR OFFICE USE ONLY

License Fee:	\$ <u>2500</u>	Application Fee:	\$ 300.00	Misc. Fee:	\$
<b>Total Fees Due:</b>					\$ <u>2800</u>

AMCO

NOV 23 2021

Details

## ENTITY DETAILS

### Name(s)

Type	Name
Legal Name	DORIS JANE INCORPORATED

**Entity Type:** Business Corporation

**Entity #:** 116337

**Status:** Good Standing

**AK Formed Date:** 5/23/2008

**Duration/Expiration:** Perpetual

**Home State:** ALASKA

**Next Biennial Report Due:** 1/2/2024

**Entity Mailing Address:** PO BOX 2961, SOLDOTNA, AK 99669

**Entity Physical Address:** 16966 W PARKS HWY, MILE 57 W PARKS HWY, HOUSTON, AK 99694

### Registered Agent

**Agent Name:** LAURA PRUETT

**Registered Mailing Address:** PO BOX 2961, SOLDOTNA, AK 99669

**Registered Physical Address:** 42295 CONTINENTAL DR., SOLDOTNA, AK 99669

### Officials

Show Former

AK Entity #	Name	Titles	Owned
	ERNEST PRUETT	Director, President, Shareholder, Assistant Secretary, Assistant Treasurer	50.00
	LAURA PRUETT	Secretary, Shareholder, Treasurer, Vice President	50.00

### Filed Documents

Date Filed	Type	Filing	Certificate
5/23/2008	Creation Filing	<a href="#">Click to View</a>	<a href="#">Click to View</a>
6/25/2008	Initial Report	<a href="#">Click to View</a>	
10/11/2010	Biennial Report	<a href="#">Click to View</a>	
11/17/2010	Change of Officials	<a href="#">Click to View</a>	
9/27/2012	Biennial Report	<a href="#">Click to View</a>	
9/29/2012	Entity Address Change	<a href="#">Click to View</a>	
10/28/2013	Biennial Report	<a href="#">Click to View</a>	
1/20/2014	Certificate of Compliance		<a href="#">Click to View</a>
2/25/2014	Entity Address Change	<a href="#">Click to View</a>	
3/11/2014	Agent Change	<a href="#">Click to View</a>	
12/17/2015	Biennial Report	<a href="#">Click to View</a>	
11/04/2017	Biennial Report	<a href="#">Click to View</a>	
7/09/2018	Change of Officials	<a href="#">Click to View</a>	

License Detail

## LICENSE DETAILS

**License #:** 2096686

[Print Business License](#)

**Business Name:** Houston Lodge

**Status:** Active

**Issue Date:** 12/23/2019

**Expiration Date:** 12/31/2022

**Mailing Address:** P.O. Box 2961  
Soldotna, AK 99669

**Physical Address:** 16966 West Parks Hwy  
Houston, AK 99694

### Owners

DORIS JANE INCORPORATED

### Activities

Line of Business	NAICS	Professional License #
72 - Accommodation and Food Services	722410 - DRINKING PLACES (ALCOHOLIC BEVERAGES)	

### Endorsements

No Endorsements Found

### License Lapse(s)

If this business license lapsed within the last four years the lapsed periods will appear below. Lapsed periods are the unlicensed period between an expiration date and renewal date.

No Lapses on record for the last 4 years.

[Close License Detail](#)

[Print Friendly Version](#)

**LAURA PRUETT**  
175 N BINKLEY ST UNIT 2961  
SOLDOTNA AK 99669-1149

Expected Delivery Date: 11/23/21

**0006**

**SHIP TO: CLERKS OFFICE**  
CITY OF HOUSTON ALASKA  
PO BOX 940027  
HOUSTON AK 99694-0027

**B001**

**UNITED STATES POSTAL SERVICE®**

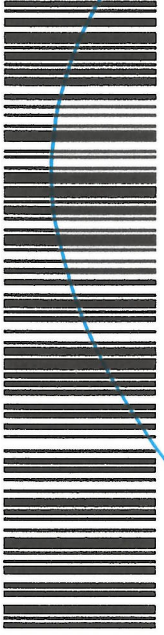
**Click-N-Ship®**

**U.S. POSTAGE PAID**  
Click-N-Ship®

usps.com 9405 5036 9930 0068 1057 84 0093 0000 0019 9694  
**\$9.30**  
US POSTAGE  
Padded FR Env

Mailed from 99669  
11/19/2021

**USPS TRACKING #**



**9405 5036 9930 0068 1057 84**

Electronic Rate Approved #038555749

Cut on dotted line.

## Instructions

1. Each Click-N-Ship® label is unique. Labels are to be used as printed and used only once. **DO NOT PHOTO COPY OR ALTER LABEL.**
2. Place your label so it does not wrap around the edge of the package.
3. Adhere your label to the package. A self-adhesive label is recommended. If tape or glue is used, **DO NOT TAPE OVER BARCODE.** Be sure all edges are secure.
4. To mail your package with PC Postage®, you may schedule a Package Pickup online, hand to your letter carrier, take to a Post Office™, or drop in a USPS collection box.
5. Mail your package on the "Ship Date" you selected when creating this label.

## Click-N-Ship® Label Record

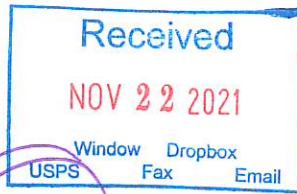
<b>USPS TRACKING # :</b>	
<b>9405 5036 9930 0068 1057 84</b>	
Trans. #:	548835950
Print Date:	11/19/2021
Ship Date:	11/19/2021
Expected Delivery Date:	11/23/2021
Priority Mail® Postage:	<b>\$9.30</b>
Total:	<b>\$9.30</b>
<b>From:</b>	LAURA PRUETT 175 N BINKLEY ST UNIT 2961 SOLDOTNA AK 99669-1149
<b>To:</b>	CLERKS OFFICE CITY OF HOUSTON ALASKA PO BOX 940027 HOUSTON AK 99694-0027
<p>* Retail Pricing Priority Mail rates apply. There is no fee for USPS Tracking® service on Priority Mail service with use of this electronic rate shipping label. Refunds for unused postage paid labels can be requested online 30 days from the print date.</p>	



Thank you for shipping with the United States Postal Service!  
Check the status of your shipment on the USPS Tracking® page at usps.com

AMCO

NOV 22 2021



Alcohol and Marijuana Control Office  
 550 W 7<sup>th</sup> Avenue, Suite 1600  
 Anchorage, AK 99501  
[alcohol.licensing@alaska.gov](mailto:alcohol.licensing@alaska.gov)  
<https://www.commerce.alaska.gov/web/amco>  
 Phone: 907.269.0350

**Alaska Alcoholic Beverage Control Board**

**Form AB-29: Waiver of Operation Application**

**What is this form?**

This form is the means by which a licensee may request that the Alcoholic Beverage Control (ABC) Board waive the operating requirement of AS 04.11.330(a)(3) or (d). If a recreational site license has not been operated at least once in a calendar year, or if a license of any other type has not been operated for at least 240 hours in a calendar year, then a complete copy of this form and the corresponding fees must be submitted for that calendar year, per 3 AAC 304.170.

**This application must be accompanied by a non-refundable waiver application fee of:**

- for a 1<sup>st</sup> request, an amount equal to ½ the applicable biennial license fee; or
- for a 2<sup>nd</sup> or subsequent request, double the amount of the fee paid for the previous waiver application.

The ABC Board will determine whether, through no fault of the licensee or because the premises are under construction, the licensed premises could not be operated for the required time during the calendar year. The ABC Board may impose conditions along with the approval of an application for waiver, and it may deny a third or subsequent application for waiver. If an application for waiver is denied, an application for license renewal for the succeeding license period will be denied by the Board. In addition to the waiver application fee, the applicant must pay a late fee of \$1,000 for an application that is received too late for Board consideration at its last meeting of the calendar year for which the waiver is requested. Please check AMCO's website for meeting agenda deadlines.

**Please note that a licensee must submit a separate completed copy of this form and pay a separate corresponding fee for each license and for each calendar year during which a license was not operated in compliance with AS 04.11.330.**

**Section 1 – Establishment Information**

Enter information for the license that has not been operated for the time required under AS 04.11.330.

Licensee:	Doris Jane Inc.	License Number:	533
License Type:	Beverage Dispensary		
DBA:	Houston Lodge		
Premises Address:			
City:	Houston	State:	Alaska
		ZIP:	99694
Local Governing Body:	City Of Houston Clerk's Office		

**Section 2 – Request Number and Calendar Year**

- 1<sup>st</sup> Request     
  2<sup>nd</sup> Request     
  3<sup>rd</sup> Request     
  Other COVID

Request for Calendar Year 2021



Alcohol and Marijuana Control Office  
 550 W 7<sup>th</sup> Avenue, Suite 1600  
 Anchorage, AK 99501  
[alcohol.licensing@alaska.gov](mailto:alcohol.licensing@alaska.gov)  
<https://www.commerce.alaska.gov/web/amco>  
 Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

## Form AB-29: Waiver of Operation Application

### Section 3 – Reason for Non-operation

Provide an explanation as to why the licensed premises were not operated:

City of Houston,  
 Clerk's Office  
 Phone 907-892-6869 Fax 907-892-7677  
 13878 W. Armstrong Road / PO Box 940027  
 Houston, Alaska 99694

COVID RESTRICTIONS - COVID COMPLICATIONS

### Section 4 – Certifications

The following must be completed for establishments located within the boundaries of a local governing body:

Read the line below, and then sign your initials in the box to the right of the statement:

Initials

I certify that I will provide a true copy of this application to the local governing body listed on Page 1 of this form prior to ABC Board consideration of this application.



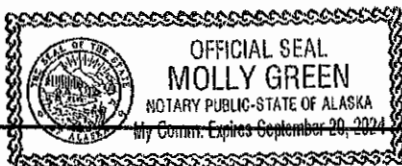
As a liquor licensee, I declare under penalty of perjury that this form, including all attachments, is true, correct, and complete.

\_\_\_\_\_  
 Signature of licensee

Laura Powell  
 \_\_\_\_\_  
 Printed name of licensee

\_\_\_\_\_  
 Notary Public in and for the State of Alaska.

My commission expires: 9.29.24



Subscribed and sworn to before me this 19 day of November, 2021.

Office Use Only			
Waiver Application Fee:		Late Fee:	Transaction #:

Approved	Denied
Public Hearing	
Date Action Taken	
Attest:	

**CITY OF HOUSTON  
ACTION MEMORANDUM NO. 22-07**

**Title: City Council Statement of Non-Protest for the Renewal of Marijuana Standard Cultivation Facility License #14956 held by 50 Shades of Green LLC.**

Originator: Virgie Thompson, Mayor  
Date: February 1, 2022

Agenda of: February 10, 2022

Route to:	Department Head	Signature	Date
X	City Clerk	<i>Smya Ruan</i>	2/1/22
X	Fire Chief	<i>[Signature]</i>	2/3/22
X	Police Chief/Mayor	<i>Virgie Thompson</i>	2/3/22
X	Public Works Director	<i>[Signature]</i>	2-2-22
X	Treasurer	<i>Sally Schug</i>	2-1-22

**Reviewed by Mayor:** *Virgie Thompson*

**Attachment(s):**

- Staff referrals under HMC 5.10.050
  - ✓ City Clerk Statement
- Notice of Public Hearing
- Application Notice
- SOA Marijuana License Application

**Summary statement:** 50 Shades of Green LLC. has applied to renew their Marijuana Standard Cultivation License #14956.

State law requires local governing bodies to review requests pertaining to marijuana licenses within their municipalities. The City may waive the right to protest or may file a protest to a request.

Before taking action on a marijuana license application, the Mayor shall provide for a public hearing before the City Council. Within 15 business days after the referrals under HMC 5.10.050, the Mayor shall schedule each marijuana license application for consideration by the City Council at its next City Council meeting and send written notice to the applicant.

A review of the referrals relating to marijuana license application has been completed and forwarded to Mayor Thompson.

The Public Works Director and Fire Chief has recommended a non-protest. The City Clerk has recommended a protest due to the applicant being delinquent in paying city excise tax as a non-conformity pursuant to HMC 5.10.050 (b).

Based on the fact that the applicant has provided for a payment plan to correct the non-conformity, The Mayor recommends the following action:

<b>X</b>	<b>WAIVE THE RIGHT TO PROTEST</b>
	<b>PROTEST</b> the issuance of the license for the following factors(s). (HMC 5.10.050).
	➤ Staff referrals.
	➤ Concentration of other licenses of the same and other types in the area.
	➤ Other factors.
	<b>CONDITIONS</b> recommend the <b>issuance</b> of the license with the following conditions(s). (HMC 5.10.060).
	➤
	<b>SUSPENSION OR REVOCATION</b> request a suspension or revocation of the license pursuant to 3 AAC 306.060;

If the City Council protests an application or recommends conditions on which the application shall be granted, the City Council shall state on record the reasons for its decisions, and the Mayor shall notify the Board and the applicant in writing of the decision.

If the City Council finds that the basis for its decision to protest an application, or to recommend conditions on which the application should be granted, no longer exists, the City Council may rescind its decision and direct the Mayor to notify the Board and the applicant of the decision.

**Administration recommendation:** Approve Action Memorandum 22-07.

**Office of the City Clerk Use Only**

Applicant noticed of Public Hearing: € Applicant noticed of decision: € AMCO noticed of decision: €  
 MSB Noticed (Relocation only) € Houston Planning Commission noticed of decision €



Wednesday, January 12, 2022

TO: City Clerk  
 Public Works Director  
 Fire Chief  
 Police Chief/Mayor

**Application Type:** Renewal

**License Type:** Marijuana Standard Cultivation Establishment License

**License Number:**

**Licensee/Applicant Name or Transferor**

**Business Name or Transferee**

**Physical Location of Business:**

The above referenced license was received by the City Clerk on: 12/23/2021

Staff must determine whether the applicant complies with the provisions of  Marijuana Licensing and Regulations.



The application was reviewed in accordance with  Marijuana Licensing and Regulations; and the following findings are reported:

Department Name	Recommend Non- Protest	Recommend Protest (Please provide written statement under separate cover)	Authorized Signature
Clerk's Office HMC 5.10.050(B)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<i>[Signature]</i>
Public Works HMC 5.10.050(A)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>[Signature]</i>
Fire Chief HMC 5.10.050(D)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>[Signature]</i>
Police Chief/Mayor HMC 5.10.050(C)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>Virgie Thompson</i>

Revised 4/20



MEMORANDUM

DATE: February 1, 2022  
FROM: Sonya Pevan, City Clerk   
THROUGH: Mayor Virgie Thompson   
TO: Houston City Council

SUBJECT: 50 Shades of Green LLC. License # 14956, HMC 5.10.050 City Clerk's Notice of Non-Conformance- AM 22-07.

SUMMARY INFORMATION:

On December 7, 2021, the City Clerk issued a warning notice of revocation -suspension, the notice required a payment plan application or payment to be paid in full by December 23, 2021. The applicant submitted the payment plan application in a timely matter.

On December 23, 2021, the above referenced license renewal was received by the City Clerk by AMCO.

On January 24, 2022, the City Clerk noticed the applicant of a non-conformity of an unpaid excise tax balance.

On January 31, 2022 The applicant provided a plan for correction along with security in the form of a *Confession of Judgment* in accordance with AS 29.45.650 E.

Mayor Thompson has approved a payment plan to bring the account current and is forwarding the action of non-protest to the City Council for approval in accordance with HMC (B)(2).

I have no objection to the non-protest by the City Council for the renewal of license # 14956 held by 50 Shades of Green.

Attachment(s):

HMC 2.50.050  
AS 29.45.650(e)  
December 7, 2021 Determination Letter- <sup>1</sup>Redacted  
January 24, 2022 Notice of Non-Conformance- Redacted

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<sup>1</sup> HMC 2.50.050 (L) This chapter shall not be construed to require disclosure of: L. Confidential tax information, pursuant to Chapter 4.20.

City of Houston, Alaska  
Office of the City Clerk



December 7, 2021

50 Shades of Green LLC. # 14956  
Gabrielle Peterson- Christensen  
PO Box 877848  
Wasilla, Alaska 99687

RE: 50 Shades of Green –Marijuana Excise Account and Request from the City Clerk  
COH License Number: MJ 21-10

Dear Ms. Peterson- Christensen,

Our records show your excise tax account has a delinquent balance due of [REDACTED] for the [REDACTED] 2021 tax periods. This amount includes penalties, interest, and late fees owed as allowed by HMC 4.24.160, Prohibited Acts and Penalties, and the FY2022 Fee Schedule, I have attached the spread sheet for your review.

Please respond to this letter by **December 23, 2021, 5 p.m.** In your response please:

1. Submit an application for a payment plan, or
2. Pay the delinquent amount of [REDACTED] in full.

In the event 50 Shades of Green fails to respond to this letter by December 23, 2021, I will make a determination pursuant to HMC 4.24.110, Suspension or Revocation of license.

The City of Houston's standards and process are more completely set forth in the enclosed copy of HMC Chapter 4.24 "Marijuana Regulations."

If you have any questions pertaining to this or any other matter, please contact the Office of the City Clerk at (907)892-6869.

A handwritten signature in cursive script that reads "Sonya Pevan".

Sonya Pevan, CMC  
City Clerk

CC: Virgie Thompson, Mayor  
Sally Schug, Treasurer

Attached: Application for Payment Plan

#### 4.24.030 Excise tax on marijuana.

A. Tax to Be Paid. The City hereby levies an excise tax on all marijuana cultivated in any facility licensed pursuant to 3 AAC 306.400, including standard marijuana cultivation facilities, and limited marijuana cultivation facilities as follows:

#### B. Marijuana Excise Tax.

1. All nonexempt marijuana transferred from a marijuana cultivation facility shall be taxed as follows:

- a. Any part of the flower and bud, as defined in 15 AAC 61.990(15), will be taxed at \$10.00 per ounce.
- b. Clones will be taxed at \$0.75 per clone.
- c. The remainder of the plant, not included in subsections (B)(1)(a) and (b) of this section will be taxed at \$3.00 per ounce.

2. A marijuana cultivation facility that is also licensed as a marijuana product manufacturing facility must pay tax on all marijuana transferred from the cultivation facility to the product manufacturing facility for the month in which the marijuana was transferred.

3. A marijuana cultivation facility that is also licensed as a retail marijuana store must pay tax on all marijuana transferred from the cultivation facility to the retail marijuana store for the month in which the marijuana was transferred. (Ord. 20-07 § 5, 2020; Ord. 16-09(S) § 5, 2016)

#### 4.24.110 Display of license – Surrender of license – Suspension or revocation of license.

A. A license issued under this chapter shall be prominently displayed at the licensee's place of business.

B. A licensee shall surrender a license within 10 days after:

1. A revocation of license;
2. A cessation of business;
3. A change of ownership; or
4. A change of a place of business.

C. The City Clerk may suspend or revoke a license issued under this chapter:

1. For violation of this chapter or a regulation of the City adopted pursuant to this chapter;
2. If a licensee ceases to act in the capacity for which the license was issued.

D. No marijuana cultivation facility whose license is suspended or revoked shall plant, propagate, cultivate, harvest, trim, dry, cure, or package marijuana for transfer during the suspension or revocation. No disciplinary proceeding or action is barred or abated by the expiration, transfer, surrender, or renewal of a license issued under this chapter.

E. The City Clerk will inform the City Council of a licensee's failure to pay tax when due or to file a return as required by this chapter, so that it may determine whether to initiate license suspension or revocation proceedings by filing an accusation with the Alaska Marijuana Control Board as provided in AS 17.38.090. (Ord. 20-07 § 8, 2020; Ord. 16-09(S) § 5, 2016)

#### 4.24.120 Tax returns.

A. On or before the last day of each calendar month a licensee shall submit to the City Clerk a tax return, upon forms provided by the City Clerk, for each license, and submit payment for the taxes due as prescribed by the City Clerk.

1. The return shall be signed under penalty of perjury by the licensee or agent and shall include:

- a. A copy of the tax return for that month submitted by the licensee to the Alaska Department of Revenue in accordance with 15 AAC 61.010;
- b. The name and address of the licensee;
- c. The name and address of the person filing the return, if different from the licensee;
- d. The number of the applicable license issued under this chapter;
- e. The name under which the marijuana cultivation facility is being operated;
- f. A report setting forth the total amount of marijuana transferred from the marijuana cultivation facility in ounces, with fractional ounces calculated to the third decimal place, for the preceding month;
- g. The amount of tax due;
- h. Such other information and supporting documentation which may be required by the City Clerk.

B. A marijuana cultivation facility licensed under this chapter shall file a tax return each month, even if it did not cultivate or transfer any marijuana in the City during the preceding month.

C. The taxes imposed under this chapter and the return required by this section must be received by the City Clerk, or postmarked on or before the last day of each calendar month following the month covered by the return.

D. A separate tax return must be filed for each location when a taxpayer is operating in several locations within the City. (Ord. 16-09(S) § 5, 2016)

#### 4.24.150 Application of payments.

Any payment submitted to the City Clerk for any taxes, penalties, interest, or cost due under any provision of this chapter or any return or any finding or determination by the City Clerk under this chapter shall be credited to the monthly tax period for which it was remitted, first to the payment of costs and then to penalties, interest, and taxes in that order. (Ord. 16-09(S) § 5, 2016)

#### 4.24.160 Prohibited acts and penalties.

A. No person shall operate a marijuana cultivation facility within the City without complying with the provisions of this chapter.

B. A penalty of six percent of the taxes due shall be incurred automatically when a person fails to pay the full amount of the tax due under this chapter within seven calendar days following its due date. An additional penalty of six percent of the taxes due shall be incurred automatically when a person fails to file a tax return or report within seven calendar days following its due date under this chapter. If a person fails to pay the full amount of the tax due and/or file a tax return or report as required under this chapter within 16 days after its due date, the six percent penalties incurred above shall be increased automatically to 15 percent.

1. The penalty shall be computed on the unpaid balance of the tax liability as determined by the City Clerk.

2. Notice of the penalties incurred and to be incurred shall be given to the person responsible for payment of the taxes or for filing the return or report when such tax payment or return or report is delinquent for seven calendar days after its due date.

3. The penalties provided for in this section shall be in addition to all other penalties and interest for under this chapter.

C. If a properly filed amended return reduces the total tax liability or the tax required to be paid, or the deterrent reduces the tax liability, the related penalty will be reduced accordingly.

D. All penalties and remedies enumerated in this chapter are cumulative.

E. Unless otherwise provided in this section, any person who violates or fails to comply with the provisions of this chapter shall be personally liable for all costs, interests, penalties and taxes due under this chapter plus a penalty equal to 30 percent of the tax due. For good cause shown, the Mayor may waive or reduce all or part of any penalty imposed under this subsection. (Ord. 16-09(S) § 5, 2016)

#### 4.24.180 Tax lien.

A. If any person who is liable to pay a tax or license fee under this chapter neglects or refuses to pay the tax or licensee fee after demand, the amount, including interest, additional amounts, or assessable penalty together with costs, is a lien in favor of the City upon all property and rights to property, real or personal, belonging to that person.

B. The lien imposed by this section arises upon delinquency and continues until the amount is paid or a judgment against the person arising out of the liability is satisfied.

C. A lien arising out of a tax due under this chapter, including the penalties and interest on the tax, shall be prior, paramount, and superior to all other liens, mortgages, hypothecation, conveyances, and assignments, upon all real and personal property of the person liable for the tax and upon all the real and personal property used with the permission of the owner to carry on the business which is subject to the tax.

D. The lien on personal and real property may be enforced in a manner similar to that provided by AS 29.45.300 through 29.45.480 for enforcement of real and personal property tax liens. (Ord. 16-09(S) § 5, 2016)

#### 4.24.200 Taxpayer, licensee, or other person remedies.

A. Any person aggrieved by any action of the City Clerk in issuing, suspending, revoking, or refusing to issue any license under this chapter or in fixing the amount of taxes, penalties, interest, or costs under this chapter may apply to the City Clerk and request a hearing within 30 days from the date the City Clerk mails the notice of the Clerk's action. Upon timely application under this subsection for a hearing, the Mayor shall hold a hearing to determine whether a correction is warranted. Hearings before the Mayor under this subsection may, at the option of the Mayor, be conducted by an administrative hearing officer designated by the Mayor. The hearing officer shall conduct the hearing and prepare findings and conclusions. These findings and conclusions must be forwarded to the Mayor for adoption, rejection, or modification and issuance of a final order or decision by the Mayor. An application for a hearing must notify the City Clerk of the specific action complained of and amount of tax, interest, cost, or penalty contested and the reason it is contested. After receipt of a written decision by the Mayor, a person may appeal to the Superior Court of the Third Judicial District in accordance with the Alaska Appellate Court rules. The person shall be given access to the department's file in the matter for preparation of the appeal.

B. A request for appeal is filed on the date it is personally delivered, or is delivered to the City Clerk by the United States Postal Service, the date of the postmark stamped on the properly addressed cover in which the request is mailed. If the due date falls on Saturday, Sunday, or a City observed holiday, the due date is the next working day. A current mailing address must be provided to the City Clerk with the request for appeal, and any change in mailing address after the request for appeal is filed must be reported to the City Clerk.

C. If the notice to the person pursuant to subsection (A) of this section shows an amount due, the uncontested portion of the amount due must be paid within 30 days after the date of the notice. If the uncontested amount is not paid within 30 days, collection action will be taken on that amount even if the person has filed a request for appeal. Payment of the total amount due may be made any time before the hearing. If the City Clerk has reason to believe that collection of the total amount due might jeopardize by delay, immediate payment of the total amount will be demanded and the City Clerk may pursue any collection remedies provided by law. Payment in full does not affect the person's right to a hearing.

D. If a person requests a hearing and fails to appear at the hearing, the Mayor or hearing officer may issue a decision without taking evidence from that person, unless that person shows reasonable cause for failure to appear within seven days after the date scheduled for the hearing.

E. Taxes, licenses fees, penalties and interest declared to be due in the final administrative decision must be paid within 30 days after the date of the decision, or a bond must be filed with the court in accordance with the Alaska Court Rules of Appellate Procedures. (Ord. 16-09(S) § 5, 2016)

**5.10.050 Review of marijuana establishment license application.**

Upon receiving notice from the Marijuana Control Board of an application for the issuance, renewal, transfer of location or transfer to another person of a marijuana establishment location in the City, including without limitation an application to transfer a license to a license location in the City under AS 17.38, the City shall refer the application for review:

A. By the Public Works Department to determine whether any structure, or use of land or structures at the license location does not conform to HMC Title 10, applicable platting regulations, including recorded subdivision reservations, restrictions and covenants, or the terms and conditions of any rezone, planning commission approval, or administrative approval granted for the license location. The Public Works Department shall notify the applicant in writing of any nonconformity that it finds. In response to this notice, the applicant shall either:

1. Provide evidence satisfactory to the Mayor that the nonconformity has been corrected; or
2. Provide a plan for correction of the non-conformity satisfactory to the Mayor, with security satisfactory to the Mayor for the performance of the plan.

B. By the Clerk's office to determine whether the licensee or license transfer is delinquent in paying to the City any tax, assessment, business license fee, or other fee or charge, or to the Matanuska-Susitna Borough any real property tax, for the business that operates, or will operate, under the marijuana establishment license. The City Clerk shall notify the applicant in writing of any delinquency that it finds. In response to the notice, the applicant shall either:

1. Provide evidence satisfactory to the Mayor that the nonconformity has been corrected; or
2. Provide a plan for correction of the non-conformity satisfactory to the Mayor, with security satisfactory to the Mayor for the performance of the plan.

C. By the Police Department or Mayor to determine whether, in the opinion of the Police Chief or Mayor, there has been an excessive number of convictions or arrests for unlawful activity at the licensed premises, police reports at the licensed premises, or police dispatches to the licensed premises, or violations of HMC Title 8. The Police Department or the Mayor shall notify the applicant in writing of any adverse finding under this subsection.

D. By the Fire Chief to determine whether, in the opinion of the Fire Chief, there are conditions present that would endanger the public or responders in the event of an emergency, or there has been an excessive number of responses to the property due to false alarms, illegal burning or unsafe burn practices. The Fire Chief shall notify the applicant in writing of any adverse finding under this subsection. (Ord. 16-08 § 5, 2016; Ord. 17-03 § 5, 2017)

**4.20.155 Repayment plans.**

A. The City may agree to enter into a repayment plan with a delinquent seller. No repayment plan shall be valid unless agreed to by both parties in writing.

B. A seller shall not be eligible to enter into a repayment plan with the City if the seller has defaulted on a repayment plan in the previous two calendar years.

C. The repayment plan shall include a secured promissory note that substantially complies with the following terms:

1. The seller agrees to pay a minimum of 10 percent down payment on the tax, interest and penalty amount due. The down payment shall be applied first to penalty, then to accumulated interest, and then to the tax owed.
2. The seller agrees to pay the balance of the tax, penalty and interest owed in monthly installments over a period not to exceed one year.
3. Interest at a rate of 15 percent per annum shall accrue on the principal sum due. Interest shall not apply to penalties owed or to interest accrued at the time the repayment plan is executed or accruing during the term of the repayment plan.
4. If the seller is a corporation or a limited liability entity the seller agrees to provide a personal guarantee of the obligations under the repayment plan.
5. The seller agrees to pay all future tax bills in accordance with the provisions of this chapter.
6. The seller agrees to provide a security interest in the form of a sales tax lien for the entire unpaid balance of the promissory note to be recorded by the City at the time the repayment plan is signed. The seller shall be responsible for the cost of recording the tax lien.

D. If a seller fails to pay two or more payments as required by the repayment plan agreement, the seller shall be in default and the entire amount owed at the time of default shall become immediately due. The City Clerk will send the seller a notice of default. The City may immediately foreclose on the sales tax lien or take any other remedy available under the law. (Ord. 20-08 § 8, 2020)

**AS 29.45.650(e). Sales and Use Tax.**

(e) A borough may provide for the creation, recording, and notice of a lien on real or personal property to secure the payment of a sales and use tax, and the interest, penalties, and administration costs in the event of delinquency. When recorded, the sales tax lien has priority over all other liens except (1) liens for property taxes and special assessments; (2) liens that were perfected before the recording of the sales tax lien for amounts actually advanced before the recording of the sales tax lien; (3) mechanics' and materialmen's liens for which claims of lien under AS 34.35.070 or notices of right to lien under AS 34.35.064 have been recorded before the recording of the sales tax lien. This subsection applies to home rule and general law municipalities.

City of Houston, Alaska  
Office of the City Clerk



January 24, 2022

50 Shades of Green LLC.  
Gabrielle Peterson- Christensen  
PO Box 877848  
Wasilla, AK 99687

Re: Marijuana License Review # 14956

Dear Business Owner:

Your marijuana license application has come up for review by the City of Houston. Per HMC 5.10.050 (B) the Clerk's office has reviewed your application for compliance. At this time your application does not meet the provisions of HMC 5.08.020(B) for the following reason(s)

- City of Houston Business License is not current
- City of Houston Excise License account is not current
  - No excise license on file
  - Excise return(s) for the following months have not been submitted
- Unpaid Sales Tax Balance of \_\_\_\_\_ for the period(s) \_\_\_\_\_.
- Unpaid Excise Tax Balance of [REDACTED] for the period(s) [REDACTED].
- Unpaid Fees (*i.e.* late fee, penalties, interest) of [REDACTED].
- Property taxes due in the amount of \_\_\_\_\_.

The Clerk's Office will recommend that your marijuana license be protested if the above non-conformities are not corrected. Please contact the Clerk's Office to correct any non-conformities by

**Thursday, January 31, 2022.**

If you have any questions, you can reach the Clerk's Office at 907-892-6869.

Sincerely,

A handwritten signature in blue ink that reads "Sonya Pevan".

Sonya Pevan, CMC  
City Clerk  
[spevan@houston-ak.gov](mailto:spevan@houston-ak.gov)

CC: Mayor's Office  
City Treasurer

**5.10.050 Review of marijuana establishment license application.**

Upon receiving notice from the Marijuana Control Board of an application for the issuance, renewal, transfer of location or transfer to another person of a marijuana establishment location in the City, including without limitation an application to transfer a license to a license location in the City under AS 17.38, the City shall refer the application for review:

A. By the Public Works Department to determine whether any structure, or use of land or structures at the license location does not conform to HMC Title 10, applicable platting regulations, including recorded subdivision reservations, restrictions and covenants, or the terms and conditions of any rezone, planning commission approval, or administrative approval granted for the license location. The Public Works Department shall notify the applicant in writing of any nonconformity that it finds. In response to this notice, the applicant shall either:

1. Provide evidence satisfactory to the Mayor that the nonconformity has been corrected; or
2. Provide a plan for correction of the non-conformity satisfactory to the Mayor, with security satisfactory to the Mayor for the performance of the plan.

B. By the Clerk's office to determine whether the licensee or license transfer is delinquent in paying to the City any tax, assessment, business license fee, or other fee or charge, or to the Matanuska-Susitna Borough any real property tax, for the business that operates, or will operate, under the marijuana establishment license. The City Clerk shall notify the applicant in writing of any delinquency that it finds. In response to the notice, the applicant shall either:

1. Provide evidence satisfactory to the Mayor that the nonconformity has been corrected; or
2. Provide a plan for correction of the non-conformity satisfactory to the Mayor, with security satisfactory to the Mayor for the performance of the plan.

C. By the Police Department or Mayor to determine whether, in the opinion of the Police Chief or Mayor, there has been an excessive number of convictions or arrests for unlawful activity at the licensed premises, police reports at the licensed premises, or police dispatches to the licensed premises, or violations of HMC Title 8. The Police Department or the Mayor shall notify the applicant in writing of any adverse finding under this subsection.

D. By the Fire Chief to determine whether, in the opinion of the Fire Chief, there are conditions present that would endanger the public or responders in the event of an emergency, or there has been an excessive number of responses to the property due to false alarms, illegal burning or unsafe burn practices. The Fire Chief shall notify the applicant in writing of any adverse finding under this subsection. (Ord. 16-08 § 5, 2016; Ord. 17-03 § 5, 2017)

City of Houston, Alaska  
Mayor's Office



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February 3, 2022

License # 14956  
50 Shades of Green LLC.  
Gabrielle Peterson-Christensen  
PO Box 877848  
Wasilla, Alaska 99687

Re: Marijuana Establishment License Review

Dear Business Owner:

Your marijuana establishment license application has come up for review by the City of Houston. Per HMC 5.10.060 the City Council will be holding a public hearing and considering the application at the next City Council meeting, to be held on the **10<sup>th</sup> day of February at 6:00 pm** at Houston City Hall, 13878 W Armstrong Road, Houston AK 99694.

You may appear before the Council at this publicly noticed hearing to defend your application.

Below is a summary of any findings for your application under HMC 5.10.050:

- There are no unresolved findings for your application.

If you have any questions, please contact the Clerk's Office at 907-892-6869.

Sincerely,

A handwritten signature in blue ink that reads "Virgie Thompson".

Virgie Thompson

Mayor

[vthompson@houston-ak.gov](mailto:vthompson@houston-ak.gov)

CC: Clerks Office

Enclosure: Houston Municipal Code 5.10

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## Chapter 5.10

### MARIJUANA REGULATIONS

#### Sections:

- 5.10.010 Purpose and scope of authority.
- 5.10.020 Designation of local regulatory authority.
- 5.10.030 Definitions.
- 5.10.040 License required.
- 5.10.050 Review of marijuana establishment license application.
- 5.10.060 Consideration by Council.
- 5.10.070 Licensed premises restrictions.
- 5.10.080 Violations – Remedies.

#### **5.10.010 Purpose and scope of authority.**

A. The purpose of this chapter is to provide for the municipal regulation of marijuana and marijuana establishments as allowed by state law. This chapter and the regulations related to marijuana establishments herein are adopted pursuant to the express authority granted by AS 17.38.210. This chapter and the regulations herein are intended to allow the City to regulate marijuana and marijuana establishments within the broadest range of municipal control contemplated by state statute.

B. Local Control of Marijuana Establishments. The City may by ordinance or resolution exercise local control of marijuana establishments within the broadest range of municipal control contemplated by state law. In addition to other types of local control, the City may:

1. Prohibit the operation of all or any type of marijuana establishments;
2. Regulate marijuana establishments in a manner more restrictive than state law;
3. Establish a local license procedure for marijuana establishments;
4. Designate a local regulatory authority which will:
  - a. Receive half of any fee paid to the state as part of an application to operate a marijuana establishment within the City;
  - b. Receive a copy of each state license application and provide input to the state regarding such application; and
  - c. Process applications for City licenses to operate a marijuana establishment within the City and to issue licenses in the event that the state authority fails to process applications in accordance with AS 17.38.090 and 17.38.100;
5. Establish a schedule of annual licensing fees;
6. Regulate the time and manner of operation of marijuana establishments;
7. Regulate the number of marijuana establishments within the City;
8. Regulate the manner in which marijuana and marijuana products may be displayed by a retail marijuana store; and
9. Establish civil penalties for violations of this chapter.

C. The City Council after public hearing shall determine whether to protest or recommend with conditions the issuance, renewal or transfer of a marijuana establishment license application and shall consider the following factors it believes are pertinent. Such factors shall include, but are not limited to:

1. Review of referrals under HMC 5.10.050; and
2. The concentration of other licenses of the same and other types in the area; and
3. Any other factors the City Council determines are relevant to a particular application, including a reasonable expectation that the applicant will exercise the license for the duration of the term of the license. (Ord. 16-08 § 5, 2016)

**5.10.020 Designation of local regulatory authority.**

Pursuant to AS 17.38.210(C) the City Council is designated as the local authority for the City. (Ord. 16-08 § 5, 2016)

**5.10.030 Definitions.**

“Code” means the Houston Municipal Code (HMC).

“Consume” means, in all conjugate forms, the act of ingesting, inhaling, or otherwise introducing marijuana into the human body.

“Local regulatory authority” means the office or entity designated to process marijuana establishment applications by a local government.

“Marijuana” has the same meaning as contained in AS 17.38.900(7).

“Marijuana cultivation facility” has the same meaning as contained in AS 17.38.900(9).

“Marijuana establishment” means a marijuana cultivation facility, a marijuana testing facility, a marijuana product manufacturing facility, or a retail marijuana store.

“Marijuana product manufacturing facility” has the same meaning as contained in AS 17.38.900(11).

“Marijuana products” means concentrated marijuana products and marijuana products that are comprised of marijuana and other ingredients and are intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures.

“Marijuana retail store” has the same meaning as “retail marijuana store” contained in AS 17.38.900(15).

“Marijuana testing facility” has the same meaning as contained in AS 17.38.900(13).

“Public,” as used in this chapter, means a place to which the public or a substantial group of persons has access and includes highways, rivers, lakes, transportation facilities, schools, places of amusement or business, parks, playgrounds, prisons, and hallways, lobbies and other parts of apartment houses and hotels not constituting rooms or apartments designated for actual residence. Notwithstanding the foregoing, a location with proper licensure in place and that is in compliance with applicable state laws and regulations, City ordinances, including City licensure requirements, if any, and that is operating within the restrictions of such law and licensure is not a public place. (Ord. 16-08 § 5, 2016)

**5.10.040 License required.**

It is unlawful for any person to operate a marijuana establishment in the City without obtaining a local business license to operate. A valid license from the state of Alaska is required as provided by AS 17.38 prior to operation.

All applications for a City business license to operate a marijuana establishment shall include:

- A. A legal description of the property involved; and
- B. Documentation of property ownership; and
- C. A written statement from the property owner authorizing the proposed marijuana establishment use, if the applicant is not the property owner; and

D. A detailed site plan that includes a diagram of the proposed licensed premises showing all entrances and boundaries of the premises. (Ord. 16-08 § 5, 2016)

**5.10.050 Review of marijuana establishment license application.**

Upon receiving notice from the Marijuana Control Board of an application for the issuance, renewal, transfer of location or transfer to another person of a marijuana establishment location in the City, including without limitation an application to transfer a license to a license location in the City under AS 17.38, the City shall refer the application for review:

A. By the Public Works Department to determine whether any structure, or use of land or structures at the license location does not conform to HMC Title 10, applicable platting regulations, including recorded subdivision reservations, restrictions and covenants, or the terms and conditions of any rezone, planning commission approval, or administrative approval granted for the license location. The Public Works Department shall notify the applicant in writing of any nonconformity that it finds. In response to this notice, the applicant shall either:

1. Provide evidence satisfactory to the Mayor that the nonconformity has been corrected; or
2. Provide a plan for correction of the non-conformity satisfactory to the Mayor, with security satisfactory to the Mayor for the performance of the plan.

B. By the Clerk's office to determine whether the licensee or license transfer is delinquent in paying to the City any tax, assessment, business license fee, or other fee or charge, or to the Matanuska-Susitna Borough any real property tax, for the business that operates, or will operate, under the marijuana establishment license. The City Clerk shall notify the applicant in writing of any delinquency that it finds. In response to the notice, the applicant shall either:

1. Provide evidence satisfactory to the Mayor that the nonconformity has been corrected; or
2. Provide a plan for correction of the non-conformity satisfactory to the Mayor, with security satisfactory to the Mayor for the performance of the plan.

C. By the Police Department or Mayor to determine whether, in the opinion of the Police Chief or Mayor, there has been an excessive number of convictions or arrests for unlawful activity at the licensed premises, police reports at the licensed premises, or police dispatches to the licensed premises, or violations of HMC Title 8. The Police Department or the Mayor shall notify the applicant in writing of any adverse finding under this subsection.

D. By the Fire Chief to determine whether, in the opinion of the Fire Chief, there are conditions present that would endanger the public or responders in the event of an emergency, or there has been an excessive number of responses to the property due to false alarms, illegal burning or unsafe burn practices. The Fire Chief shall notify the applicant in writing of any adverse finding under this subsection. (Ord. 16-08 § 5, 2016; Ord. 17-03 § 5, 2017)

**5.10.060 Consideration by Council.**

A. Before taking action on a marijuana establishment application under this section, the Mayor shall provide for a public hearing before the City Council. Within 15 business days after the referrals under HMC 5.10.050, the Mayor shall schedule each marijuana establishment license application for consideration by the City Council at its next City Council meeting and send written notice to the applicant. The notice shall include the following information:

1. The date and time of the meeting at which the Council will consider the application;
2. A statement that the applicant may appear before the Council at the meeting to defend the application; and
3. A summary of any unresolved findings adverse to the marijuana establishment application that have resulted from the referrals under HMC 5.10.050.

B. During the public hearing, the City Council shall provide the applicant an opportunity to make a presentation in defense of the application.

C. The City Council after public hearing shall determine whether to protest or recommend with conditions, the issuance, renewal or transfer of a marijuana establishment license application and shall consider the following factors it believes are pertinent. Such factors shall include, but are not limited to:

1. Review of referrals under HMC 5.10.050; and
2. The concentration of other licenses of the same and other types in the area; and
3. Any other factors the City Council determines is relevant to a particular application, including a reasonable expectation that the applicant will exercise the license for the duration of the term of the license.

D. For a marijuana establishment application that is subject to protest by the City under 3 AAC 306.060:

1. After considering the application and public hearing the City Council may decide to:
  - a. Protest the application under 3 AAC 306.060;
  - b. Recommend conditions on which the application should be granted under 3 AAC 306.060; or
  - c. Take no action on the application.
2. If the City Council protests an application or recommends conditions on which the application should be granted, the City Council shall state on the record the reasons for its decision, and the Mayor shall notify the Board and the applicant in writing of the decision of the Council and the reasons therefor.
3. If the City Council finds that the basis for its decision to protest an application, or to recommend conditions on which an application should be granted, no longer exists, the City Council may rescind its decision and direct the Mayor to notify the Board and the applicant of its rescission.

E. For one or more applications to relocate a marijuana establishment license in the City under 3 AAC 306.060:

1. After considering the applications, the City Council may decide to:
  - a. Approve one or more of the applications with or without conditions; or
  - b. Deny one or more applications.
2. The Mayor shall notify the Board, the Matanuska-Susitna Borough, and the applicants in writing of the decision of the Council and the reasons therefor. (Ord. 16-08 § 5, 2016)

**5.10.070 Licensed premises restrictions.**

A licensed marijuana retail store shall not:

- A. Conduct business or allow a consumer to access the retail marijuana store's licensed premises between the hours of 5:00 a.m. and 8:00 a.m. each day;
- B. Allow a person to consume marijuana or a marijuana product on the retail marijuana store's licensed premises, except as provided in 3 AAC 306.305(a)(4);
- C. Offer or deliver to a consumer, as a marketing promotion or for any other reason:
  1. Free marijuana or marijuana product, including a sample; or
  2. Alcoholic beverages, free or for compensation. (Ord. 16-08 § 5, 2016)

**5.10.080 Violations – Remedies.**

A. Remedies and penalties for violations of this chapter are as provided in Chapter 1.16 HMC.

B. For violations of this chapter, and notwithstanding any other available remedies or penalties, the City may bring a civil action to:

1. Enjoin a violation of this chapter. On application for injunctive relief and a finding of a violation or threatened violation, the Superior Court shall enjoin the violation.

2. Recover a civil penalty of \$250.00 for each violation of this chapter.

C. Each act or omission in violation of this chapter, and each day in which the act or omission occurs, is a separate violation.

D. All remedies for violations of this chapter are cumulative and are in addition to any others existing at law or in equity. (Ord. 16-08 § 5, 2016)



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Department of Commerce, Community,  
and Economic Development**

ALCOHOL & MARIJUANA CONTROL OFFICE  
550 West 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
Main: 907.269.0350

December 23, 2021

City of Houston  
Attn: City Clerk  
VIA Email: [spevan@houston-ak.gov](mailto:spevan@houston-ak.gov)  
CC: [clerk@houston-ak.gov](mailto:clerk@houston-ak.gov)  
[ahansen@houston-ak.gov](mailto:ahansen@houston-ak.gov)

Matanuska-Susitna Borough  
Attn: Mark Whisenhunt  
VIA Email: [License.Reviews@matsugov.us](mailto:License.Reviews@matsugov.us)

<b>License Number:</b>	14956
<b>License Type:</b>	Standard Marijuana Cultivation Facility
<b>Licensee:</b>	50 Shades of Green LLC.
<b>Doing Business As:</b>	50 SHADES OF GREEN LLC
<b>Physical Address:</b>	14481 W Marginal Access Road Houston, AK 99694
<b>Designated Licensee:</b>	Gabrielle Petersen-Christensen
<b>Phone Number:</b>	907-775-6552
<b>Email Address:</b>	qnogrn@50shadesogreen.com

**License Renewal Application**       **Endorsement Renewal Application**

AMCO has received a complete renewal application and/or endorsement renewal application for a marijuana establishment within your jurisdiction. This notice is required under 3 AAC 306.035(c)(2). Application documents will be sent to you separately via ZendTo.

To protest the approval of this application pursuant to 3 AAC 306.060, you must furnish the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of the date of this notice, and provide AMCO proof of service of the protest upon the applicant.

3 AAC 306.060 states that the board will uphold a local government protest and deny an application for a marijuana establishment license unless the board finds that a protest by a local government is arbitrary, capricious, and unreasonable. If the protest is a “conditional protest” as defined in 3 AAC 306.060(d)(2) and the application otherwise meets all the criteria set forth by the regulations, the Marijuana Control Board may approve the license renewal, but require the applicant to show to the board’s satisfaction that the requirements of the local government have been met before the director issues the license.

At the May 15, 2017, Marijuana Control Board meeting, the board delegated to me the authority to approve renewal applications with no protests, objections, or notices of violation. However, if a timely protest or objection is filed for this application, or if any notices of violation have been issued for this license, the board will consider the application. In those situations, a temporary license will be issued pending board consideration.

If you have any questions, please email [amco.localgovernmentonly@alaska.gov](mailto:amco.localgovernmentonly@alaska.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Glen Klinkhart". The signature is stylized and cursive.

Glen Klinkhart, Director  
907-269-0350



# Public Notice

## Application for Marijuana Establishment License

**License Number:** 14956

**License Status:** Active-Operating

**License Type:** Standard Marijuana Cultivation Facility

**Doing Business As:** 50 SHADES OF GREEN LLC

**Business License Number:** 1059762

**Email Address:** qnognr@50shadesogreen.com

**Latitude, Longitude:** 61.631334, -149.815449

**Physical Address:** 14481 W Marginal Access Road  
Houston, AK 99694  
UNITED STATES

Licensee #1	Entity Official #1
<b>Type:</b> Entity	<b>Type:</b> Individual
<b>Alaska Entity Number:</b> 10067899	<b>Name:</b> Gabrielle Petersen-Christensen
<b>Alaska Entity Name:</b> 50 Shades of Green LLC.	<b>Phone Number:</b> 907-775-6552
<b>Phone Number:</b> 907-775-6552	<b>Email Address:</b> qnognr@50shadesogreen.com
<b>Email Address:</b> qnognr@50shadesogreen.com	<b>Mailing Address:</b> PO Box 877848 Wasilla, AK 99687 UNITED STATES
<b>Mailing Address:</b> PO Box 877848 wasilla, AK 99687 UNITED STATES	

*Note: No affiliates entered for this license.*

Interested persons may object to the application by submitting a written statement of reasons for the objection to their local government, the applicant, and the Alcohol & Marijuana Control Office (AMCO) not later than 30 days after the director has determined the application to be complete and has given written notice to the local government. Once an application is determined to be complete, the objection deadline and a copy of the application will be posted on AMCO's website at <https://www.commerce.alaska.gov/web/amco>. Objections should be sent to AMCO at [marijuana.licensing@alaska.gov](mailto:marijuana.licensing@alaska.gov) or to 550 W 7th Ave, Suite 1600, Anchorage, AK 99501.

**POSTING DATE** \_\_\_\_\_



Alaska Marijuana Control Board

**Form MJ-20: Renewal Application Certifications**

**What is this form?**

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

**This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.**

**Section 1 – Establishment Information**

Enter information for the licensed establishment, as identified on the license application.

Licensee:	SO Shades of Green LLC	License Number:	14956
License Type:	Standard Cultivation Facility		
Doing Business As:	SO Shades of Green LLC		
Premises Address:	14481 W Marginal Access Rd		
City:	Houston	State:	AK
		ZIP:	99694

**Section 2 – Individual Information**

Enter information for the individual licensee who is completing this form.

Name:	Garbrick Petersen Christensen
Title:	Owner - CEO

**Section 3 – Violations & Charges**

Read each line below, and then sign your initials in the box to the right of any applicable statements:

I certify that I have **not** been convicted of any criminal charge in the previous two calendar years.

Initials

I certify that I have **not** committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.

I certify that a notice of violation has **not** been issued to this license between July 1, 2020 and June 30, 2021.

**Sign your initials to the following statement only if you are unable to certify one or more of the above statements:**

Initials

I have attached a written explanation for why I cannot certify one or more of the above statements, which includes the type of violation or offense, as required under 3 AAC 306.035(b).



# Form MJ-20: Renewal Application Certifications

## Section 4 – Certifications & Waiver

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued.

*[Handwritten initials]*

I certify that I meet the residency requirement under AS 43.23 or I have submitted a residency exception affidavit (MJ-20a) along with this application.

*[Handwritten initials]*

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.

*[Handwritten initials]*

I certify that the license is operated in accordance with the operating plan currently approved by the Marijuana Control Board.

*[Handwritten initials]*

I certify that I am operating in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.

*[Handwritten initials]*

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

*[Handwritten initials]*

I certify that I understand that providing a false statement on this form, the online application, or any other form provided by or to AMCO is grounds for rejection or denial of this application or revocation of any license issued.

*[Handwritten initials]*

LaBridle Peterson Christensen hereby waive my confidentiality rights under AS 43.05.230(a) and authorize the State of Alaska, Department of Revenue to disclose any and all tax information regarding this marijuana license to the Alcohol and Marijuana Control Office (AMCO) upon formal request as part of any official investigation as long as I hold, solely, or together with other parties, this marijuana license.

*[Handwritten initials]*

As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

LaBridle Peterson Christensen  
Signature of licensee

Justin L. Crowley  
Notary Public in and for the State of Alaska

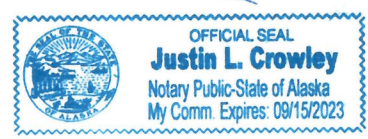
LaBridle Peterson Christensen  
Printed name of licensee

My commission expires: 9/15/23

Subscribed and sworn to before me this 20<sup>th</sup> day of Aug, 2021.



AMCO  
AUG 26 2021



August 20, 2021

License renewal # 14956

To Whom it may concern:

My name is Gabrielle Petersen-Christensen and I am the managing member of 50 Shades of Green LLC. I am creating this notice to explain why I cannot certify all of the requests on the MJ-20 due to receiving notice of violations for tax revenue not paid this was not able to be paid due to the financial hardship that our company has endured over this past year, having problems with both yield and sales and we have done everything we can just to keep going as we believe that we have been able to turn around the hardship and are on our way back to being paid in full to all debts owed.

There was one other notice of violation that we had received due to finding out that we were not able to store the adequate storage of recorded days that we were informed was adequate, we then responded to this notice and was not notified any further.

There has not been any blatant disregard or intentional violation done by 50 shades of green llc, our issues have been learning experiences and although a huge setback in our business plan we believe we are on the way back to being able to fairly compete in this industry and do so in a compliant and friendly manner.

Respectfully,  
  
Gabrielle Petersen-Christensen

AMCO

AUG 26 2021

# Notice of Violation

Email

(3AAC 306.805)

This form, all information provided and responses are public documents per Alaska Public Records Act AS 40.25

Date: 9/28/20

License #/Type: 14956

Standard Cultivation

Designated Licensee: Gabrielle Petersen-Christensen AMCO Case#:

DBA: 50 Shades of Green LLC

Premises Address: 14481 W Marginal Access Road Houston, AK 99694

Mailing Address: PO Box 877848 Wasilla, AK 99687

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana Control Board decides to act against your license, under the provisions of AS 44.62.330 - AS 44.62.630 (Administrative Procedures Act) you will receive an Accusation and Notice of your right to an Administrative Hearing.

**Note: This is not an accusation or a criminal complaint.**

As of 8/24/2020, 50 Shades of Green LLC, 14956, Standard Cultivation, you were delinquent on your marijuana excise tax liability.

You have 30 days to resolve this matter with the Department of Revenue. If the delinquency is not resolved, an accusation may be brought to the Marijuana Control Board.

Your attention is directed to: AS 17.38.010(b)(2) legitimate, taxpaying business people, and not criminal actors, will conduct sales of marijuana; 3 AAC 306.480. Marijuana tax to be paid; 3 AAC 306.810. Suspension or revocation of license; AS 43.61.030(b). Marijuana cultivation facility fails to pay tax; AS 43.05.230(e) DOR can publish list of taxpayer(s) who failed to pay their taxes.; 15 AAC 61.020. License revocation and suspension.

**3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice.**

**IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.**

**\*Please send your response to the address below and include your Marijuana Establishment License Number in your response.**

Alcohol & Marijuana Control Office  
ATTN: Enforcement  
550 W. 7<sup>th</sup> Ave, Suite 1600  
Anchorage, Alaska 99501  
[amco.enforcement@alaska.gov](mailto:amco.enforcement@alaska.gov)

Issuing Investigator: J. Hoelscher

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

# Notice of Violation

Email

(3AAC 306.805)

This form, all information provided and responses are public documents per Alaska Public Records Act AS 40.25

Date: 9/28/20

License #/Type: 14956

Standard Cultivation

Designated Licensee: Gabrielle Petersen-Christensen AMCO Case#:

DBA: 50 Shades of Green LLC

Premises Address: 14481 W Marginal Access Road Houston, AK 99694

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**Note: This is not an accusation or a criminal complaint.**

As of 9/24/2020, 50 Shades of Green LLC, 14956, Standard Cultivation, you were delinquent on your marijuana excise tax liability.

You have 30 days to resolve this matter with the Department of Revenue. If the delinquency is not resolved, an accusation may be brought to the Marijuana Control Board.

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Anchorage, Alaska 99501  
[amco.enforcement@alaska.gov](mailto:amco.enforcement@alaska.gov)

Issuing Investigator: J. Hoelscher

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

# Notice of Violation

Email

(3AAC 306.805)

This form, all information provided and responses are public documents per Alaska Public Records Act AS 40.25

Date: 11/23/20

License #/Type: 14956

Standard Cultivation

Designated Licensee: Gabrielle Petersen-Christensen AMCO Case#:

DBA: 50 Shades of Green LLC

Premises Address: 14481 W Marginal Access Road Houston, AK 99694

Mailing Address: PO Box 877848 Wasilla, AK 99687

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana Control Board decides to act against your license, under the provisions of AS 44.62.330 - AS 44.62.630 (Administrative Procedures Act) you will receive an Accusation and Notice of your right to an Administrative Hearing.

**Note: This is not an accusation or a criminal complaint.**

As of 11/18/2020, 50 Shades of Green LLC, 14956, Standard Cultivation, you were delinquent on your marijuana excise tax liability.

You have 30 days to resolve this matter with the Department of Revenue. If the delinquency is not resolved, an accusation may be brought to the Marijuana Control Board.

Your attention is directed to: AS 17.38.010(b)(2) legitimate, taxpaying business people, and not criminal actors, will conduct sales of marijuana; 3 AAC 306.480. Marijuana tax to be paid; 3 AAC 306.810. Suspension or revocation of license; AS 43.61.030(b). Marijuana cultivation facility fails to pay tax; AS 43.05.230(e) DOR can publish list of taxpayer(s) who failed to pay their taxes.; 15 AAC 61.020. License revocation and suspension.

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Anchorage, Alaska 99501  
[amco.enforcement@alaska.gov](mailto:amco.enforcement@alaska.gov)

Issuing Investigator: J. Hoelscher

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

# Notice of Violation

Email

(3AAC 306.805)

This form, all information provided and responses are public documents per Alaska Public Records Act AS 40.25

Date: 1/25/21

License #/Type: 14956

Standard Cultivation

Designated Licensee: Gabrielle Petersen-Christensen AMCO Case#:

DBA: 50 Shades of Green LLC

Premises Address: 14481 W Marginal Access Road Houston, AK 99694

Mailing Address: PO Box 877848 Wasilla, AK 99687

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana Control Board decides to act against your license, under the provisions of AS 44.62.330 - AS 44.62.630 (Administrative Procedures Act) you will receive an Accusation and Notice of your right to an Administrative Hearing.

**Note: This is not an accusation or a criminal complaint.**

As of 1/21/2021, 50 Shades of Green LLC, 14956, Standard Cultivation, you were delinquent on your marijuana excise tax liability.

You have 30 days to resolve this matter with the Department of Revenue. If the delinquency is not resolved, an accusation may be brought to the Marijuana Control Board.

Your attention is directed to: AS 17.38.010(b)(2) legitimate, taxpaying business people, and not criminal actors, will conduct sales of marijuana; 3 AAC 306.480. Marijuana tax to be paid; 3 AAC 306.810. Suspension or revocation of license; AS 43.61.030(b). Marijuana cultivation facility fails to pay tax; AS 43.05.230(e) DOR can publish list of taxpayer(s) who failed to pay their taxes.; 15 AAC 61.020. License revocation and suspension.

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Anchorage, Alaska 99501  
[amco.enforcement@alaska.gov](mailto:amco.enforcement@alaska.gov)

Issuing Investigator: J. Hoelscher

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

## Davies, Jason M (CED)

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**From:** Gabrielle Petersen-Christensen <qnogrn@50shadesogreen.com>  
**Sent:** Monday, January 25, 2021 3:24 PM  
**To:** Davies, Jason M (CED)  
**Subject:** Re: NOV Delinquency in Tax 14956

My payment plan started on the 21st I spoke with them on that day, they told me to pay My payment with Januarys filing. My payment is 1319.00 plus what is currently due for that month, and to do it as soon as we have it done. It may have been missed in crossing? I'm not sure, I will do whatever is necessary.

On Mon, Jan 25, 2021 at 3:17 PM Davies, Jason M (CED) <[jason.davies@alaska.gov](mailto:jason.davies@alaska.gov)> wrote:

Afternoon,

It is not a delayed violation. The Department of Revenue sent AMCO Enforcement a list of licensees who have not paid their taxes on 1/21/2024. Your license is on this list. AMCO Enforcement must receive a notification from the Department of Revenue to rescind this notice of violation, otherwise I need some sort of proof you are caught up on your payment plan.

Regards,

*Jason M Davies – Criminal Justice Tech II*

*AMCO/ENFORCEMENT*

[jason.davies@alaska.gov](mailto:jason.davies@alaska.gov)

907-754-3410

**From:** Gabrielle Petersen-Christensen [mailto:[qnogrn@50shadesogreen.com](mailto:qnogrn@50shadesogreen.com)]  
**Sent:** Monday, January 25, 2021 2:40 PM  
**To:** Davies, Jason M (CED) <[jason.davies@alaska.gov](mailto:jason.davies@alaska.gov)>  
**Subject:** Re: NOV Delinquency in Tax 14956

I am in a current payment plan with the department is this a delayed violation because I have set up payments

On Mon, Jan 25, 2021 at 2:04 PM Davies, Jason M (CED) <[jason.davies@alaska.gov](mailto:jason.davies@alaska.gov)> wrote:

Hello-

Attached to this email is a notice of violation(s). You have 30 days to resolve this matter with the Department of Revenue. If the delinquency is not resolved, an accusation may be brought to the Marijuana Control Board. AMCO Enforcement must receive a notification from the Department of Revenue to rescind this notice of violation.

**NOTE: You must provide proof that,**

1. **You are in a payment plan with the Department of Revenue regarding your most current violation.**

**OR**

2. **Copy of receipt or screenshot of your department of revenue account that shows your taxes are at a zero balance.**

**Please only reply to this email with one of the two request above.**

Questions or concerns should be forwarded to [amco.enforcement@alaska.gov](mailto:amco.enforcement@alaska.gov).

Thank you,



**Jason M. Davies**  
**Criminal Justice Technician II**

**AMCO Enforcement**  
**Alcohol & Marijuana Control Office**  
550 W. 7<sup>th</sup> Ave, Suite 1600

Anchorage, AK 99501  
Office (907) 754-3410  
[jason.davies@alaska.gov](mailto:jason.davies@alaska.gov)

--

Gabrielle Petersen-Christensen  
Owner/CEO  
50 Shades of Green LLC  
P.O. Box 877848  
Wasilla, Alaska 99687  
907-775-6552

“If you want to relax and not control,  
Just sit back and smoke a bowl”

“What’s Your Shade?”

--

Gabrielle Petersen-Christensen  
Owner/CEO  
50 Shades of Green LLC  
P.O. Box 877848  
Wasilla, Alaska 99687  
907-775-6552

“If you want to relax and not control,  
Just sit back and smoke a bowl”

“What’s Your Shade?”

# Notice of Violation

Email

(3AAC 306.805)

This form, all information provided and responses are public documents per Alaska Public Records Act AS 40.25

Date: 2/18/21

License #/Type: 14956

Standard Cultivation

Designated Licensee: Gabrielle Petersen-Christensen AMCO Case#:

DBA: 50 Shades of Green LLC

Premises Address: 14481 W Marginal Access Road Houston, AK 99694

Mailing Address: PO Box 877848 Wasilla, AK 99687

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana Control Board decides to act against your license, under the provisions of AS 44.62.330 - AS 44.62.630 (Administrative Procedures Act) you will receive an Accusation and Notice of your right to an Administrative Hearing.

**Note: This is not an accusation or a criminal complaint.**

As of 2/17/2021, 50 Shades of Green LLC, 14956, Standard Cultivation, you were delinquent on your marijuana excise tax liability.

You have 30 days to resolve this matter with the Department of Revenue. If the delinquency is not resolved, an accusation may be brought to the Marijuana Control Board.

Your attention is directed to: AS 17.38.010(b)(2) legitimate, taxpaying business people, and not criminal actors, will conduct sales of marijuana; 3 AAC 306.480. Marijuana tax to be paid; 3 AAC 306.810. Suspension or revocation of license; AS 43.61.030(b). Marijuana cultivation facility fails to pay tax; AS 43.05.230(e) DOR can publish list of taxpayer(s) who failed to pay their taxes.; 15 AAC 61.020. License revocation and suspension.

**3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice.**

**IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.**

**\*Please send your response to the address below and include your Marijuana Establishment License Number in your response.**

Alcohol & Marijuana Control Office  
ATTN: Enforcement  
550 W. 7<sup>th</sup> Ave, Suite 1600  
Anchorage, Alaska 99501  
[amco.enforcement@alaska.gov](mailto:amco.enforcement@alaska.gov)

Issuing Investigator: J. Hoelscher

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

# Notice of Violation

Email

(3AAC 306.805)

This form, all information provided and responses are public documents per Alaska Public Records Act AS 40.25

Date: 3/23/21

License #/Type: 14956

Standard Cultivation

Designated Licensee: Gabrielle Petersen-Christensen AMCO Case#:

DBA: 50 Shades of Green LLC

Premises Address: 14481 W Marginal Access Road Houston, AK 99694

Mailing Address: PO Box 877848 Wasilla, AK 99687

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana Control Board decides to act against your license, under the provisions of AS 44.62.330 - AS 44.62.630 (Administrative Procedures Act) you will receive an Accusation and Notice of your right to an Administrative Hearing.

**Note: This is not an accusation or a criminal complaint.**

As of 3/17/2021, 50 Shades of Green LLC, 14956, Standard Cultivation, you were delinquent on your marijuana excise tax liability.

You have 30 days to resolve this matter with the Department of Revenue. If the delinquency is not resolved, an accusation may be brought to the Marijuana Control Board.

Your attention is directed to: AS 17.38.010(b)(2) legitimate, taxpaying business people, and not criminal actors, will conduct sales of marijuana; 3 AAC 306.480. Marijuana tax to be paid; 3 AAC 306.810. Suspension or revocation of license; AS 43.61.030(b). Marijuana cultivation facility fails to pay tax; AS 43.05.230(e) DOR can publish list of taxpayer(s) who failed to pay their taxes.; 15 AAC 61.020. License revocation and suspension.

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Anchorage, Alaska 99501  
[amco.enforcement@alaska.gov](mailto:amco.enforcement@alaska.gov)

Issuing Investigator: J. Hoelscher

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

# Notice of Violation

Email

(3AAC 306.805)

This form, all information provided and responses are public documents per Alaska Public Records Act AS 40.25

Date: 4/29/21

License #/Type: 14956

Standard Cultivation

Designated Licensee: Gabrielle Petersen-Christensen AMCO Case#:

DBA: 50 Shades of Green LLC

Premises Address: 14481 W Marginal Access Road Houston, AK 99694

Mailing Address: PO Box 877848 Wasilla, AK 99687

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana Control Board decides to act against your license, under the provisions of AS 44.62.330 - AS 44.62.630 (Administrative Procedures Act) you will receive an Accusation and Notice of your right to an Administrative Hearing.

**Note: This is not an accusation or a criminal complaint.**

As of 4/28/2021, 50 Shades of Green LLC, 14956, Standard Cultivation, you were delinquent on your marijuana excise tax liability.

You have 30 days to resolve this matter with the Department of Revenue. If the delinquency is not resolved, an accusation may be brought to the Marijuana Control Board.

Your attention is directed to: AS 17.38.010(b)(2) legitimate, taxpaying business people, and not criminal actors, will conduct sales of marijuana; 3 AAC 306.480. Marijuana tax to be paid; 3 AAC 306.810. Suspension or revocation of license; AS 43.61.030(b). Marijuana cultivation facility fails to pay tax; AS 43.05.230(e) DOR can publish list of taxpayer(s) who failed to pay their taxes.; 15 AAC 61.020. License revocation and suspension.

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Anchorage, Alaska 99501  
[amco.enforcement@alaska.gov](mailto:amco.enforcement@alaska.gov)

Issuing Investigator: J. Hoelscher

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

# Notice of Violation

Email

(3AAC 306.805)

This form, all information provided and responses are public documents per Alaska Public Records Act AS 40.25

Date: 5/20/21

License #/Type: 14956

Standard Cultivation

Designated Licensee: Gabrielle Petersen-Christensen AMCO Case#:

DBA: 50 Shades of Green LLC

Premises Address: 14481 W Marginal Access Road Houston, AK 99694

Mailing Address: PO Box 877848 Wasilla, AK 99687

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana Control Board decides to act against your license, under the provisions of AS 44.62.330 - AS 44.62.630 (Administrative Procedures Act) you will receive an Accusation and Notice of your right to an Administrative Hearing.

**Note: This is not an accusation or a criminal complaint.**

As of 5/19/2021, 50 Shades of Green LLC, 14956, Standard Cultivation, you were delinquent on your marijuana excise tax liability.

You have 30 days to resolve this matter with the Department of Revenue. If the delinquency is not resolved, an accusation may be brought to the Marijuana Control Board.

Your attention is directed to: AS 17.38.010(b)(2) legitimate, taxpaying business people, and not criminal actors, will conduct sales of marijuana; 3 AAC 306.480. Marijuana tax to be paid; 3 AAC 306.810. Suspension or revocation of license; AS 43.61.030(b). Marijuana cultivation facility fails to pay tax; AS 43.05.230(e) DOR can publish list of taxpayer(s) who failed to pay their taxes.; 15 AAC 61.020. License revocation and suspension.

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ATTN: Enforcement  
550 W. 7<sup>th</sup> Ave, Suite 1600  
Anchorage, Alaska 99501  
[amco.enforcement@alaska.gov](mailto:amco.enforcement@alaska.gov)

Issuing Investigator: J. Hoelscher

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

# Notice of Violation

Email

(3AAC 306.805)

This form, all information provided and responses are public documents per Alaska Public Records Act AS 40.25

Date: 6/23/21

License #/Type: 14956

Standard Cultivation

Designated Licensee: Gabrielle Petersen-Christensen AMCO Case#:

DBA: 50 Shades of Green LLC

Premises Address: 14481 W Marginal Access Road Houston, AK 99694

Mailing Address: PO Box 877848 Wasilla, AK 99687

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana Control Board decides to act against your license, under the provisions of AS 44.62.330 - AS 44.62.630 (Administrative Procedures Act) you will receive an Accusation and Notice of your right to an Administrative Hearing.

**Note: This is not an accusation or a criminal complaint.**

As of 6/16/2021, 50 Shades of Green LLC, 14956, Standard Cultivation, you were delinquent on your marijuana excise tax liability.

You have 30 days to resolve this matter with the Department of Revenue. If the delinquency is not resolved, an accusation may be brought to the Marijuana Control Board.

Your attention is directed to: AS 17.38.010(b)(2) legitimate, taxpaying business people, and not criminal actors, will conduct sales of marijuana; 3 AAC 306.480. Marijuana tax to be paid; 3 AAC 306.810. Suspension or revocation of license; AS 43.61.030(b). Marijuana cultivation facility fails to pay tax; AS 43.05.230(e) DOR can publish list of taxpayer(s) who failed to pay their taxes.; 15 AAC 61.020. License revocation and suspension.

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Issuing Investigator: J. Hoelscher

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

# Notice of Violation

Email

(3AAC 306.805)

This form, all information provided and responses are public documents per Alaska Public Records Act AS 40.25

Date: 9/28/20

License #/Type: 14956

Standard Cultivation

Designated Licensee: Gabrielle Petersen-Christensen AMCO Case#:

DBA: 50 Shades of Green LLC

Premises Address: 14481 W Marginal Access Road Houston, AK 99694

Mailing Address: PO Box 877848 Wasilla, AK 99687

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana Control Board decides to act against your license, under the provisions of AS 44.62.330 - AS 44.62.630 (Administrative Procedures Act) you will receive an Accusation and Notice of your right to an Administrative Hearing.

**Note: This is not an accusation or a criminal complaint.**

As of 7/29/2020, 50 Shades of Green LLC, 14956, Standard Cultivation, you were delinquent on your marijuana excise tax liability.

You have 30 days to resolve this matter with the Department of Revenue. If the delinquency is not resolved, an accusation may be brought to the Marijuana Control Board.

Your attention is directed to: AS 17.38.010(b)(2) legitimate, taxpaying business people, and not criminal actors, will conduct sales of marijuana; 3 AAC 306.480. Marijuana tax to be paid; 3 AAC 306.810. Suspension or revocation of license; AS 43.61.030(b). Marijuana cultivation facility fails to pay tax; AS 43.05.230(e) DOR can publish list of taxpayer(s) who failed to pay their taxes.; 15 AAC 61.020. License revocation and suspension.

**3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice.**

**IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.**

**\*Please send your response to the address below and include your Marijuana Establishment License Number in your response.**

Alcohol & Marijuana Control Office  
ATTN: Enforcement  
550 W. 7<sup>th</sup> Ave, Suite 1600  
Anchorage, Alaska 99501  
[amco.enforcement@alaska.gov](mailto:amco.enforcement@alaska.gov)

Issuing Investigator: J. Hoelscher

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

# Notice of Violation

(3AAC 306.805)

This form, all information provided and responses are public documents per Alaska Public Records ACT AS 40.25

Date: 10/1/20

License #/Type: 14956 Standard Marijuana Cultivation Facilities

Licensee: 50 Shades of Green, LLC

Address: 14481 W Marginal Access Road Houston, AK 99694

DBA: 50 Shades of Green

AMCO Case #: AM20-1066

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana Control Board decides to act against your license, under the provisions of AS 44.62.330 - AS 44.62.630 (Administrative Procedures Act) you will receive an Accusation and Notice of your right to an Administrative Hearing.

**Note: This is not an accusation or a criminal complaint.**

On 10/1/20 I (Investigator Rukes) made a request for video coverage for the time period of 9/1/2020 through 9/8/20. Gabrielle Petersen-Christensen informed me that the video system was set up so that it was not recording 40 days and it was also not recording continuously.

This is in violation of:

3 AAC 306.720 (e) Video surveillance

**3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice of Violation. A licensee may respond, either orally or in writing to the Notice. 3 AAC 306.810 (2)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation, to correct any defect that is the subject of the notice of violation of AS 17.8 or this chapter.**

**IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.**

**\*Please send your response to the address below and include your marijuana license number in your response.**

Alcohol & Marijuana Control Office  
ATTN: Enforcement  
550 W. 7<sup>th</sup> Ave, Suite 1600  
Anchorage, Alaska 99501  
[amco.enforcement@alaska.gov](mailto:amco.enforcement@alaska.gov)

Issuing Investigator: J. Rukes

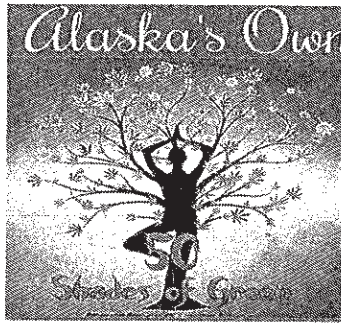
Received by:

SIGNATURE: *Jeff Rukes*

SIGNATURE:

Delivered VIA: Email

Date: 11/30/20



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**50 Shades of Green LLC \* POB 877848 \* Wasilla, Alaska 99687 \* Phone (907)775-+6552 \* Fax (907)373-0422**

December 14, 2020

AMCO Enforcement  
Enforcement Division  
550 W 7<sup>th</sup> avenue Suite 1600  
Anchorage Alaska 99501

Re: Notice of Violation AMCO Case # AM20-1066 License #4a-14956

Dear Sir or Madam:

I am sending this letter in response to the Notice of Violation that was received by my facility 50 Shades of Green LLC on December 5, 2020. I cannot argue with the Investigator in his finding that we in fact were in violation of 3AAC 306.720 (e) Video Surveillance. We are sending this response in order to explain the findings of this violation and hope that it will find us receiving leniency in any fine or repercussion.

With that said, since we began this journey, we have battled many obstacles in the process, learned many things. One large lesson now being specific specifications and equipment in Video Surveillance and Security systems. Due to the lack of knowledge our company had in this area we opted to hire a Security Company to purchase and install our required equipment. Upon meeting with this company, we were informed that they too had a business in the industry and were well aware of what the requirements were. We were ensured that their systems were above the minimum requirements and had been previously approved by the AMCO Board. We in addition paid a plethora of money to have this system installed.

On January 2, 2020, we received our initial inspection for our approval of our license, the investigator that came to the facility was met with the owner of the security company in case there were questions regarding the system that I could not answer. The majority of the inspection was spent on the Security Cameras their coverage and information. At this inspection we were approved for our license meaning our Security System passed inspection.

I had no reason to believe that with the Security Company ensuring that our equipment was up to the required standard and the AMCO Investigator passing our inspection we were in fact not in compliance with the regulations.

When the AMCO Investigator contacted myself and requested only seven days of back up recording, I immediately responded with "no problem, let me get my Security Company down to download the required footage". Once the Technician for this Company arrived at our facility, I sat with him for hours attempting to download the content, it wasn't until I myself called the customer service line for the manufacturing company of the recording device and allowed them remote access to our system that I found that I could not download the days requested because I did not have adequate coverage for the requested amount of footage. Imagine my surprise and disappointment to find that this was not what was required. I then had to report to the Investigator that I found our system to be deficient.

I immediately contacted the Security Company back and informed them of my findings, I rush ordered the required two additional hard drives to meet the requirements and then some, so that I would not have to be faced with such a disappointment and lack of Security for both myself and or others at our facility again. The drives arrived two days later and were installed that day. To this date, I can affirm with the Board that I in fact have adequate coverage of back up and saved recordings of up to 52 days while set on the highest resolution and continuous recording of all 16 cameras.

I was not only disappointed that I purchased a specific system I did not receive, but I was shocked to find that what the Security company assured me, was not so, I was confused as the AMCO inspector had passed the system as meeting the requirements of the Board. I am still to this day very upset that not only were we in violation, our facility for approximately 8 months, was not as protected as I was made to believe it was.

Therefore, I thank the board for requesting the video footage as I had no reason to look back that far in the recordings and I would not have known for who knows how long that I was not fully in compliance or protected.

It is for the above reasons that although 50 Shades of Green LLC was in fact in violation we ask for leniency on any fine or repercussion of this violation, as we are just starting our company and have taken this as a learning opportunity and are now educated in the vast differences in storage and recording systems, their capabilities, and their costs. We take responsibility for not being in compliance, of what was not entirely our doing.

Respectfully



Gabrielle Petersen-Christensen  
Owner 50 Shades of Green LLC  
PO Box 877848  
Wasilla, Alaska 99687  
qnogrn@50shadesogreen.com  
(907) 775-6552

# Notice of Violation

(3AAC 306.805)

This form, all information provided and responses are public documents per Alaska Public Records ACT AS 40.25

Date: 10/1/20

License #/Type: 14956 Standard Marijuana Cultivation Facilities

Licensee: 50 Shades of Green, LLC

Address: 14481 W Marginal Access Road Houston, AK 99694

DBA: 50 Shades of Green

AMCO Case #: AM20-1066

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Alcohol & Marijuana Control Office  
ATTN: Enforcement  
550 W. 7<sup>th</sup> Ave, Suite 1600  
Anchorage, Alaska 99501  
[amco.enforcement@alaska.gov](mailto:amco.enforcement@alaska.gov)

Issuing Investigator: J. Rukes

Received by:

SIGNATURE: *Jeff Rukes*

SIGNATURE:

Delivered VIA: Email

Date: 11/30/20

**4. REMOVE from Record:**

AS 10.50.765(b)

The following officials (members and, if applicable, managers) will be completely removed from the record as a result of this filing:

Name: Jeffrey Bresio Name: \_\_\_\_\_

Name: Ramata Thomas Name: \_\_\_\_\_

If an official is not being removed from record, then list them in Item #5 below (with their current information).

**5. ALL Current Officials:**

AS 10.50.765(b)

The following is a complete list of ALL remaining and new officials who will be on record as a result of this filing.

- An LLC must have at least one member who owns a % of the LLC. — AS 10.50.155(b)
- Must provide all members who own 5% or more of the LLC. — AS 10.50.765 (b)
- Members must own a % of the LLC. A member may be a manager if the LLC is manager managed.
- An LLC may be managed by a manager if provided in Articles of Organization. A manager may be a member if the manager also owns a % of the LLC. — AS 10.50.075(5) and AS 10.50.110(b)

- List ALL officials and their current information to be on record.
- Manager will only be accepted if the entity is manager-managed per the articles.
- **BOLD** fields are required.

FULL LEGAL NAME	COMPLETE MAILING ADDRESS	% OWNED	MEMBER	
			MEMBER	Manager
GABRIELLE Petersen Christensen	PO Box 577818 Wasilla Alaska 99687	100	X	X

→ If necessary, use the following supplement page and include all information required above in Item #5.

**6. Required Signature:**

AS 10.50.840

The Notice of Change of Officials must be signed by: a member (AS 10.50.840(a)(2)); or a manager if manager managed (AS 10.50.840(a)(1)); or an attorney-in-fact (AS 10.50.840(c)). Persons who sign documents filed with the commissioner that are known to the person to be false in material respects are guilty of a class A misdemeanor.

Signature: Gabrielle Christensen Date: 11-18-2021

Printed Name: GABRIELLE Petersen Christensen

Title of Authorized Signer:  Member  Manager  Attorney-in-fact

*If signing on behalf of a member or manager which is an entity, then identify the signer's relationship and signing authority with the member entity. For example: John Smith, President of XYZ Inc. the sole member of ABC LLC.*

*Ammended*  
**LIMITED LIABILITY COMPANY OPERATING AGREEMENT  
FOR**

SO Shades of Green LLC  
Name Of LLC

**AN ALASKA LIMITED LIABILITY COMPANY**

*As Stated in Statute - AS 10.50.095*

THIS OPERATING AGREEMENT ("Agreement") is entered into this 22 day of  
July, 2021, by the following person:

GABRIELLE Elaine Petersen-Christensen  
First Middle Last

hereinafter referred to as the "Party" or "Member."

The Member in the above-described Limited Liability Company (hereinafter referred to as the "LLC") agrees as follows:

**FORMATION OF LIMITED LIABILITY COMPANY**

I. **FORMATION OF LLC.**

The Member formed a Limited Liability Company named

SO Shades of Green LLC

in the State of Alaska.

The LLC shall be operated by the terms of this Agreement and the applicable laws of the State of Alaska,  
State

relating to the formation, taxation and operation of an LLC. The Member agrees that the LLC shall be taxed as a sole proprietorship. The sole proprietorship shall be inoperative if there are any provisions of this agreement that may cause the LLC not to be taxed as a sole proprietorship.

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II. **BUSINESS.**

The primary business of the LLC shall be:

Cultivation  
Primary Business of LLC

The LLC shall be legally allowed to conduct or promote any lawful business or purpose within the State of Alaska State or any other jurisdiction where the LLC may be conducting business activities.

III. **ARTICLES OF ORGANIZATION.**

The LLC, acting through its Member, named Garbick Elaine Peloren Christensen created the LLC by filing Articles of Organization ("Articles") in the records of the Alaska Secretary of State on \_\_\_\_\_ Date

IV. **PLACE OF BUSINESS.**

The official place of business of the LLC shall be:  
14481 W Marginal Access Rd  
Street Address  
City of Houston State of Alaska  
City State  
Zip Code 99694  
Zip Code

V. **REGISTERED OFFICE.**

The official registered office of the LLC shall be  
14481 W Marginal Access Rd  
Street Address  
City of Houston State of Alaska  
City State  
Zip Code 99694 If at anytime the registered office should change, all necessary government authorities shall be notified.  
Zip Code

VI. **REGISTERED AGENT.** The official registered agent of the LLC shall be

Gabrielle E. Petersen Christensen  
First Middle Last

If at anytime the registered agent should change, all government authorities shall be notified.

VII. **FISCAL YEAR.** The LLC's fiscal and tax year shall end on

12-31-21 each year.  
Date

VIII. **DURATION.** The LLC will commence business as of the date of filing and will continue in perpetuity.

IX. **INITIAL MEMBERS.** The initial Member of the LLC, his or her initial capital contributions, and his or her percentage interest in the LLC are as follows:

Member	Percentage Interest in LLC	Capital Contribution (If any)
Gabrielle Petersen Christensen	100%	all

X. **ADDITIONAL MEMBERS.** Upon the consent of the sole Member and in compliance with the provisions of this agreement, new members may be admitted.

XI. **MANAGEMENT.** The Member has elected to manage the LLC as follows (check as appropriate):



The management of the LLC shall be vested in the Member without an appointed manager. The Member shall elect an officer(s) who shall manage the company. The President and Secretary may act for and on behalf of the LLC and shall have the power and authority to bind the LLC in all transactions and business dealings of any kind as otherwise provided in this Agreement.



The Member shall hereby delegate the management of the LLC to Manager(s), subject to the limitations set out in this agreement. There shall be \_\_\_\_\_ initial Managers.

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AUG 26 2021



- (c) REMOVAL. The Member may decide to remove any officer or agent by a majority vote whenever the Member decides that the best interest of the company would be served thereby. If an officer or agent is removed, it shall be without prejudice to any separately created contract rights.
- (d) PRESIDENT. The President shall be the chief executive officer of the LLC and shall be present at all meetings with the Member. The president shall have all powers to perform such duties that are outlined in this Agreement.
- (e) THE TREASURER. The Treasurer shall be the chief financial officer of the LLC. The Treasurer is responsible for all funds and securities of the LLC. The Treasurer shall preside at the meeting with the Member when the President is absent. The Treasurer must receive and give receipts for moneys due and payable to the LLC from any money source whatsoever, and deposit all such moneys in the name of the LLC in an appropriate financial institution, which shall be selected by the Member of the LLC. The Treasurer shall perform all other duties that may be assigned to the office of treasurer by the President or by the Member of the LLC.
- (f) SECRETARY. The Secretary shall keep a time log of the Member's meetings in a file provided for that purpose and also see that all notices are duly given in accordance with the provisions of this Agreement, or as required by law. The Secretary shall have custody of true and correct LLC records, address of the Member, Member's resolutions, and other documents to the LLC. The Secretary shall preside at the meetings of the Member in the absence of the President and Treasurer, and also perform all other duties that may be assigned to the office of Secretary by the President or by the Member of the LLC.
- (g) VACANCIES. A vacancy in any office because of death, resignation, removal, and disqualification or otherwise may be filled by the Member for the unexpired portion of the term.

XIII. MEMBER-ONLY POWERS. Notwithstanding any other provision of this Agreement, the Member may: (a) sell or encumber any real estate owned by the LLC, and (b) incur debt, expend funds, or otherwise obligate the LLC if the debt, expenditure, or other obligation is desired by the Member.

XIV. INTEREST OF MEMBER. The Member shall own a full One Hundred Percentage (100%) interest in the LLC. The percentage interest shall

control the Member's share of the profit, losses, and distributions of the LLC.

- XV. **CONTRIBUTIONS.** The initial contribution and initial percentage interest of the Member are as set out in this Agreement.
- XVI. **ADDITIONAL CONTRIBUTIONS.** The Member may make additional cash contributions to the LLC as necessary.
- XVII. **PERCENTAGE INTEREST/RECORD OF CONTRIBUTIONS.** This Agreement, any amendment(s) to the Agreement, and all Resolutions of the sole Member of the LLC, shall constitute the record of the Member of the LLC and of his or her respective interest therein.
- XVIII. **DISTRIBUTIONS.** Distribution of cash and other assets of the LLC (other than upon the dissolution of the LLC) shall be made in the total amounts and at the periods decided upon by the Member. Any such distributions shall be allocated to the Member on the basis of his 100% interest in the LLC.
- XIX. **PROFITS AND LOSSES.** Profits, losses, and all other tax attributes of the LLC shall be allocated to the Member.
- XX. **CHANGE IN INTEREST.** If during any year there is a change in the Member's percentage interest, the Member's share of the profits and losses and distributions in that year shall be determined under a method which takes into account the varying interest during that year.
- XXI. **VOTING BY MEMBERS.** In relation to the Member's percentage interest, the Member shall be entitled to vote on all matters that necessitate a vote regarding the LLC.
- XXII. **MAJORITY DEFINED.** The term "Majority" of the Member(s), as used in this agreement, shall mean a majority of the ownership interest of the LLC as determined by the records of the LLC on the date of the action. So long as the LLC remains a single-Member LLC, a majority shall be comprised of the Member's single vote.
- XXIII. **MAJORITY REQUIRED.** The majority of the Members, or sole Member, based upon their percentage ownership, except as otherwise provided and delegated to the Officers or Managers, shall decide all decisions made.
- XXIV. **MEETINGS.** Meetings of the Member(s), Manager(s), and Officer(s) may be called by any Member owning 10% or more of the LLC, or, if

Managers were selected, by the Manager of the LLC, or if Officers were elected, by any officer.

XXV. **WRITTEN CONSENT/MEETINGS.** The Member or Officer(s) do not have to hold a meeting in order to accomplish an action, but evidence of the action shall be recorded and signed by the majority of Members or the sole Member. Action without a meeting may be evidenced by a writing signed by the Member, President, or Secretary.

XXVI. **MEMBER HAS NO EXCLUSIVE DUTY TO LLC.** The Member may have other business interests, and may participate in other investments, in addition to those relating to the LLC. The Member shall not be required to participate in the LLC as his or her sole and exclusive business. The Member shall not be held liable to the LLC by participating in outside businesses, investments, or activities.

XXVII. **DUTIES OF MEMBERS: LIMITATION OF LIABILITY/GOOD FAITH.** The owner of the LLC shall perform his or her duties in good faith, and perform them with such care as is in the best interest of the LLC. The Member shall be held responsible if an Officer finds him or her guilty of fraud, gross negligence, deceit, willful misconduct, or a wrongful taking. No Member or Officer, by reason of being or having been a Member or Officer, shall be liable to the LLC, or to any other member or Officer, for any loss or damage sustained by the LLC.

XXVIII. **PROTECTION OF MEMBERS AND OFFICERS.**

(a) As used herein, the term "Protected Party" refers to the Member and officer(s) of the Company.

(b) To the extent that, at law or in equity, a Protected Party has duties (including fiduciary duties) and liabilities relating to the LLC, or to any other Protected Party, a Protected Party acting under this Agreement shall not be liable to the LLC or to any other Protected Party for good faith reliance on:

- (i) The provisions of this Agreement;
- (ii) The records of the LLC; and/or
- (iii) Such information, opinions, reports, or statements presented to the LLC by any person as to matters the Protected Party reasonably believes are within such other person's professional or expert competence, and who has been selected with reasonable care by or on behalf of the LLC.

- (c) The provisions of this agreement, to the extent that they restrict the duties and liabilities of a Protected Party to the LLC, or to any other Protected Party otherwise existing at law or in equity, are agreed by the parties hereto to replace such other duties and liabilities of such Protected Party.

**XXIX. INSURANCE AND IDEMNIFICATION.**

- (a) Right to Indemnification.
  - (i) Any person who is or was a member or officer of the LLC, and who is or may be a party to any civil action because of his/her participation in or with the LLC, and who acted in good faith and in a manner which he/she reasonably believed to be in, or not opposed to, the best interest of the LLC, may be indemnified and held harmless by the LLC.
  - (ii) Any person who is or was a member or officer of the LLC, and who is or may be a party to any criminal action because of his/her participation in or with the LLC, and who acted in good faith and held a reasonable belief that the act or omission was lawful, may be indemnified and held harmless by the LLC.
- (b) Non-Exclusivity of Rights. The Member and Officer(s) of the LLC shall adopt and enter into indemnification agreements for the Member and Officer(s). The right to indemnification and payment of fees and expenses conferred in this section shall not be exclusive of any right which any person may have or hereafter acquire under any statute, provision of this agreement, contract, agreement, vote of the Member, or otherwise.
- (c) Advancement of Expenses. All expenses, including legal fees incurred by an indemnified person in defending any proceeding, shall be paid in advance of the proceeding's conclusion. Should the indemnified member or officer ultimately be determined to not be entitled to indemnification, that member or officer agrees to immediately repay to LLC all funds expended by the LLC on behalf of the Member or Officer.
- (d) Effect of Amendment. No amendment, repeal, or modification of this Article shall adversely affect any rights hereunder with respect to any action or omission occurring prior to the date when such amendment, repeal, or modification became effective.

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AUG 26 2021

(e) Insurance. The LLC, by majority vote, or, at the discretion of the sole Member, may decide to purchase and maintain insurance for the LLC, for the Member, and/or officer(s), and/or on behalf of any third party or parties whom the members might determine should be entitled to such insurance coverage.

XXX. **TERMINATION OF MEMBERSHIP.** The Member's interest in the LLC shall cease upon the occurrence of one or more of the following events:

(a) The Member dies;

(b) The Member decides to give notice of withdrawal to the LLC thirty days (30) in advance of the withdrawal date. There is no breach of Agreement when a Member decides to withdraw in this fashion;

(c) A Member assigns all of his/her interest to a qualified third party;

(d) There is an entry of an order by a court of competent jurisdiction adjudicating the Member incompetent to manage his/her person or his/her estate;

(e) In the case of an estate that is a Member, the distribution by the fiduciary of the estate's entire interest in the LLC;

(f) If within one hundred twenty (120) days after the commencement of any action against a Member seeking reorganization, readjustment, composition, readjustment, liquidation, arrangement, dissolution, or similar relief under any statute, law, or regulation, and the action has not been dismissed and/or has not been consented to by a majority of the members.

(g) If within ninety days (90) after the appointment, without the Member's consent or acquiescence, of a trustee, receiver, or liquidator of the Member or of all or any substantial part of the Member's properties, and said appointment is not vacated or within ninety days (90) after the expiration of any stay, the appointment is not vacated and/or has not been consented to by the Member.

(h) The Member, without consent: (1) makes an assignment for the benefit of creditors; (2) files a voluntary petition in bankruptcy; (3) is adjudicated as bankrupt or insolvent; (4) files a petition or answer seeking for himself any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law or regulation; (5) files an answer or other pleading admitting or failing to contest the material allegations of a petition

AMCC

AUG 26 2021

filed against him in any proceeding of the nature described in this paragraph; (6) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the Member or of all or any substantial part of his properties; or (7) if any creditor permitted by law to do so should commence foreclosure or take any other action to seize or sell any Member's interest in the LLC.

(i) Any of the events provided in applicable code provisions that are not inconsistent with the dissociation events identified above.

XXXI. **ENCUMBRANCE.** With consent from the Members, a Member can encumber his LLC interest by a security interest or other form of collateral.

XXXII. **LLC INTEREST.** The Member has no interest in property owned by the LLC. The LLC interest is personal property.

XXXIII. **SALE OF INTEREST.** The Member has the full right at any point in time to sell his LLC interest.

XXXIV. **TERMINATION OF LLC.** Only upon the consent of the Member can the LLC and its affairs be dissolved.

XXXV. **FINAL DISTRIBUTIONS.** Upon the ending of the LLC, the assets must be distributed as follows: (a) to the LLC creditors; and (b) to the Member first for the return of their contributions and secondly respecting their LLC interest, in the proportions in which the Member shares in profits and losses.

XXXVI. **RECORDS AND INSPECTION.** The LLC shall maintain at its place of business the Articles of Organization, any amendments thereto, this Agreement, and all other LLC records required to be kept by the Act, and the same shall be subject to inspection and copying at the reasonable request, and the expense, of any Member.

XXXVII. **OBTAINING ADDITIONAL INFORMATION.** The Member of the LLC has the right to reasonably demand information related to the LLC, including: (a) Business information and the financial condition of the LLC; (b) If available, copies of the LLC's federal, state, and local income tax returns for each year. (c) Any other information in regards to the affairs of the LLC as is just and reasonable.

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AUG 26 2021

- XXVIII. **APPLICABLE LAW.** Within the means of the law, this Agreement shall be constructed in accordance with and governed by the laws of the State of Alaska.
- XXIX. **AMENDMENT.** If at any time the Member may wish to propose a new amendment, the Member shall submit it to be in effect. This Agreement may not be amended nor may any rights hereunder be waived except by an instrument in writing signed by the party sought to be charged with such amendment or waiver, except as otherwise provided in this Agreement.
- XL. **COUNTERPARTS.** The instrument may be executed in any number of counterparts each of which shall be considered an original.
- XLI. **PRONOUNS.** The use of a pronoun shall be deemed to include singular, plural, individuals, feminine, masculine, partnerships or corporation, where applicable, when referencing a Member or a Manager.
- XLII. **FURTHER ACTION.** Upon the request by the LLC, each Member has the duty and shall agree to perform all appropriate and necessary assignments within the provisions of this Agreement.
- XLIII. **FACSIMILES.** For purposes of this Agreement, any copy, facsimile, telecommunication or other reliable reproduction of a writing, transmission or signature may be substituted or used in lieu of the original writing, transmission or signature for any and all purposes for which the original writing, transmission or signature could be used, provided that such copy, facsimile telecommunication or other reproduction shall have been confirmed received by the sending Party.
- XLIV. **SPECIFIC PERFORMANCE:** The Member agrees that it would be greatly damaging if any of the provisions of this Agreement were not performed, and that monetary damages would not provide an adequate remedy in such event.
- XLV. **METHOD OF NOTICE.** All written notices shall be sent to the address of the LLC at its place of business or to the Member who is set forth on the signature page of this Agreement. All notices shall be effective when received either in hand or receipt of delivery.
- XLVI. **COMPUTATION OF TIME.** In computing any period of time under this Agreement, the day of the act, event or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a

Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day which is not a Saturday, Sunday, or legal holiday.

XLVII. **ENTIRE AGREEMENT** The undersigned hereby agree, acknowledge, and certify that the foregoing operating agreement is adopted and approved by each Member. Each member agrees to be bound by all of the terms and conditions of this agreement and the formation certificate or articles.

**SIGNATURE OF MEMBER**



Signature

Print Name of Member

Cassielle Petersen Christensen

Address:

19481 W Marginal Access way

City, State, Zip:

Houston TX 77094

Phone:

907 775-1552

## Alaska Commercial Lease Agreement

This Commercial Lease Agreement ("Lease") is made and effective on this day June 1, 2017, by and between Gabrielle Peterson-Christensen ("Landlord") and 50 Shades of Green, LLC ("Tenant").

Landlord is the owner of land and improvements commonly known and numbered as: 14481 W. Marginal Access Road, Houston, Alaska 99694, and legally described as follows: Lot 3 Block 10 Bryant Subdivision. Landlord desires to lease the Leased Premises to 50 Shades of Green, LLC for the term, at the rental and upon the covenants, conditions and provisions herein set forth.

*THEREFORE*, in consideration of the mutual promises herein, contained and other good and valuable consideration, it is agreed:

### 1. TERM

A. Landlord hereby leases the Leased Premises to 50 Shades of Green, LLC, and Tenant hereby leases the same from Landlord, for an "Initial Term" beginning June 1, 2017 and ending June 1, 2022. Landlord shall use its best efforts to give 50 Shades of Green, LLC possession as nearly as possible at the beginning of the Lease term. The Landlord understands that this property is to be used solely for the purpose of Commercial Marijuana Cultivation.

B. 50 Shades of Green, LLC may renew the Lease for an extended term every *five (5) years*. Such renewal options must be given written notice to Landlord not less than *ninety (90) days* prior to the expiration of the Initial Term. The renewal term shall be at the rental set forth below and otherwise upon the same covenants, conditions and provisions as provided in this Lease unless otherwise agreed upon by the Landlord and the Tenant.

### 2. RENTAL

A. 50 Shades of Green, LLC shall pay to Landlord during the Initial Term the costs of monthly property mortgage, utilities, insurance, property taxes in the Matanuska Susitana Borough, and final purchasing payments of above mentioned property. Payments will begin November 1, 2017, and be due at the beginning of each month. Each additional installment payment shall be due in after each harvest.

### 3. USE

50 Shades of Green, LLC, shall use the Leased Premises for the sole purpose of Commercial Marijuana Cultivation only.

### 4. SUBLEASE & ASSIGNMENT

50 Shades of Green, LLC, shall not sublease all or any part of the Leased Premises, or assign this Lease in whole or in part without Landlord's consent, such consent not to be unreasonably withheld or delayed.

### 5. ALTERATIONS AND IMPROVMENTS

During the Lease term, 50 Shades of Green, LLC shall make at their expense, all necessary repairs, upgrades and additions, remodel, redecorate, improvements and replacements of and to all or any part of the leased premises. This shall include such items as routine repairs of floors, walls, ceilings, and other parts of the Leased Premises damaged or worn through the term of their occupancy. Upgrades include making all changes necessary to conduct their commercial cultivation operation. Additions to the facility include buildings or attachments on to existing structures. Tenant shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Leased Premises, and fasten the same to the premises. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Tenant at the commencement of the Lease term or placed or installed on the Leased Premises by Tenant thereafter, shall remain Tenant's property free and clear of any claim by Landlord. Tenant shall have the right to remove the same at any time during the term of this Lease provided that all damage to the Leased Premises caused by such removal shall be repaired by Tenant at Tenant's expense.

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## 6. PROPERTY TAXES

Tenant shall pay all general real estate taxes and installments of special assessments coming due during the Lease term on the Leased Premises, and all personal property taxes with respect to Landlord's personal property, if any, on the Leased Premises. Tenant shall be responsible for paying all personal property taxes with respect to Tenant's personal property at the Leased Premises.

## 7. INSURANCE

A. If the Leased Premises or any other part of the Building is damaged by fire or other casualty resulting from any act or negligence of Tenant or any of Tenant's agents, employees or invitees, existing agreement shall not be diminished or abated while such damages are under repair, and Tenant shall be responsible for the costs of repair not covered by insurance.

B. Tenant shall maintain fire and extended coverage insurance on the Building and the Leased Premises in such amounts as deem appropriate. Tenant shall be responsible, at its expense, for fire and extended coverage insurance on all of its personal property, including removable trade fixtures, located in the Leased Premises.

## 8. UTILITIES

Tenant shall pay all charges for water, sewer, gas, electricity, telephone and other services and utilities used on the Leased Premises during the term of this Lease unless otherwise expressly agreed in writing by Landlord.

## 9. SIGNS

Per Landlord's consent, *50 Shades of Green, LLC* shall have the right to place on the Leased Premises, at locations selected by Tenant, any signs which are permitted by applicable zoning ordinances and private restrictions. Landlord may refuse consent to any proposed signage that is in Landlord's opinion too large, deceptive, unattractive or otherwise inconsistent with or inappropriate to the Leased Premises. Landlord shall assist and cooperate with Tenant in obtaining any necessary permission from governmental authorities or adjoining owners and occupants for Tenant to place or construct the foregoing signs. Tenant shall repair all damage to the Leased Premises resulting from the removal of signs installed by Tenant.

## 10. ENTRY

Landlord shall have the right to enter upon the Leased Premises at reasonable hours to inspect the same, provided Landlord shall not thereby unreasonably interfere with Tenant's business on the Leased Premises.

## 11. PARKING

During the term of this Lease, Tenant shall have the non-exclusive use in common with Landlord, their guests and invitees, of the non-reserved common automobile parking areas, driveways, and footways, subject to rules and regulations for the use thereof as prescribed by *50 Shades of Green, LLC By-Laws and Operating Agreement*. Landlord reserves the right to designate parking areas within the Building or in reasonable proximity thereto, for Tenant and Tenant's agents and employees.

## 12. BUILDING RULES

*50 Shades of Green, LLC* will comply with the rules of the Board of Directors and the existing By-Laws and Operating Agreement as set forth for the cultivation facility.

## 13. DAMAGE AND DESTRUCTION

If Leased Premises or any part thereof or any appurtenance thereto is so damaged by fire, casualty or structural defects that the same cannot be used for Tenant's purposes, then Tenant shall have the right within ninety (90) days following damage to elect by notice to Landlord to terminate this Lease as of the date of such damage.

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AUG 26 2021

In the event of minor damage to any part of the Leased Premises, and if such damage does not render the Leased Premises unusable for Tenant's purposes, Tenant shall promptly repair such damage at their cost. The provisions of this paragraph extend not only to the matters aforesaid, but also to any occurrence which is beyond Tenant's reasonable control and which renders the Leased Premises, or any appurtenance thereto, inoperable or unfit for occupancy or use, in whole or in part, for Tenant's purposes.

**14. DEFAULT**

Landlord may declare the term of this Lease ended and terminated by giving Tenant written notice of such intention within *ninety (90) days* of intent, and if possession of the Leased Premises is not surrendered, Landlord may reenter said premises. Landlord shall have, in addition to the remedy above provided, any other right or remedy available to Landlord on account of any Tenant default, either in law or equity. Landlord shall use reasonable efforts to mitigate its damages.

**15. QUIET POSSESSION**

Landlord covenants and warrants that upon performance by Tenant of its obligations hereunder, Landlord will keep and maintain Tenant in exclusive, quiet, peaceable and undisturbed and uninterrupted possession of the Leased Premises during the term of this Lease.

**16. CONDEMNATION**

If any legally, constituted authority condemns the Building or such part thereof which shall make the Leased Premises unsuitable for leasing, this Lease shall cease when the public authority takes possession, and Landlord and Tenant shall account for lease as of that date. Such termination shall be without prejudice to the rights of either party to recover compensation from the condemning authority for any loss or damage caused by the condemnation. Neither party shall have any rights in or to any award made to the other by the condemning authority.

**17. SUBORDINATION**

Tenant accepts this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter arising upon the Leased Premises, or upon the Building and to any renewals, refinancing and extensions thereof, but Tenant agrees that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Lease on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. Landlord is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust or other lien now existing or hereafter placed upon the Leased Premises of the Building, and Tenant agrees upon demand to execute such further instruments subordinating this Lease to the holder of any such liens as Landlord may request. In the event that Tenant should fail to execute any instrument of subordination herein required to be executed by Tenant promptly as requested, Tenant hereby irrevocably constitutes Landlord as its attorney-in-fact to execute such instrument in Tenant's name, place and stead, it being agreed that such power is one coupled with an interest. Tenant agrees that it will from time to time upon request by Landlord execute and deliver to such persons as Landlord shall request a statement in recordable form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which rent and other charges payable under this Lease have been paid, stating that Landlord is not in default hereunder (or if Tenant alleges a default stating the nature of such alleged default) and further stating such other matters as Landlord shall reasonably require.

**18. NOTICE**

Any notice required or permitted under this Lease shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, addressed as follows:

Landlord Agreement signature:

[Landlord]

[Landlord's Address]

*Abigail Ferguson Amstrong*  
*5-25-18*  
*P.O. Box 977418 Marietta GA 30067*

AMCC

AUG 26 2021

Tenant or Board of Directors Agreement signature:

[Signature]  
50 Shades of Green, LLC Representative (Tenant Signature Block)

Sergeant - AT - Arms  
Board of Director/Title

[Signature]  
50 Shades of Green, LLC Representative (Tenant Signature Block)

V. President / Treasurer  
Board of Director/Title

14401 W. Marquette Access Rd. Houston AK 99694  
Legal address of 50 Shades of Green, LLC

Landlord and Tenant shall each have the right from time to time to change the place notice is to be given under this paragraph by written notice thereof to the other party.

**21. BROKERS**

Tenant represents that Tenant was not shown the Premises by any real estate broker or agent and that Tenant has not otherwise engaged in, any activity which could form the basis for a claim for real estate commission, brokerage fee, finder's fee or other similar charge, in connection with this Lease.

**22. MEMORANDUM OF LEASE**

The parties hereto contemplate that this Lease should not and shall not be filed for record, but in lieu thereof, at the request of either party, Landlord and Tenant shall execute a Memorandum of Lease to be recorded for the purpose of giving record notice of the appropriate provisions of this Lease.

**23. HEADINGS**

The headings used in this Lease are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Lease.

**24. SUCCESSORS**

The provisions of this Lease shall extend to and be binding upon Landlord and Tenant and their respective legal representatives, successors and assigns.

**25. CONSENT**

Landlord shall not unreasonably withhold or delay its consent with respect to any matter for which Landlord's consent is required or desirable under this Lease.

**26. Performance.**

If this Lease terminates prior to Landlord's receiving full agreed payment or reimbursement according to this agreement, Tenant shall pay the unreimbursed balance to Landlord no later than ten (10) days.

**27. COMPLIANCE WITH LAW**

Tenant shall comply with all laws, orders, ordinances and other public requirements now or hereafter pertaining to Tenant's use of the Leased Premises. Landlord shall comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Leased Premises.

AMCO

AUG 26 2021

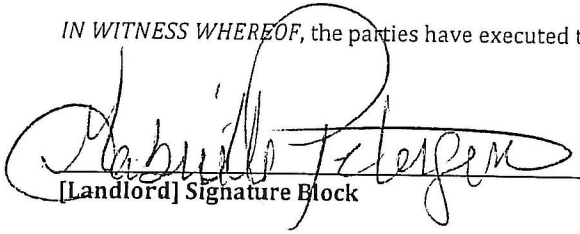
28. FINAL AGREEMENT

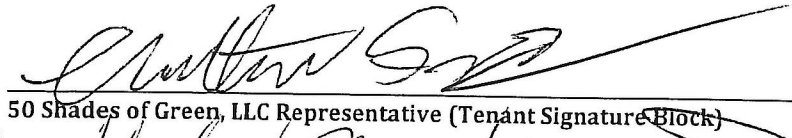
This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by Landlord and 50 Shades of Green, LLC Board of Directors.

29. GOVERNING LAW

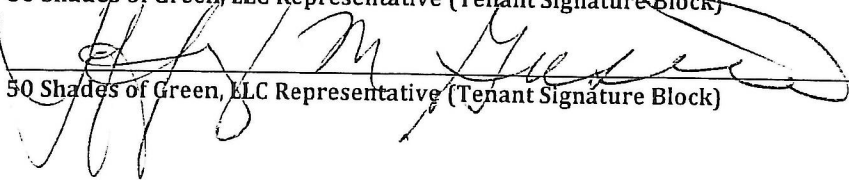
This Agreement shall be governed, construed and interpreted by, through and under the Laws of the State of Alaska.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

  
[Landlord] Signature Block

  
50 Shades of Green, LLC Representative (Tenant Signature Block)

Sergeant-at-arms  
Board of Director/Title

  
50 Shades of Green, LLC Representative (Tenant Signature Block)

V. President/Treasurer  
Board of Director/Title

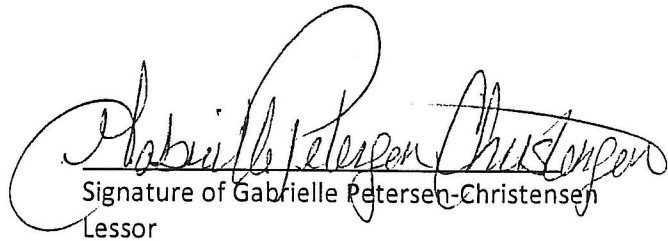
Schedule A to Alaska Commercial Lease Agreement

Alaska Lease Agreement between Landlord Gabrielle Petersen-Christensen and 50 Shades of Green LLC

I Gabrielle Petersen-Christensen as Landlord and or Lessor of the property of 14481 West Marginal Access Road, Houston Alaska 99694 does hereby state that during the tenancy of the property lease I state herein that I will not and my not take possession or remove marijuana from the premises at any time, and AMCO will be contacted if any breach of lease or eviction shall occur to remove any substance from the above property.

5-23-18

Date

  
Signature of Gabrielle Petersen-Christensen  
Lessor

AMCO

AUG 26 2021



# MATANUSKA-SUSITNA BOR

## Real Property Detail for Account: 6049000L01

### Site Information

Account Number	6049000L010	Subdivision	BRY/
Parcel ID	70178	City	Hous
TRS	S18N03W21	Map HO05	
Abbreviated Description (Not for Conveyance)	BRYANT #1 LOT 10		

Site Address 14481 W MARGINAL ACCESS RD

### Ownership

Owners	KREBS GABRIELLE E	Buyers	
Primary Owner's Address	PO BOX 877848 WASILLA AK 99687-7848	Primary Buyer's Address	

### Appraisal Information

Appraisal Information				Assessment	
Year	Land Appraised	Bldg. Appraised	Total Appraised	Year	Land Asses
2017	\$15,500.00	\$147,900.00	\$163,400.00	2017	\$15,500.00
2016	\$15,500.00	\$149,500.00	\$165,000.00	2016	\$15,500.00
2015	\$15,500.00	\$144,800.00	\$160,300.00	2015	\$15,500.00

### Building Information

Structure 1 of 1			
Business Use	None	Residential Units	
Design	Residential Building	Condition	
Construction Type	Two Story	Basement	
Grade	Frame	Year Built	
Building Appraisal	04.3	Foundation	
Septic	\$147900	Well	
	Septic - 1 - Septic Tank		

### Building Item Details

Building Number	Description	Area
1	Unfinished Basement - 2A	1008
1	Oil Heat	1
1	First Story	1008
1	Second Story	832

### Tax/Billing Information

Year	Certified	Zone	Mill	Tax Billed	Recorded Documents	
					Date	Type
2017	Yes	0040	13.332	\$2178.45	6/12/2014	QUITCLAIM DEED (ALL TYPE)
2016	Yes	0040	12.984	\$2142.36	8/22/2006	WARRANTY DEED (ALL TYPE)
2015	Yes	0040	12.984	\$2081.34	5/18/2005	QUITCLAIM DEED (ALL TYPE)

### Tax Account Status †

Status	Tax Balance	Farm	Disabled Veteran	Senior	Optional
Current	\$1,089.22	\$0.00	\$0.00	\$0.00	\$0.00

### Land and Miscellaneous

Gross Acreage	Taxable Acreage	Assembly District	Precinct	Fire Service Area
1.19	1.19	Assembly District 007	<u>10-020</u>	Houston Fire Service is under th jurisdiction of the <u>City of Houston</u> .

AMCO

AUG 26 2021

Introduced by: Mayor Thompson  
Introduction Date:  
Public Hearing:  
Action:  
Vote: Yes:  
No:  
Absent:

**CITY OF HOUSTON, ALASKA  
RESOLUTION 22-01**

**A RESOLUTION OF THE HOUSTON CITY COUNCIL AMENDING THE FISCAL YEAR 2023-2029 CAPITAL IMPROVEMENT PROGRAM BY REPLACING THE UTILITY INFRASTRUCTURE DISTRIBUTION AND SUBPROJECTS WITH THE POWER AND NATURAL GAS UTILITIES MASTER PLAN, PHASE 1 UTILITY INFRASTRUCTURE DISTRIBUTION IN THE AMOUNT OF \$1,250,000.00**

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**WHEREAS**, pursuant to Houston Municipal Code Section 4.01.080, the Houston City Council adopted its multi-year plan for capital improvements on December 9, 2021 as Resolution 21-21, that includes all improvements which are to be undertaken during the six fiscal years next ensuing after the budget year, as well as supporting information describing the need for those improvements; and,

**WHEREAS**, Council Member Cole and the Public Works Director submitted an amendment as attached that substantially changes the scope of the Utility Infrastructure Distribution and Subprojects including overall cost and properties effected; and

**WHEREAS**, the Planning & Zoning Commission has reviewed the amendment and had the opportunity to provide recommendations to the Council; and

**WHEREAS**, the general public has had the opportunity to comment; and

**WHEREAS**, the program shall be used as a road map for grants to be applied for by the City; and

**NOW, THEREFORE, BE IT FURTHER RESOLVED**, the Houston City Council amends the Fiscal Year 2023 to 2029 Capital Improvement Program as attached and it shall be submitted to the Governor, Alaska State Legislature, Alaska Department of Transportation, and Matanuska-Susitna Borough at appropriate times for funding considerations.

**EFFECTIVE DATE**, this resolution becomes effective upon its adoption by the Houston City Council.

**ADOPTED** by the Houston City Council on \_\_\_\_\_, 2022.

**Bold and Underline**, added. ~~Strike through~~, deleted.

City of Houston

Resolution No. 22-01

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**THE CITY OF HOUSTON, ALASKA**

\_\_\_\_\_  
Virgie Thompson, Mayor

**ATTEST:**

\_\_\_\_\_  
Sonya Pevan, CMC, City Clerk

**Bold and Underline**, added. ~~Strike through~~, deleted.



CITY OF HOUSTON  
Capital Improvement Program  
2023-2029  
Adopted by Resolution 21-23  
**Amended by Resolution 22-01**  
**(Pending)**

Date: December 9, 2021

**Bold and Underline\***, added. ~~Strike through~~, deleted  
\*Once adopted bold & Underlined is removed

# Contents

Executive Summary .....	4
Process .....	5
Benefits .....	5
Planning Related Projects .....	6
Parks & Recreation Plan .....	6
Armstrong Road Little Susitna River Crossing.....	6
Roads and Transportation.....	7
1. Road Maintenance and Disaster Response Equipment .....	7
2. Cheri Lake Road.....	7
3. Houston Schools Campus Pathways .....	7
4. Road Grader .....	8
Parks, Recreation, and Trails.....	9
1. Bear Paw Lake Activity Park.....	9
2. Houston-Willow Creek Sled Trailhead Phase II.....	9
3. Restroom Upgrades .....	9
4. Non-Motorized Boat Launch at the End of Robin Hood .....	9
5. Dog Park in Little Su Campground .....	10
Fire & EMS Services.....	11
1. Overhaul of Fire Station 9-1 .....	11
2. Houston Ladder Truck.....	11
3. Thermal Imaging Cameras .....	11
4. Firefighting Turnouts.....	11
5. Firefighting Hose & Equipment.....	12
Code & Law Enforcement Services .....	13
1. Police Department Offices and Vehicle Storage .....	13
2. Personnel Protective Equipment .....	13
3. Patrol Vehicle .....	13
4. Community Policing Supplies .....	13
Municipal Facilities.....	15
1. Houston Public Works Facility.....	15
Administration and General Government Capacity.....	16
1. Technology Upgrades/Replacements Program.....	16
➤ Audio/Visual System .....	16
➤ Ballot Tabulation System.....	16

➤ Telephone System.....17

Utility Infrastructure Distribution .....18

1. Meadowview Power: .....18

2. Morvro Lake Natural Gas .....18

3. Cheri Lake Natural Gas.....18

4. Enchanted Forest Natural Gas .....18

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# Executive Summary

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The Capital Improvement Program (CIP) is a six-year planning document of all of the proposed capital improvements, equipment purchases, and major studies for the City of Houston that is used to identify funding, demonstrate community involvement in the process, and increase opportunity for funding through improved communication. The plan provides a working blueprint for sustaining and improving the community's infrastructures. It coordinates strategic planning, financial capacity, and physical development. A CIP stands at the epicenter of a government's departments.

A CIP has two parts – a capital budget and a capital program. The capital budget is the upcoming year's spending plan for capital items. The capital program is a plan for capital expenditures that extends typically five to ten years beyond the capital budget. The CIP encompasses both in a single document that is adopted annually by the City Council after public review, public comments, and discussion at the Planning Commission and City Council. It is an evolving document, with each year forwarding the requests of previous years' nominations that have not yet been removed by the Council due to not being needed any more or project completion.

Houston Municipal Code 04.01.080(B) states that: "The Council will develop a multi-year plan for capital improvements. It shall include all improvements which are proposed to be undertaken during the six fiscal years next ensuing after the budget year, with appropriate supporting information describing the need for those improvements. At the public meeting after the public hearing the Council may approve by quorum, with or without amendment, the proposed capital improvement program by the first meeting in December of each year."

After the City Council adopts the final CIP and it is published no later than July 1, it is forwarded to the Governor, State Legislature, Alaska Department of Transportation, and Matanuska-Susitna Borough at appropriate times for funding considerations. It is also used as a roadmap for city grant writers.

# Process

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The process starts when project nominations and proposed modifications to the CIP are requested and received from elected officials, Planning & Zoning Commission, department heads, boards and commissions, and the general public as well as all organizations and agencies headquartered or directly impacted by activity within the City. Priorities are determined by the impact a project is expected to have on improving public safety, welfare, and quality of life as well as the project's operating, maintenance, and capital costs. Rankings are initially undertaken by the department that would be responsible for the proposed project, and this ranking is performed in time for presentation to the Houston City Council.

After the department heads and executives have ranked their respective projects, the Houston City Council receives the information and develops a CIP that catalogues and ranks the various projects. The City Council introduces the CIP and accepts public testimony over the course of several months. At a City Council meeting, the City Council then submits the CIP to public hearing for further public testimony, assessment and prioritization, and finalization. The CIP is then adopted in the form of a resolution.

The City Council takes the final vote to establish the 6-year CIP. This schedule of events provides adequate time to accommodate any need to extend public testimony or obtain additional information as the Council deems necessary.

# Benefits

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The reason for this process is to establish orderly and systematic planning for the acquisition, financing, and use of capital improvements. By having this information prior to deadlines for important grant application periods, as well as to establish the base list of capital projects for the City Council to nominate from within to Borough, State, and Federal capital sources, it keeps requests in line with public support and council priorities.

1. The CIP provides for a more effective evaluation of alternatives and solutions than a crisis-decision process since the acquisition will be before the crisis time.
2. The CIP provides for funding of projects on a priority basis.
3. The CIP can provide for stable payments and tax rates over a period of time.
4. The CIP developed at a different time than the operating budget provides for a better understanding of needs and alternatives reduces confusion with the normal operating costs and is more adaptable to projects requiring multiple fiscal years to complete.

# Planning Related Projects

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## **Parks & Recreation Plan**

Create a report focused entirely on the recreational opportunities and weaknesses in the city to supplement the 2017 Houston Comprehensive Plan and coordinate the creation of a volunteer recreation department to support the city's trails and parks.

**Seeking:**       **\$45,000**

<b>Secured:</b>	<b>Federal</b>	<b>State</b>	<b>MSB</b>	<b>Local</b>	<b>Other</b>
	0	0	0	0	0

*Other Non-Prioritized Projects, Listed Alphabetically*

## **Armstrong Road Little Susitna River Crossing**

Design of a two-lane bridge to link King Arthur Drive south of the little Susitna River to Armstrong Road on the north side. The bridge would be upstream from the Parks highway bridge and provide a second route for public safety vehicles as well as increased connectivity for local residents. The City's Comprehensive Plan supports this project.

# Roads and Transportation

---

## 1. Road Maintenance and Disaster Response Equipment

Purchase/Lease and equip a D3 size Dozer with a 6-way blade and enclosed cab for road, parks, and city-owned real property maintenance (\$220,000). Purchase/Lease and equip a hydraulic dump truck for the traffic of gravel, debris, and other necessary product for road maintenance and material placement to slow roaderosion in a flooding emergency at the Little Susitna River (\$260,000). Purchase/Lease a compactor to firm uproads after repairs (\$20,000). Purchase/Lease an equipment trailer compatible with the Dump Truck as the tow vehicle. Trailer will be for the transport of non-road drivable equipment to points of work in the City and to the shop for maintenance. (\$20,000) Purchase training for operators on all new equipment, and purchase preventative maintenance supplies for the equipment (\$15,000). Equip for seasonal use for winter road maintenance and disaster mitigation.

**Seeking:** \$535,000

<b>Secured:</b>	<b>Federal</b>	<b>State</b>	<b>MSB</b>	<b>Local</b>	<b>Other</b>
	0	0	0	0	0

## 2. Cheri Lake Road

Complete Cheri Lake Road reconstruction, paving, and intersection and drainage upgrades as identified in already-completed engineers plans, and expand to remainder of Cheri Lake Road.

**Seeking:** \$400,000

<b>Secured:</b>	<b>Federal</b>	<b>State</b>	<b>MSB</b>	<b>Local</b>	<b>Other</b>
	0	966,000	0	34,000	0

## 3. Houston Schools Campus Pathways

Engineer, design, and construct a separated pathway for pedestrians to safely travel to Houston school's campus away from roadway traffic. Trail 1 will connect the Parks Highway separated pathway to campus via Hawk Lane, and Trail 2 will connect Big Lake Road to Trail 1 via Kenlar Road.

**Seeking:** \$1,200,000

<b>Secured:</b>	<b>Federal</b>	<b>State</b>	<b>MSB</b>	<b>Local</b>	<b>Other</b>
	0	0	0	0	0

#### 4. Road Grader

This project is to purchase/lease a new road grader and related equipment: ditching, wing blade and front plow attachments. This project will provide the capital to purchase a road grader with the capabilities of ditching and grading in the summer months and snow removal with wing-blade and front V-plow for winter months.

<b>Seeking:</b>	<b>\$200,000</b>				
<b>Secured:</b>	<b>Federal</b>	<b>State</b>	<b>MSB</b>	<b>Local</b>	<b>Other</b>
	0	0	0	0	0

*Other Non-Prioritized Projects, Listed Alphabetically*

# Parks, Recreation, and Trails

---

## 1. Bear Paw Lake Activity Park

Construct and open an activity-focused park at Bear Paw Lake on city-owned land at White Rabbit Road and King Arthur Drive. Park to include ADA-compliant playground and playsets, athletic areas, hiking trails, food distribution location for regular and emergency feeding situations, sitting benches, and interpretive signage. Broken down into smaller elements to accomplish the park as funding and progress permit.

<b>Seeking:</b>	<b>\$723,000</b>				
<b>Secured:</b>	<b>Federal</b>	<b>State</b>	<b>MSB</b>	<b>Local</b>	<b>Other</b>
	0	0	0	7,500	19,500

## 2. Houston-Willow Creek Sled Trailhead Phase II

Improve trails accessed from the parking and “base camp” area, install 9-1-1 phones, mark all trails that originate at Zero Lake Road until their termination with a universal marking system so that users can identify their location if reporting an emergency, and improve the signage at the parking area to ensure visitors are aware of trail map and conditions.

<b>Seeking:</b>	<b>\$250,000</b>				
<b>Secured:</b>	<b>Federal</b>	<b>State</b>	<b>MSB</b>	<b>Local</b>	<b>Other</b>
	0	0	0	0	0

## 3. Restroom Upgrades

Install one new and replace three dilapidated restroom facilities in public campgrounds and parks of Houston to provide access to safe, enclosed, ADA-compliant restroom facilities

<b>Seeking:</b>	<b>\$200,000</b>				
<b>Secured:</b>	<b>Federal</b>	<b>State</b>	<b>MSB</b>	<b>Local</b>	<b>Other</b>
	0	0	0	0	0

## 4. Non-Motorized Boat Launch at the End of Robin Hood

Upgrade the existing Little Su River Access off the end of North Robin Hood Drive to a non-motorized boat landing. This landing would allow easy access for about a one-hour river float to the access at the Parks Highway.

<b>Seeking:</b>	<b>\$15,000</b>				
<b>Secured:</b>	<b>Federal</b>	<b>State</b>	<b>MSB</b>	<b>Local</b>	<b>Other</b>
	0	0	0	0	0

## 5. Dog Park in Little Su Campground

Complete the build of a fenced in dog park in the Little Su Campground. Utilized volunteer and donated work to complete the clearing for a fenced area for dogs to be off their leash. Most of the funding will be for fill and fencing.

Seeking: \$5,000

Secured:	Federal	<i>State</i>	<i>MSB</i>	<i>Local</i>	<i>Other</i>
	0	0	0	0	0

# Fire & EMS Services

---

## 1. Overhaul of Fire Station 9-1

Repairs necessary to ensure structural stability and safety for Fire Station 9-1; including replacing doors and windows, removing disconnected wiring, fix electrical system to comply with law, paint, and repair pavement used for apparatus and landing emergency helicopters.

**Seeking:**        **\$374,000**

<b>Secured:</b>	<b>Federal</b>	<b>State</b>	<b>MSB</b>	<b>Local</b>	<b>Other</b>
	0	0	0	26,000	0

## 2. Houston Ladder Truck

Purchase a new firefighting ladder truck to protect Houston Middle School, Houston High School, Alaska Railroad including the spur and industrial rail corridor under construction, and many large commercial businesses and strip malls, and to provide mutual aid assistance to neighboring communities that lack an aerial device.

**Seeking:**        **\$975,000**

<b>Secured:</b>	<b>Federal</b>	<b>State</b>	<b>MSB</b>	<b>Local</b>	<b>Other</b>
	0	0	0	0	0

## 3. Thermal Imaging Cameras

This project will fund two full-size Thermal Imagers at around \$10,000 each, 10 Seek Thermal Imagers at around \$800 each, and shipping for all.

**Seeking:**        **\$30,000**

<b>Secured:</b>	<b>Federal</b>	<b>State</b>	<b>MSB</b>	<b>Local</b>	<b>Other</b>
	0	0	0	0	0

## 4. Firefighting Turnouts:

By National Fire Protection Agency (NFPA) standards, all firefighting protective clothing (“turnouts”) has a maximum service life of ten years. To address this, fire departments normally purchase several sets of turnouts annually to slowly phase out expired gear. However, due to COVID-19’s effect on our budget prioritization, we have had to put off purchasing new sets of turnouts for the past two years. With a projected cost of \$3,500 each for the turnout jacket, pants, helmet, gloves, and shroud, and a total need of 12 sets to account for this fiscal year and two previous fiscal years that were not ordered due to lack of available funds, we will need \$42,000 to purchase 12 sets of turnouts.

<b><u>Seeking:</u></b>	<b><u>\$42,000</u></b>				
<b><u>Secured:</u></b>	<b><u>Federal</u></b>	<b><u>State</u></b>	<b><u>MSB</u></b>	<b><u>Local</u></b>	<b><u>Other</u></b>
	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>

## 5. Firefighting Hose & Equipment

This will upgrade all fire apparatus large diameter supply hose from 3 inch to 5 inch in accordance with industry standards and to improve consistency with our mutual aid partners at West Lakes Fire Department and Central Mat-Su Fire Department. All fill sites are already set up for 5-inch supply and all fire engines in the Mat-Su is set up for a 5-inch Storz connection intake. This upgrade will result in much faster water flow on fire scenes and a decreased occurrence of running out of water on scene. Additionally, this project will purchase sections of other sizes of hose (1.5", 1.75", and 2.5") needed to replace hoses lost due to hose test failure, damage, or attrition. This project will also purchase additional hand tools necessary to replace equipment lost to damage and attrition.

Current hose that is not needed for local need any more can be donated to other fire departments that are in need of hose.

<b><u>Seeking:</u></b>	<b><u>\$65,000</u></b>				
<b><u>Secured:</u></b>	<b><u>Federal</u></b>	<b><u>State</u></b>	<b><u>MSB</u></b>	<b><u>Local</u></b>	<b><u>Other</u></b>
	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>

### *Other Non-Prioritized Projects, Listed Alphabetically*

- Disaster Communications System (\$105,000)
- Emergency Dry Hydrants (\$50,000)
- Houston Heavy Rescue Truck (\$225,000)
- Quick Attack Fire Engine for Fire Station 9-1 (\$350,000)
- Replacement Fire Engine for Fire Station 9-2 (\$650,000)
- Replacement Fire Tanker for Fire Station 9-2 (\$500,000)
- Fire Station 9-3/Public Works Shared Facilities (\$2,500,000)

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# Code & Law Enforcement Services

## 1. Police Department Offices and Vehicle Storage

Construct a building to house the headquarters for Houston Police Department with vehicle storage areas to secure city-owned vehicles and also provide secure storage of vehicles impounded for investigatory purposes. Will include both interior garage and exterior storage yard of impounded vehicles.

**Seeking:** \$400,000

<b>Secured:</b>	<b>Federal</b>	<b>State</b>	<b>MSB</b>	<b>Local</b>	<b>Other</b>
	0	0	0	0	0

## 2. Personnel Protective Equipment

Purchase clothing designed to identify personnel as code or law enforcement officers, to provide a means for personnel to carry necessary equipment, and purchase clothing accessories designed to protect wearers from violent attacks. All PPE must be fitted and designed specifically for personnel.

**Seeking:** \$75,000

<b>Secured:</b>	<b>Federal</b>	<b>State</b>	<b>MSB</b>	<b>Local</b>	<b>Other</b>
	0	0	0	0	0

## 3. Patrol Vehicle

Purchase a purpose-built vehicle capable of safely transporting code and law enforcement personnel to their duties and to permit safe patrols. Purchase training for operators on all new equipment, and purchase preventative maintenance supplies for the equipment.

**Seeking:** \$60,000

<b>Secured:</b>	<b>Federal</b>	<b>State</b>	<b>MSB</b>	<b>Local</b>	<b>Other</b>
	0	0	0	0	0

## 4. Community Policing Supplies

Purchase services, supplies, and equipment to support local neighborhood watch programs, including but not limited to training, signs, flashlights, high-visibility vests, road flares, and other equipment and accessories that empower the community to assist law enforcement personnel with the enforcement of local ordinances and other laws.

**Seeking:** \$15,000

<b>Secured:</b>	<b>Federal</b>	<b>State</b>	<b>MSB</b>	<b>Local</b>	<b>Other</b>
	0	0	0	0	0

*Other Non-Prioritized Projects, Listed Alphabetically*

- *None Currently*

# Municipal Facilities

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## 1. Houston Public Works Facility

Design, engineer, and construct a public works and maintenance facility to move department equipment from outside and unsecured, to inside and secured in a minimum 4,000 sq. ft. structure. Facility will also be able to maintain city equipment, and will be equipped with office space and restroom facilities.

<b>Seeking:</b>	<b>\$750,000</b>				
<b>Secured:</b>	<b>Federal</b>	<b>State</b>	<b>MSB</b>	<b>Local</b>	<b>Other</b>
	0	0	0	0	0

### *Other Non-Prioritized Projects, Listed Alphabetically*

- Houston Fire Training Facility (\$75,000)
- Houston Intermodal Parking Lot (\$175,000)
- Houston Transfer Station (\$450,000)

# Administration and General Government Capacity

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## 1. Technology Upgrades/Replacements Program

Program narrative: to set up as a mechanism for the City of Houston to accumulate money needed to replace its technology equipment such as network servers, computers and other technology related equipment. Equipment is purchased and replaced according to the applicable replacement schedule for that type of equipment (usually 3-5 years).

**Seeking:** **\$8,000 by FY2023**  
**Secured:** **Federal State**      **MSB**      **Local**      **Other**  
 0                      0                      0                      0                      0

\$8,000 – New Main Server for City Hall

**Seeking:** **\$8,600 by FY2024**  
**Secured:** **Federal State**      **MSB**      **Local**      **Other**  
 0                      0                      0                      0                      0

\$7,000 – New Server for the Fire Department

- \$1,600 New WatchGuard Router/Firewall for COH

**Seeking:** **\$9,600.00 by FY2025**  
**Secured:** **Federal State**      **MSB**      **Local**      **Other**  
 0                      0                      0                      0                      0

\$9,600.00 – (8) New PC's

### ➤ Audio/Visual System

Project narrative: This project will provide for an updated to the audio system that would allow for live broadcasting of public city meetings.

**Seeking:** **\$ 10,000 by FY2023**  
**Secured:** **Federal State**      **MSB**      **Local**      **Other**  
 0                      0                      0                      0                      0

### ➤ Ballot Tabulation System

Project narrative: The Clerk shall designate the ballot tabulation system to be used for the counting of ballots, or shall use the same system designated by the Borough Clerk. The Clerk may negotiate and contract with the State, another municipality, or a private company for the ballot tabulation services or use the same contractor as the Borough Clerk. At this time the City has borrowed State or Borough equipment. The tabulation system will have an annual recurring cost and will be budgeted as an operating expense under City Clerk/Elections.

**Seeking:** **\$15,000 by FY2023**  
**Secured:** **Federal State**      **MSB**      **Local**      **Other**  
 0                      0                      0                      0                      0

➤ **Telephone System:**

Project narrative: This project is to replace the existing Avaya phone system citywide with updated technology. This will be an end-of-life replacement – no cost increases due to replacement anticipated. The City-wide telephone systems have an annual recurring cost and is divided by all departments within their operating budgets.

<b>Seeking:</b>	<b>\$7,000 by FY2026-FY2027</b>					
Secured:	Federal State		MSB		Local	Other
	0	0	0	0	0	0

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# Utility Infrastructure Distribution

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## 1. Meadowview Power:

Project narrative: Install power access to residents living in Meadowview subdivision. Expanding basic electric service to this area will eliminate the need for City of Houston residents to continually operate costly, noisy and polluting individual generators, this project will provide a considerable individual household cost savings and incalculably improve residents' quality of life and significantly reduce community noise and exhaust emissions. This project would benefit approximately 26 properties.

Seeking: \$200,000

Secured: Federal State MSB Local Other

## 2. Morvro Lake Natural Gas:

Project narrative: Successful distribution and delivery of natural gas to this area will create less community and regional pollution and, in most applications, using natural gas produces less of the following substances than oil, wood or coal: carbon dioxide (CO2). Ready availability of natural gas allows for substantial cost savings for households that use natural gas for heating, cooking and clothes drying rather than homes relying on electricity, oil, propane or purchased wood.

Morvro Lake natural gas installation would benefit approximately 90 properties.

Seeking: \$400,000

Secured: Federal State MSB Local Other

## 3. Cheri Lake Natural Gas:

Project narrative: Successful distribution and delivery of natural gas to this area will create less community and regional pollution and, in most applications, using natural gas produces less of the following substances than oil, wood or coal: carbon dioxide (CO2). Ready availability of natural gas allows for substantial cost savings for households that use natural gas for heating, cooking and clothes drying rather than homes relying on electricity, oil, propane or purchased wood.

Cheri Lake natural gas installation would benefit a minimum of 21 properties.

Seeking: \$240,000

Secured: Federal State MSB Local Other

## 4. Enchanted Forest Natural Gas:

Project narrative: Successful distribution and delivery of natural gas to this area will create less community

and regional pollution and, in most applications, using natural gas produces less of the following substances than oil, wood or coal: carbon dioxide (CO<sub>2</sub>). Ready availability of natural gas allows for substantial cost savings for households that use natural gas for heating, cooking and clothes drying rather than homes relying on electricity, oil, propane or purchased wood. Enchanted Forest natural gas installation would benefit approximately 50 properties.

*Seeking:*            \$85,000

**Secured:**        **Federal State**            **MSB**            **Local**            **Other**

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*Other Non-Prioritized Projects*

- City of Houston City as a whole Natural Gas Distribution

# POWER & NATURAL GAS UTILITIES MASTER PLAN

## PHASE 1 UTILITY INFRASTRUCTURE DISTRIBUTION



## POWER AND NATURAL GAS UTILITY PROJECTS FY2023

## **City of Houston Master Utility Plan**

### **Summary**

The City of Houston is developing a master utility plan to provide planning and funding for natural gas, and electric power projects within the City of Houston boundaries. City of Houston master plan will cover a multi-year, multi-million-dollar approach to provide the growth incentives for the residential, agricultural, and commercial markets. We expect over the next 5 years, 7.5 million in funding requests are needed to complete the utility upgrades through Houston.

The City will review and select project areas based upon the master utility plan, and what funding is available to complete projects each year. The financial availability and logical sequential growth in the utility's infrastructure will be primarily the basis for selection.

Property values increase when natural gas is delivered to the property. Areas where natural gas is available experience a steady growth of new homes, which could provide the City of Houston additional revenue.

### **History**

Houston residents previously petitioned the City of Houston several times since 2014 for Limited Improvement District (LID) for natural gas. The city has been unable to offer or support the resident petitioned LIDs. Those areas have met the City's selection process requirements and are included in State Legislative funding request for fiscal year 2023.

Natural Gas is a clean, affordable, and in abundance in Alaska. The State has previously helped other communities with utility extension when requested. The Master Utility Plan will affect all of residence within Houston that do not currently have access to natural gas. It will create a better standard of living for all the residents of Houston.

### **Benefit**

With this multi-year approach Houston can annually reduce pollution and help reduce the CO-2 emission preventing air quality issues experienced in the cold winter months. Replacing other fuels that create high volumes of air particulates and high CO-2 levels will benefit every Houston resident.

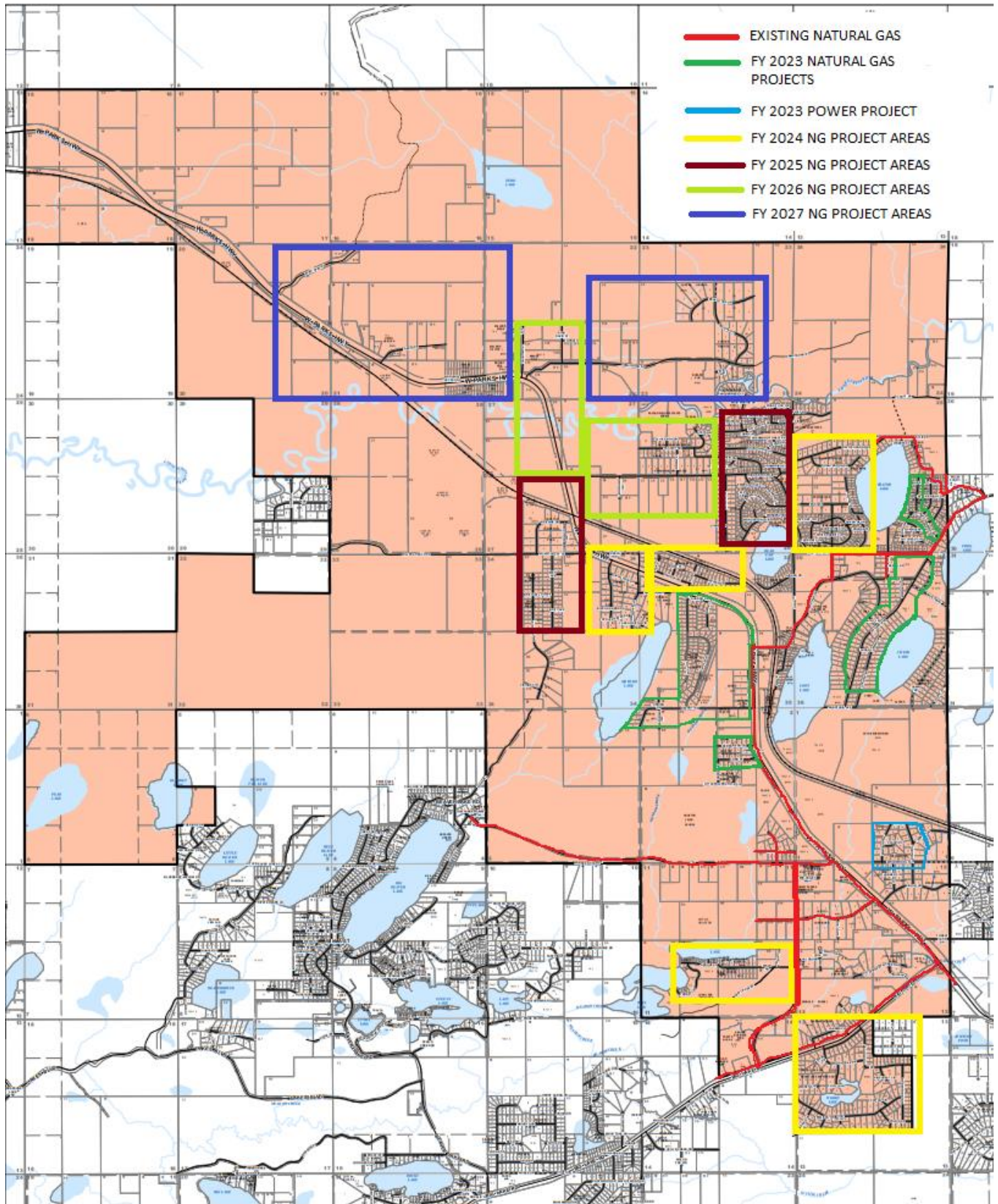
Under this funding, 263 properties will be upgraded with new utilities which provides for additional growth in Houston.

Another major benefit of these projects, it will have no negative cost impact on the operation budget for the City of Houston. Every resident that is served by the projects will have a direct benefit. Once the Natural Gas serves the city buildings, it will reduce the operating budget for each facility the city owns.

### **Cost & Funding FY 2023**

We are requesting funding from the legislator over the next five years for utility expansion in Natural Gas and Electricity. We expect to request between 1 - 2 million each year for projects under the Master Utility Plan selected by the City Council. Under the FY 2023 the City of Houston will be requesting \$1,250,000.00 for the upgrade of utilities and roads within the City of Houston Boundaries.

# Houston Boundary Map with FY 2023 Projects



## **1. Meadow View Power Expansion:**

Project narrative:

Install underground power to residents living in Meadowview Subdivision. There is no LID on this project, but the city has been trying to get this work completed for the Houston Residents living in the subdivision.

Expanding basic electric service to this area will eliminate the need for City of Houston residents to continually operate costly, noisy, and polluting individual generators.

This project will provide household cost savings, improve quality of life, significantly reduce community noise, and exhaust emissions. The power extension is needed in this area because the power line is below ground. The cost difference from above ground power is significant, and more expensive than the residents can afford. The project will have no cost impact on the City's operational budget.

This project would benefit approximately 26 properties. Average cost per property \$12,311.54

### Power Extension

ROAD	Approximate Length	Utility Power Extension Cost
W. Claudia Court	396 Feet	\$244,000.00
W. Kar Drive	486 Feet	
Wilhelm Street	1514 Feet	
Birchwood Lane	0 Feet	
Winfield Way	1074 Feet	
Bryan Street	0 Feet	

### Road Improvements

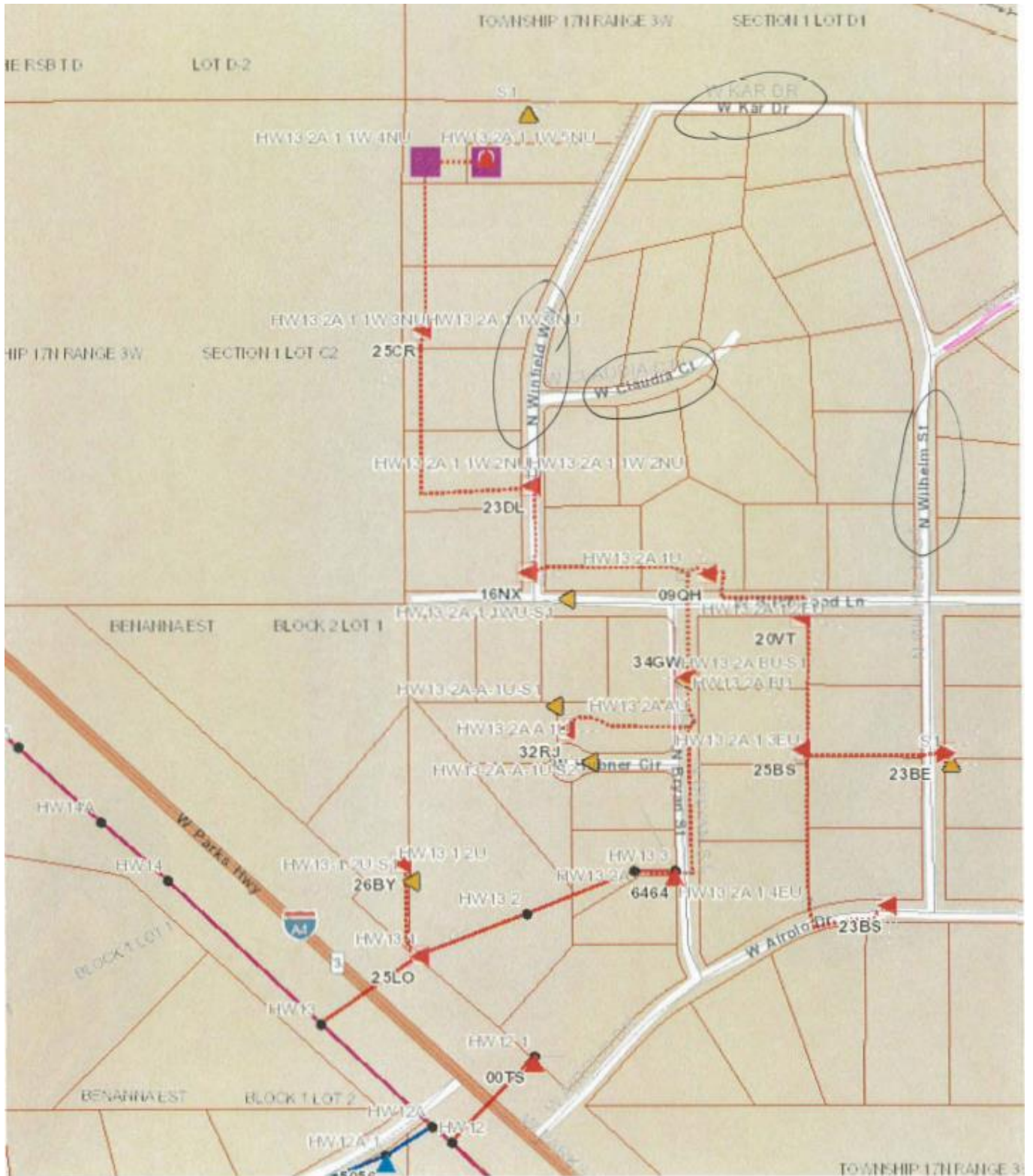
ROAD	Culverts & Gravel	Road Improvement Cost
W. Claudia Court		\$4,000
W. Kar Drive		\$5,000
Wilhelm Street		\$15,000
Birchwood Lane		\$5,000
Winfield Way		\$15,000
Bryan Street		\$3,000
Project Area Total RI		\$47,000

Electrical Cost	\$244,000
Road Improvement Cost	\$47,000
Contingency & Administration	\$29,100
Total	\$320,100

### Funding

Federal Money	State Money	Mat-Su Borough	City of Houston	Other
\$0	\$320,100	\$0	\$0	\$0

# Meadow View Power Expansion Map



## **2. Morvro Lake Natural Gas: (New Routing)**

### Project Narrative:

The residents of the project area petitioned the City of Houston to do an LID to install natural gas on May 14, 2014. The city in June of 2014, because of funding problems, was unable to do the project. This left the Houston residents of the LID project area no mechanism to get the natural gas installed to their property.

Successful distribution and delivery of natural gas to this area will create less community and regional pollution. In most applications, using natural gas produces less carbon dioxide (CO2) than oil, wood, or coal. It is also less expensive than resistant electric heat, fuel oil, propane, wood pellets or kerosene which will help offset the current high inflation.

Ready availability of natural gas allows for substantial cost savings for residential and commercial use. Natural gas also reduces appliance maintenance which is a benefit of clean fuel and is less likely to cause a fire.

Approximately 123 properties would see an increase in property value by adding natural gas. This could encourage more building and revenue to the City of Houston. Average cost per lot \$4,477.80

### Natural Gas Extension

ROAD	Approximate Length	Utility Natural Gas Extension Cost
W Debra Jean Lane	1,650 Feet	\$47,000
W Delroy Road	3,170 Feet	\$90,300
Parks Hyw	3,100 Feet	\$88,300
N Dana Court	920 Feet	\$26,200
N Gaunt Lane	2,471 Feet	\$70,400
N Saige Blvd.	3,180 Feet	\$90,500
Project Area Total NG		\$412,700

### Road Improvements

ROAD	Culverts & Gravel	Road Improvement Cost
W Debra Jean Lane		\$15,000
W Delroy Road		\$20,000
N Dana Court		\$8,000
N Gaunt Lane		\$25,000
N Saige Blvd.		\$20,000
Project Area Total RI		\$88,000

Natural Gas Cost	\$412,700
Road Improvement Cost	\$88,000
Contingency & Administration	\$54,430
Total	\$550,770

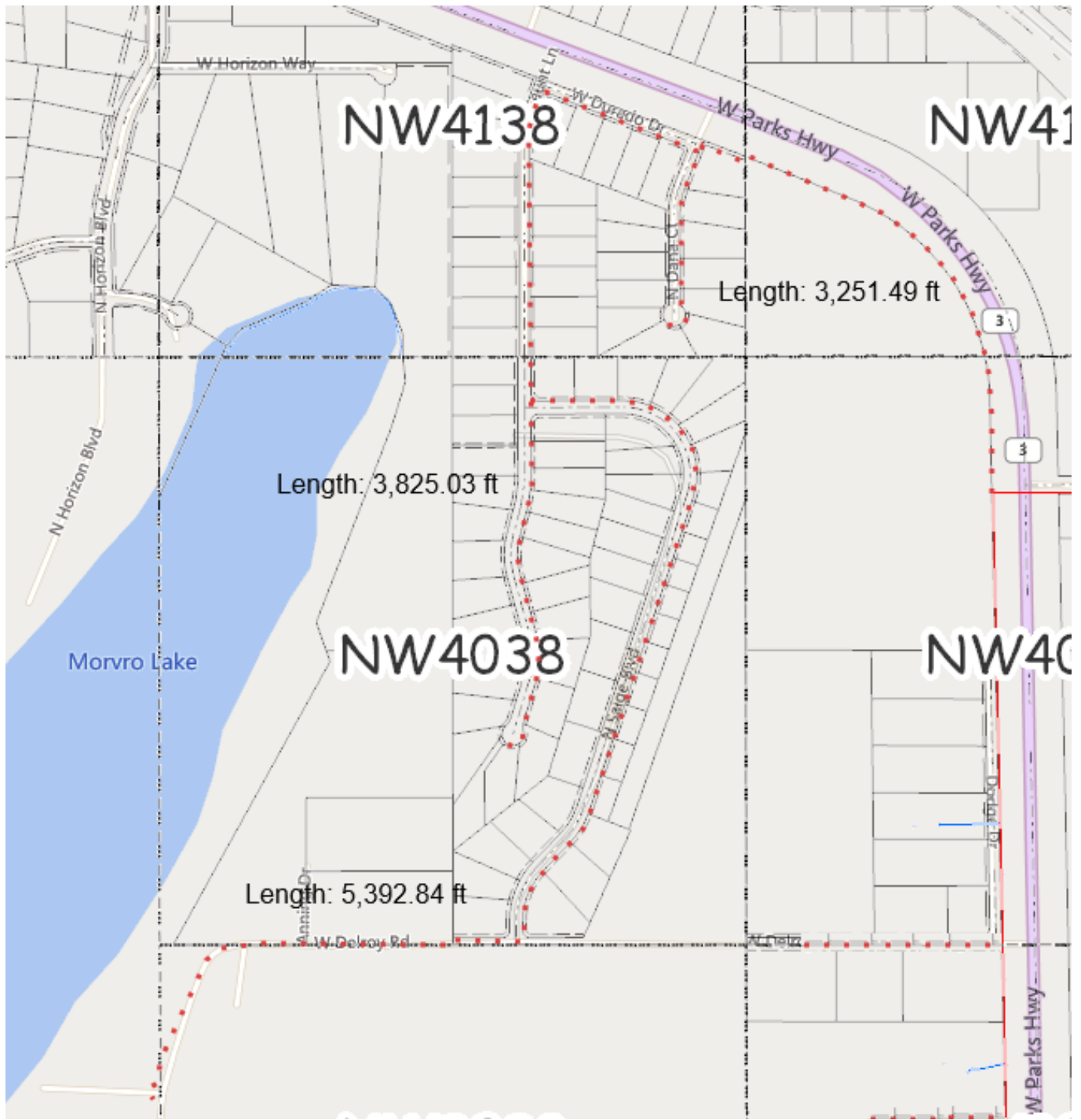
### Funding

Federal Money	State Money	Mat-Su Borough	City of Houston	Other
\$0	\$550,770	\$0	\$0	\$0

**Morvro Lake Natural Gas Map**



## Morvro Lake Natural Gas Routing



### **3. Cheri Lake Natural Gas: (LID Routing)**

**Project Narrative:**

The residents of the project area petitioned the City of Houston to do an LID to install natural gas on May 8, 2018. The City of Houston in July 2018, because of funding problems, was unable to do the project. This left the Houston residents of the LID project area no mechanism to get the natural gas installed to their property.

Successful distribution and delivery of natural gas to this area will create less community and regional pollution. In most applications, using natural gas produces less carbon dioxide (CO2) than oil, wood, or coal. It is also less expensive than resistant electric heat, fuel oil, propane, wood pellets or kerosene which will help offset the current high inflation.

Ready availability of natural gas allows for substantial cost savings for residential and commercial use. Natural gas also reduces appliance maintenance which is a benefit of clean fuel and is less likely to cause a fire.

Approximately 70 properties would see an increase in property value by adding natural gas. This could encourage more building and revenue to the City of Houston. Average cost per lot \$3,495.00.

**Natural Gas Extension**

ROAD	Approximate Length	Utility Natural Gas Extension Cost
W Cheri Lake Drive	240 Feet	\$6900
Anthony Road	3,204 Feet	\$91,200
Susan Lane	380 Feet	\$10,900
Claudia Road	1,360 Feet	\$38,800
Brian Circle	580 Feet	\$16,600
Project Area Total NG		\$164,400

**Road Improvements**

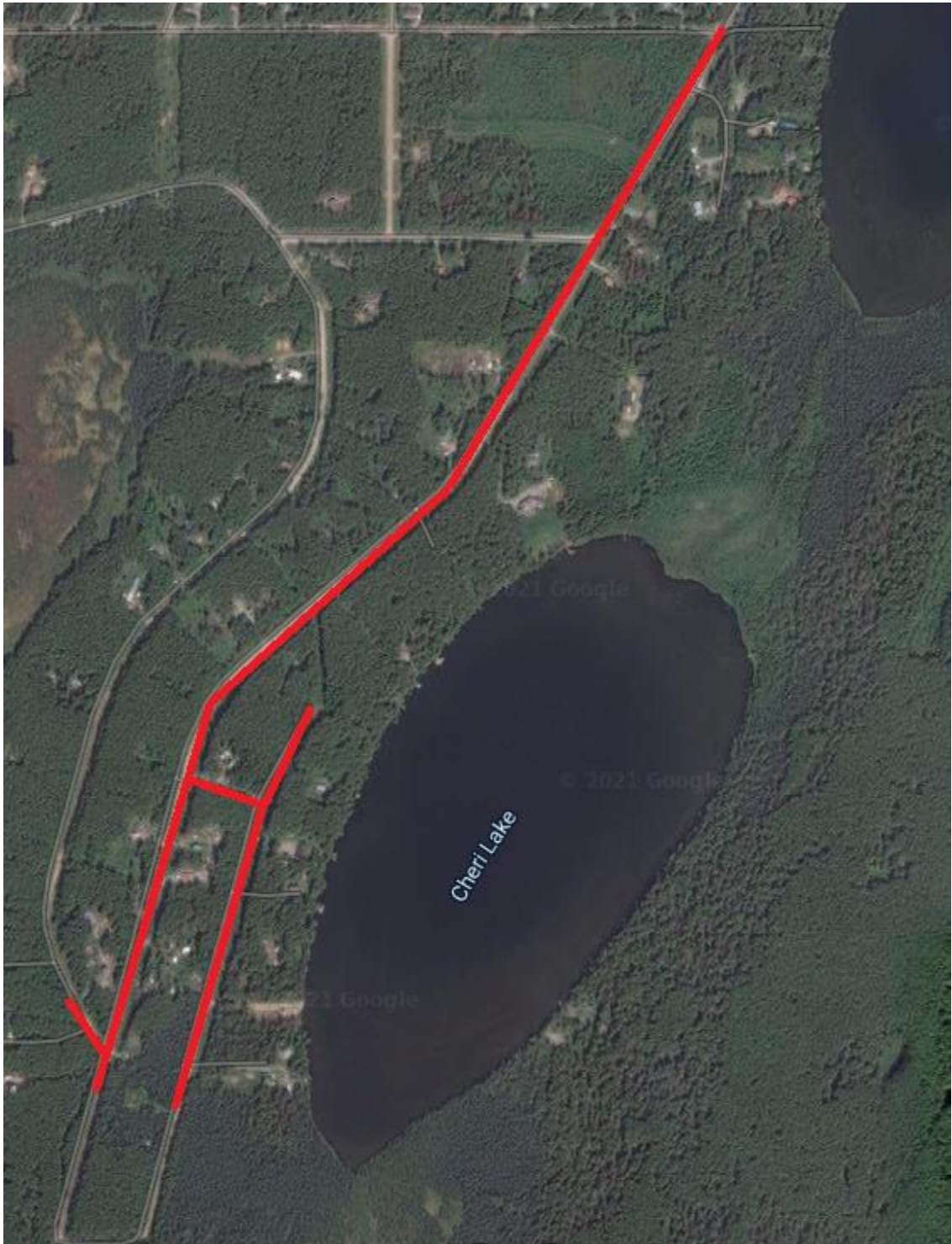
ROAD	Culverts & Gravel	Road Improvement Cost
W Cheri Lake Drive		\$4,000
Anthony Road		\$30,000
Susan Lane		\$4,000
Claudia Road		\$15,000
Brian Circle		\$5,000
Project Area Total RI		\$58,000

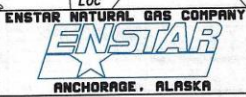
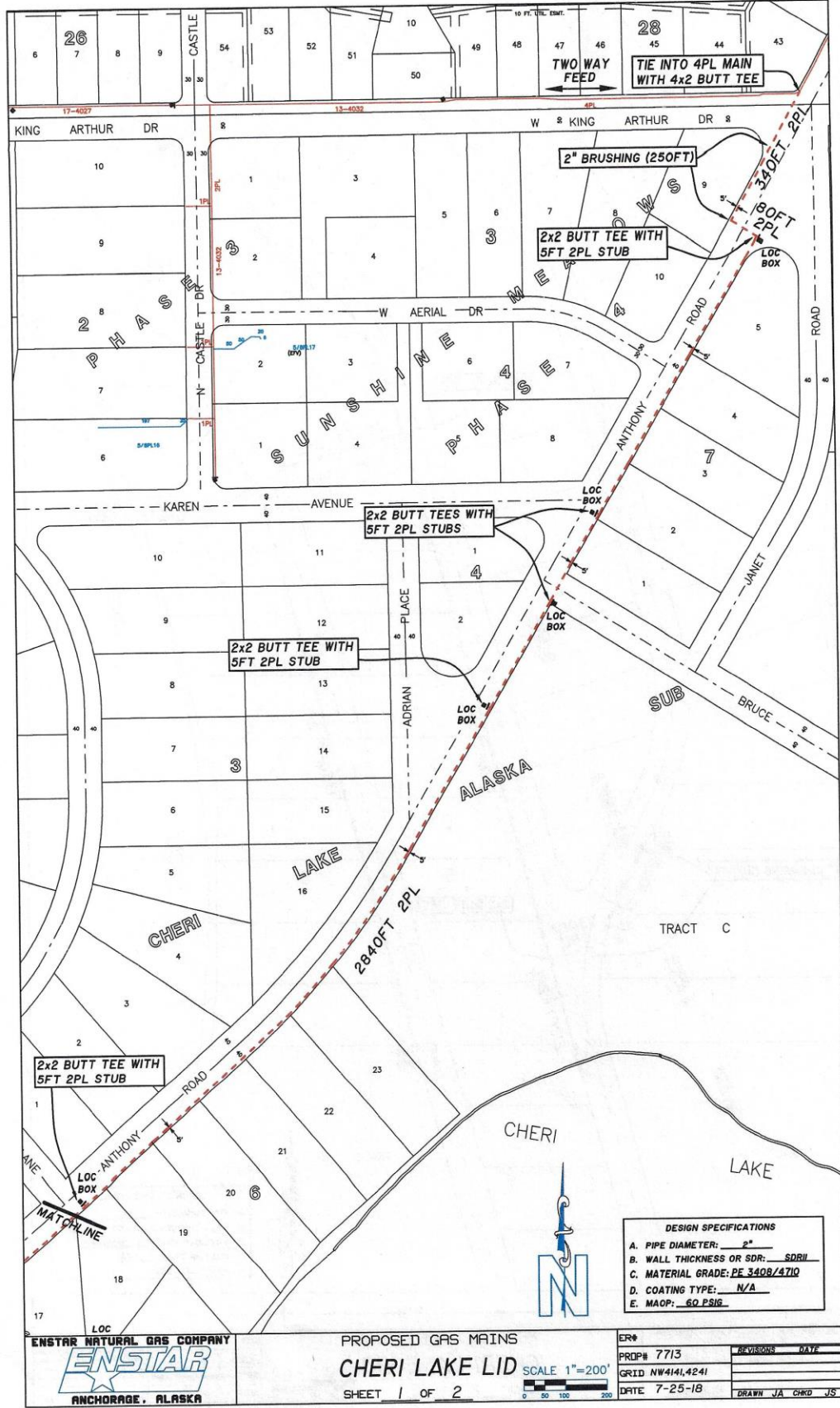
Natural Gas Cost	\$164,400
Road Improvement Cost	\$58,000
Contingency & Administration	\$22,240
Total	\$244,640

**Funding**

Federal Money	State Money	Mat-Su Borough	City of Houston	Other
\$0	\$244,640	\$0	\$0	\$0

Cheri Lake Natural Gas Map

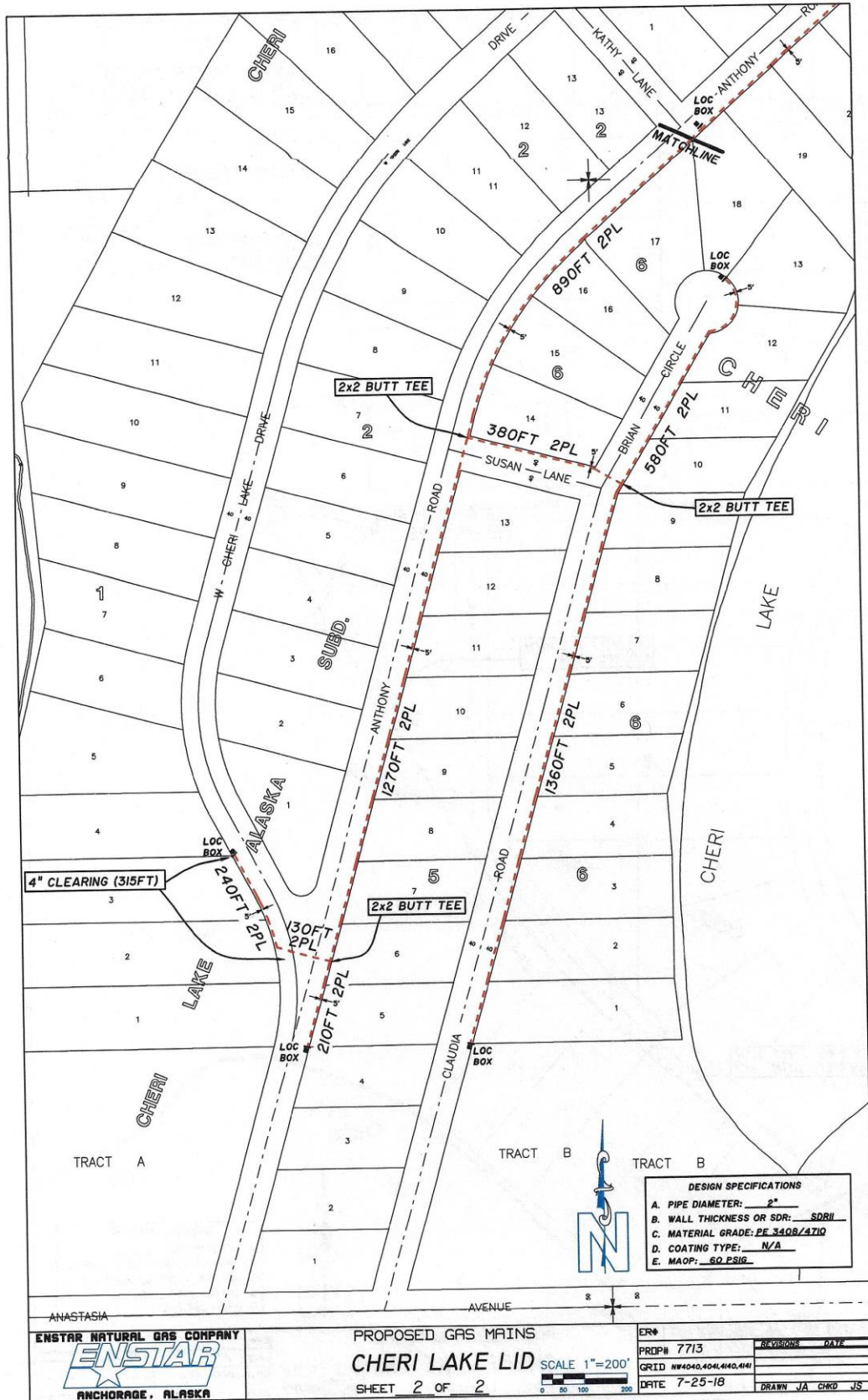




PROPOSED GAS MAINS  
**CHERI LAKE LID**  
 SCALE 1"=200'  
 SHEET 1 OF 2

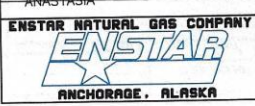
DESIGN SPECIFICATIONS	
A. PIPE DIAMETER:	2"
B. WALL THICKNESS OR SDR:	SDR11
C. MATERIAL GRADE:	PE 3408/4710
D. COATING TYPE:	N/A
E. MAOP:	60 PSIG

ER#	
PROP#	7713
GRID	NW4141,4241
DATE	7-25-18
DRAWN	JA CHRD JS



**DESIGN SPECIFICATIONS**

A. PIPE DIAMETER:	2"
B. WALL THICKNESS OR SDR:	SDR11
C. MATERIAL GRADE:	PE 3408/4710
D. COATING TYPE:	N/A
E. MAOP:	60 PSIG



PROPOSED GAS MAINS  
**CHERI LAKE LID**  
 SHEET 2 OF 2  
 SCALE 1"=200'

ER#	PROJ# 7713	REVISIONS	DATE
	GRID N#4040,4041,4140,4141		
	DATE 7-25-18	DRAWN JA	CHKD JS

#### **4. Enchanted Forest Natural Gas: (LID Routing)**

Project Narrative:

The residents of the project area petitioned the City of Houston to do an LID to install natural gas on December 5, 2017. The City of Houston in January of 2018, because of funding problems, was unable to do the project. This left the Houston residence of the LID project area no mechanism to get the natural gas installed to their property.

Successful distribution and delivery of natural gas to this area will create less community and regional pollution. In most applications, using natural gas produces less carbon dioxide (CO2) than oil, wood, or coal. It is also less expensive than resistant electric heat, fuel oil, propane, wood pellets or kerosene which will help offset the current high inflation.

Ready availability of natural gas allows for substantial cost savings for residential and commercial use. Natural gas also reduces appliance maintenance which is a benefit of clean fuel and is less likely to cause a fire.

Approximately 44 properties would see an increase in property value by adding natural gas. This could encourage more building and increase revenue to the City of Houston. Average cost per lot \$3,050.00.

##### Natural Gas Extension

ROAD	Approximate Length	Utility Natural Gas Extension Cost
Prince Charming Drive	1,455 Feet	\$41,500
Squire Drive	1,180 Feet	\$33,600
Duke Drive	240 Feet	\$6,900
Project Area Total NG		\$82,000

##### Road Improvements

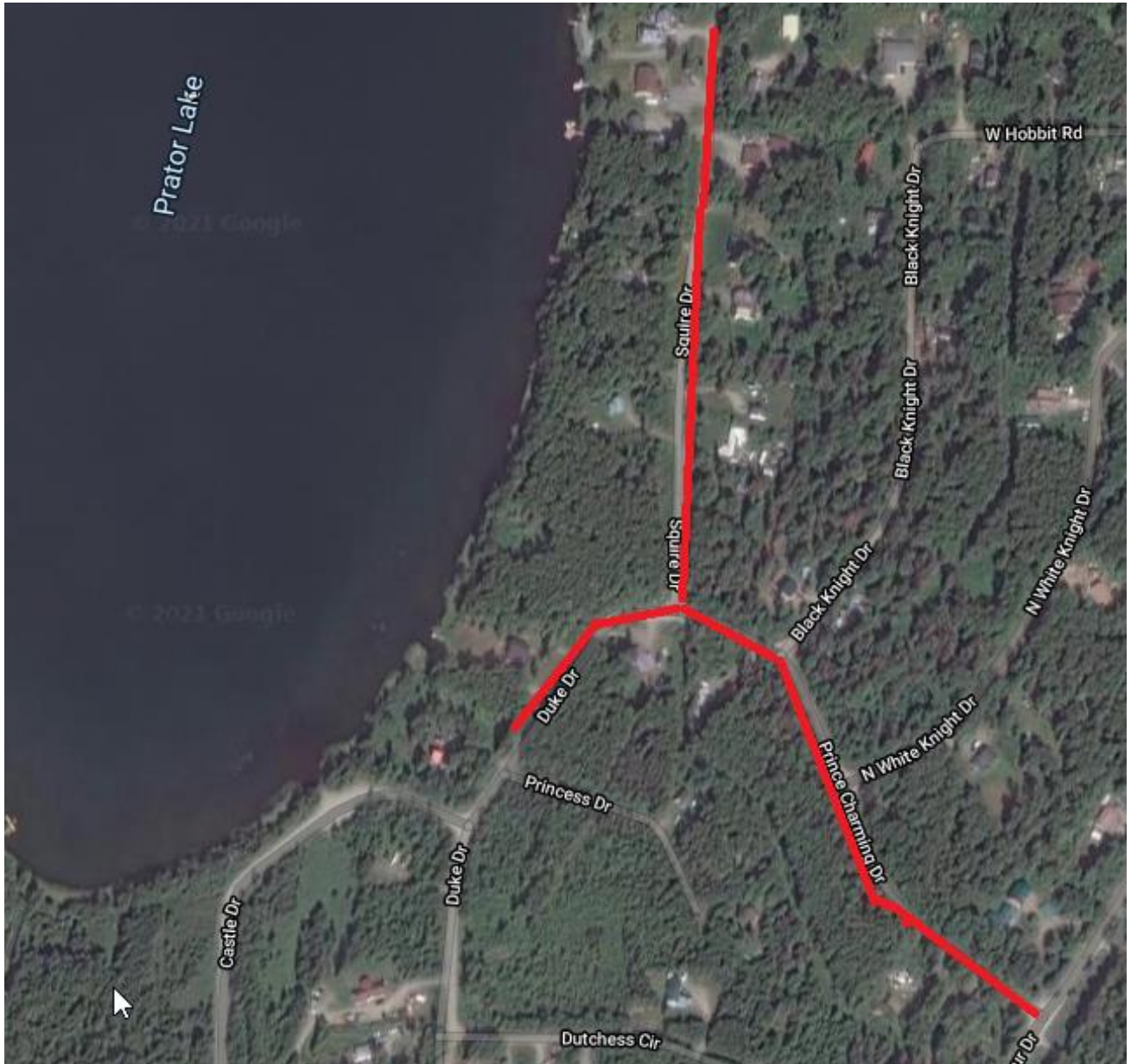
ROAD	Culverts & Gravel	Road Improvement Cost
Prince Charming Drive		\$23,000
Squire Drive		\$14,000
Duke Drive		\$3,000
Project Area Total RI		\$40,000

Natural Gas Cost	\$82,000
Road Improvement Cost	\$40,000
Contingency & Administration	\$12,200
Total	\$134,200

##### Funding

Federal Money	State Money	Mat-Su Borough	City of Houston	Other
\$0	\$134,200	\$0	\$0	\$0

# Enchanted Forest Natural Gas Map





DESIGN SPECIFICATIONS

- A. PIPE DIAMETER: 2"
- B. WALL THICKNESS OR SDR: SDR11
- C. MATERIAL GRADE: PE 3408/AZ10
- D. COATING TYPE: N/A
- E. MAOP: 60 PSIG



PROPOSED GAS MAINS  
**ENCHANTED FOREST LID**

SCALE 1"=150'

SHEET OF

ER#	PROJ# 7632	REVISIONS	DATE
	GRID NW4241		
	DATE 3/22/18	DRAWN JA	CHKD JS



**From:** [Jon Kotwicki](#)  
**To:** [CoH Clerks](#)  
**Subject:** In Support of Houston Natural Gas Installation  
**Date:** Friday, February 4, 2022 1:16:11 PM

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I am writing today to show my support of the Houston Natural Gas Installation for the following reasons:

1. It will improve safety
  - a. Won't run out of food or fuel
  - b. Decreased risk of home fires
2. Improved air quality. We don't want to have the air quality issues that Fairbanks has.
3. Save funds on heating costs

I would like to thank Council Member for all the hard work and knowledge he has provided with this project.

Sincerely,  
Jon Kotwicki

NOTICE OF POTENTIAL AMENDMENT(S)

February 3, 2022

Meeting Date: February 10, 2022

Mayor Thompson

Resolution 21-26

*Main motion of approving Resolution 21-26 would need to be pending.*

**Motion to substitute Resolution 21-26, by:**

- Adopting the shown amendments on pages 3, 5, 7, 10 and 14, in the attached document labeled “substitute” in full.

**Purpose:** To fix clerical errors and eliminate opinion and any reference to increasing revenue to the City.

Mayor Thompson

Resolution 22-01

*Main motion of approving Resolution 21-26 would need to be pending.*

**Motion to amend Resolution 22-01, by:**

- Adopting the shown amendments on pages 3, 5, 7, 10 and 14, in the attached document labeled “substitute” in full.

**Purpose:** To fix clerical errors and eliminate opinion and any reference to increasing revenue to the City.

1 POWER & NATURAL GAS UTILITIES MASTER PLAN

2 PHASE 1 UTILITY INFRASTRUCTURE DISTRIBUTION



4

5 POWER AND NATURAL GAS UTILITY PROJECTS FY2023

6 Substitute /Amendment

7 Bold and Underline, added. ~~Strike through~~, deleted.

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# City of Houston Master Utility Plan

## Summary

The City of Houston is developing a master utility plan to provide planning and funding for natural gas, and electric power projects within the City of Houston boundaries. ~~The~~ City of Houston master plan will cover a multi-year, multi-million-dollar approach to provide the growth incentives for the residential, agricultural, and commercial markets. We expect over the next 5 years, ~~that~~ \$7.5 million in funding requests are needed to complete ~~the~~ utility upgrades through Houston.

The City will review and select project areas based upon the master utility plan, and what funding is available to complete projects each year. The financial availability and logical sequential growth in the utility's infrastructure will be primarily the basis for selection.

~~Property values increase when natural gas is delivered to the property. Areas where natural gas is available experience a steady growth of new homes, which could provide the City of Houston additional revenue.~~

## History

Houston residents previously petitioned the City of Houston several times since 2014 for ~~Limited~~ Local Improvement District's (LID's) for natural gas. The city has been unable to ~~offer or support~~ secure bonding for the resident petitioned LID's. Those areas have met the City's selection process requirements and are included in State Legislative funding request for fiscal year 2023.

Natural Gas is a clean, affordable, and in abundance in Alaska. ~~The State has previously helped other communities with utility extension when requested.~~ The Master Utility Plan will affect all of ~~residence~~ residents within Houston that ~~do not~~ do not have access to natural gas. It will create a better standard of living for all the residents of Houston.

## Benefit

With this multi-year approach Houston can annually reduce pollution and help reduce the CO-2 emission preventing air quality issues experienced in the cold winter months. Replacing other fuels that create high volumes of air particulates and high CO-2 and Nitrogen Oxide levels will benefit ~~every Houston resident~~ all Mat-Su Residents.

Under this funding, 263 properties ~~will~~ may be upgraded with new utilities ~~which provides for additional growth in Houston.~~ creating a more desirable place to live, work and play.

~~Another major benefit of these projects, it will have no negative cost impact on the operation budget for the City of Houston. Every resident that is served by the projects will have a direct benefit. Once the Natural Gas serves the city buildings, it will reduce the operating budget for each facility the city owns.~~

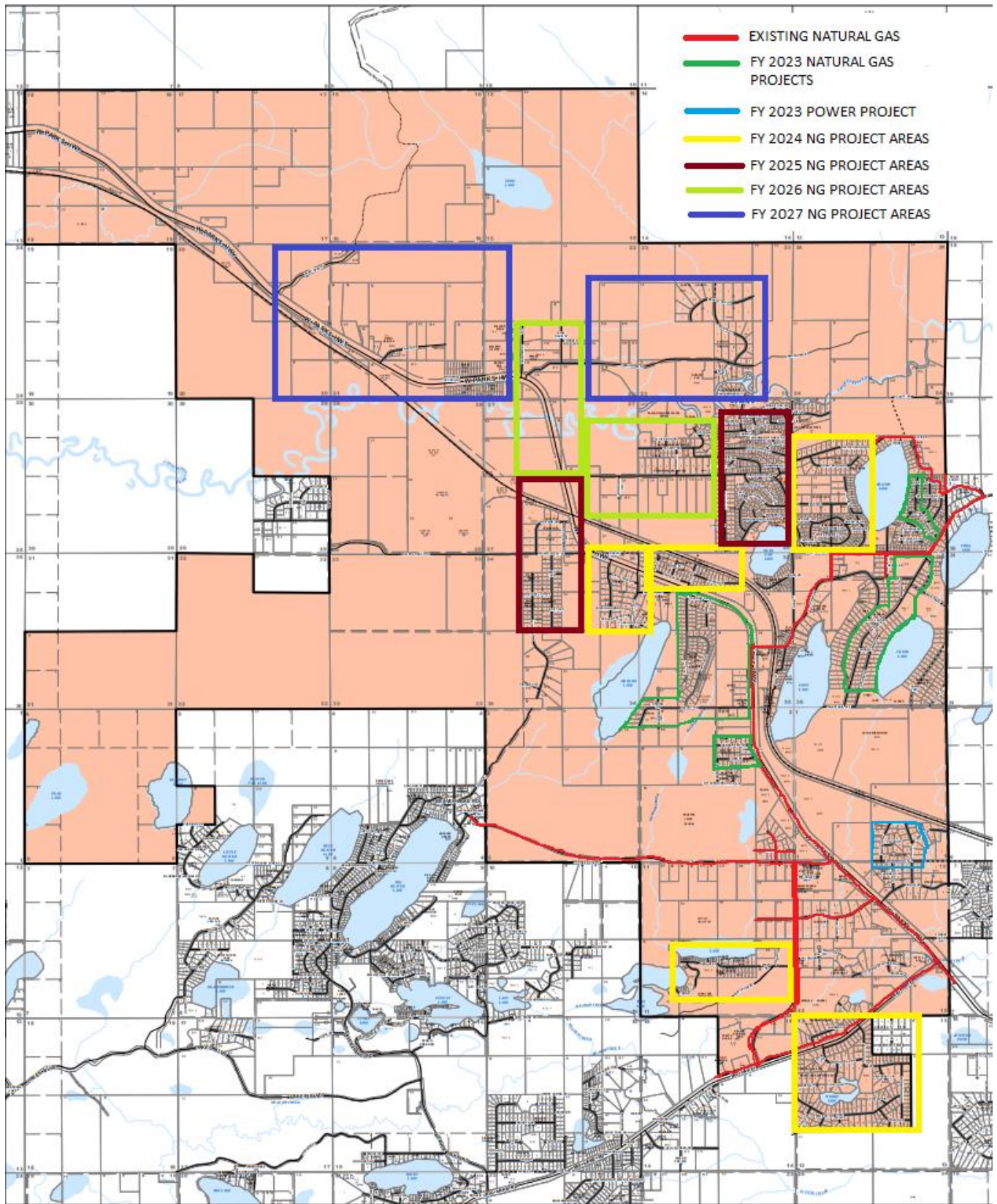
## Cost & Funding FY 2023

We are requesting funding from the ~~legislator~~ legislature over the next five years for utility expansion ~~in~~ of Natural Gas and Electricity. We expect to request between 1 - 2 million each year for projects under the Master Utility Plan selected by the City Council. ~~Under the In~~ In FY 2023, the City of Houston will be requesting \$1,250,000.00 for the upgrade of utilities and roads within the City of Houston Boundaries.

1

2

## Houston Boundary Map with FY 2023 Projects



3

1 **1. Meadow View Power Expansion:**

2 Project narrative:

3 Install underground power **distribution lines** to residents living in Meadowview Subdivision- **not connected to**  
 4 **the existing grid**. There is no LID on this project, but the city has been trying to get this work completed for the  
 5 ~~Houston Residents living in the subdivision.~~

6 Expanding basic electric service to this area will eliminate the need for City of Houston residents to continually  
 7 operate costly, noisy, and polluting individual generators.

8 This project will provide household cost savings, improve quality of life, significantly reduce community noise,  
 9 and exhaust emissions. ~~The This power extension is needed in this area because the power lines in this area is~~  
 10 **are run** below ground. The cost difference from above ground power is significant, and **is** more expensive than  
 11 the residents can afford. ~~The project will have no cost impact on the City's operational budget.~~

12 This project would benefit approximately 26 properties. ~~Average cost per property \$12,311.54~~

13 Power Extension

ROAD	Approximate Length	Utility Power Extension Cost
W. Claudia Court	396 Feet	\$244,000.00
W. Kar Drive	486 Feet	
Wilhelm Street	1514 Feet	
Birchwood Lane	0 Feet	
Winfield Way	1074 Feet	
Bryan Street	0 Feet	

14

15 Road Improvements

ROAD	Culverts & Gravel	Road Improvement Cost
W. Claudia Court		\$4,000
W. Kar Drive		\$5,000
Wilhelm Street		\$15,000
Birchwood Lane		\$5,000
Winfield Way		\$15,000
Bryan Street		\$3,000
Project Area Total RI		\$47,000

16

Electrical Cost	\$244,000
Road Improvement Cost	\$47,000
Contingency & Administration	\$29,100
Total	\$320,100

17

18 Funding

Federal Money	State Money	Mat-Su Borough	City of Houston	Other
\$0	\$320,100	\$0	\$0	\$0



1 **2. Morvro Lake Natural Gas: (New Routing)**

2 Project Narrative:

3 The residents of the project area petitioned the City of Houston to do an LID to install natural gas on May 14,  
 4 2014. The city in June of 2014, ~~because of funding problems,~~ was unable to ~~do~~ **bond** the project. This left the  
 5 Houston residents of the LID project area no **affordable** mechanism to get the natural gas installed to their  
 6 property.

7 Successful distribution and delivery of natural gas to this area will create less community and regional pollution.  
 8 In most applications, using natural gas produces less carbon dioxide (CO2) **and other pollutants** than oil, wood,  
 9 or coal. It is also less expensive than ~~resistant~~ electric heat, fuel oil, propane, wood pellets or kerosene which  
 10 will help offset the current high inflation.

11 Ready availability of natural gas allows for substantial cost savings for residential and commercial use. ~~Natural~~  
 12 ~~gas also reduces appliance maintenance which is a benefit of clean fuel and is less likely to cause a fire.~~

13 Approximately 123 properties would see an increase in property value **benefit** by adding natural gas. ~~This could~~  
 14 ~~encourage more building and revenue to the City of Houston. Average cost per lot \$4,477.80~~

15 Natural Gas Extension

ROAD	Approximate Length	Utility Natural Gas Extension Cost
W Debra Jean Lane	1,650 Feet	\$47,000
W Delroy Road	3,170 Feet	\$90,300
Parks Hyw	3,100 Feet	\$88,300
N Dana Court	920 Feet	\$26,200
N Gaunt Lane	2,471 Feet	\$70,400
N Saige Blvd.	3,180 Feet	\$90,500
Project Area Total NG		\$412,700

16

17 Road Improvements

ROAD	Culverts & Gravel	Road Improvement Cost
W Debra Jean Lane		\$15,000
W Delroy Road		\$20,000
N Dana Court		\$8,000
N Gaunt Lane		\$25,000
N Saige Blvd.		\$20,000
Project Area Total RI		\$88,000

18

Natural Gas Cost	\$412,700
Road Improvement Cost	\$88,000
Contingency & Administration	\$54,430
Total	\$550,770

19

20 Funding

Federal Money	State Money	Mat-Su Borough	City of Houston	Other
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\$0	\$550,770	\$0	\$0	\$0
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**Morvro Lake Natural Gas Map**

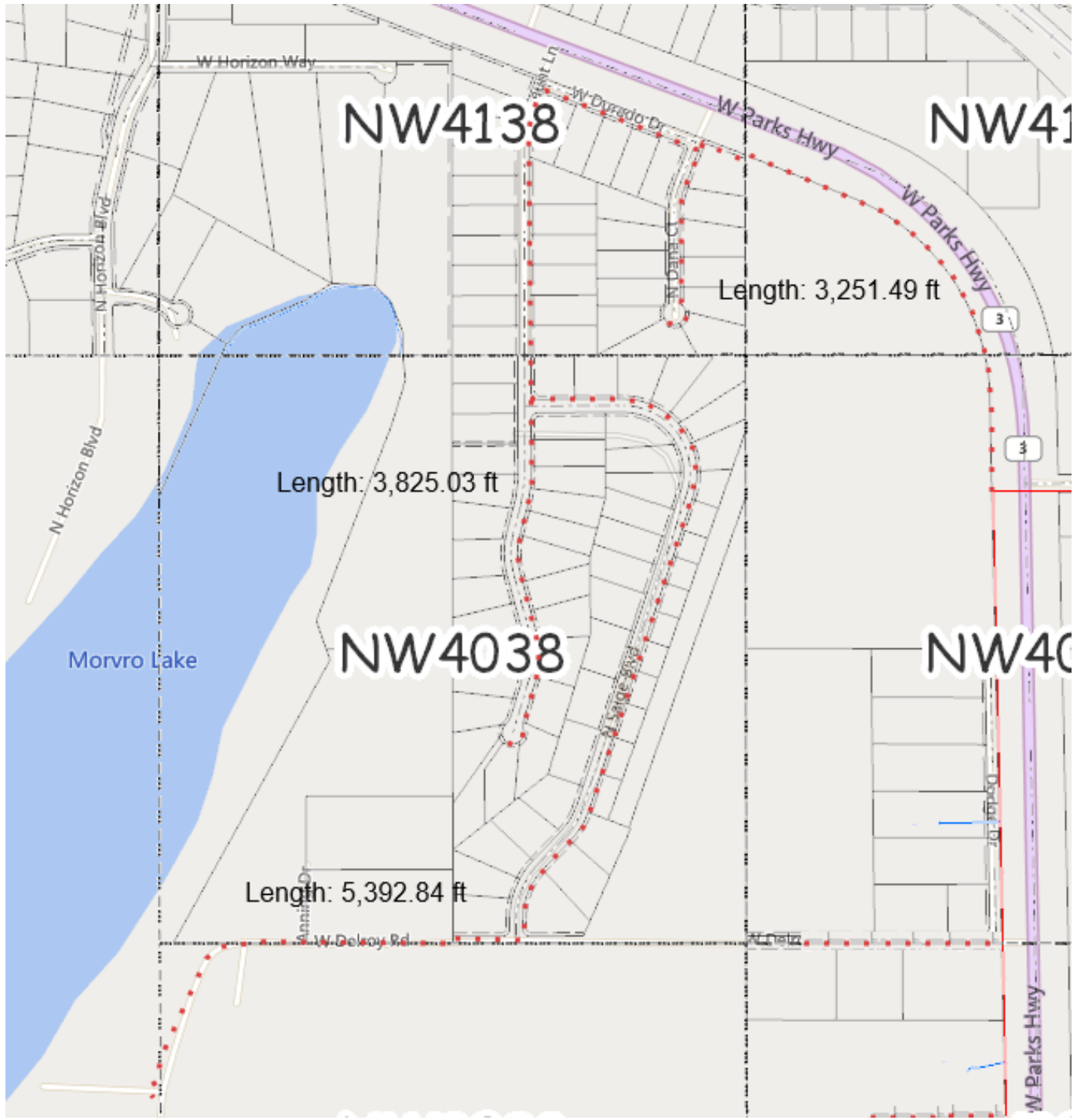
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### Morvro Lake Natural Gas Routing



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1 **3. Cheri Lake Natural Gas: (LID Routing)**

2 Project Narrative:

3 The residents of the project area petitioned the City of Houston to do an LID to install natural gas on May 8,  
 4 2018. The City of Houston in July 2018, ~~because of funding problems,~~ was unable to ~~do~~ **bond** the project. This  
 5 left the Houston residents of the LID project area no affordable mechanism to get the natural gas installed to  
 6 their property.

7 Successful distribution and delivery of natural gas to this area will create less community and regional pollution.  
 8 In most applications, using natural gas produces less carbon dioxide (CO2) **and other pollutants** than oil, wood,  
 9 or coal. It is also less expensive than ~~resistant~~ electric heat, fuel oil, propane, wood pellets or kerosene which  
 10 will help offset the current high inflation.

11 Ready availability of natural gas allows for substantial cost savings for residential and commercial use. ~~Natural~~  
 12 ~~gas also reduces appliance maintenance which is a benefit of clean fuel and is less likely to cause a fire.~~

13 Approximately 70 properties would see an increase in property value benefit by adding natural gas. ~~This could~~  
 14 ~~encourage more building and revenue to the City of Houston. Average cost per lot \$3,495.00.~~

15 Natural Gas Extension

ROAD	Approximate Length	Utility Natural Gas Extension Cost
W Cheri Lake Drive	240 Feet	\$6900
Anthony Road	3,204 Feet	\$91,200
Susan Lane	380 Feet	\$10,900
Claudia Road	1,360 Feet	\$38,800
Brian Circle	580 Feet	\$16,600
Project Area Total NG		\$164,400

16

17 Road Improvements

ROAD	Culverts & Gravel	Road Improvement Cost
W Cheri Lake Drive		\$4,000
Anthony Road		\$30,000
Susan Lane		\$4,000
Claudia Road		\$15,000
Brian Circle		\$5,000
Project Area Total RI		\$58,000

18

Natural Gas Cost	\$164,400
Road Improvement Cost	\$58,000
Contingency & Administration	\$22,240
Total	\$244,640

19

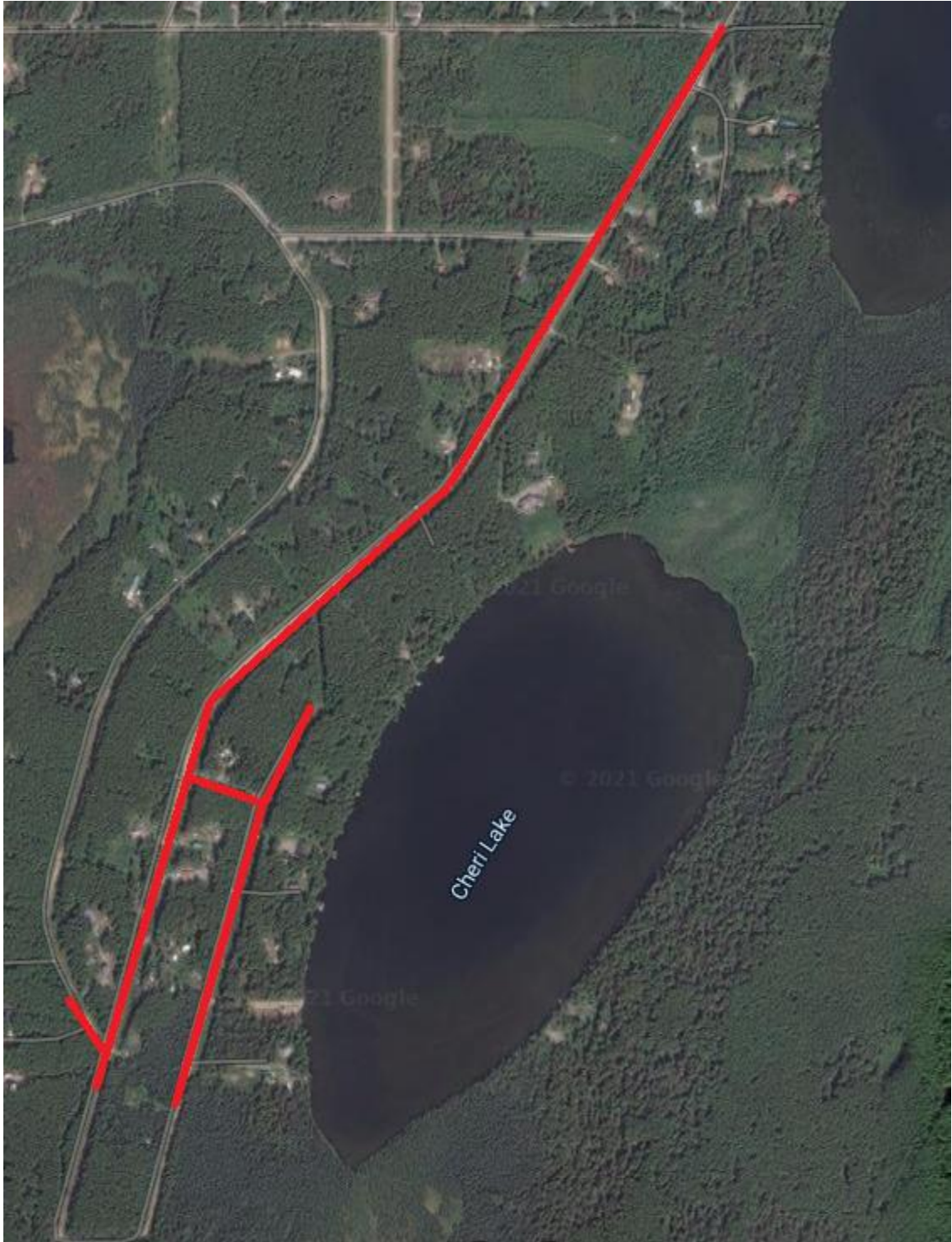
20 Funding

Federal Money	State Money	Mat-Su Borough	City of Houston	Other
\$0	\$244,640	\$0	\$0	\$0

1

2 Cheri

Lake

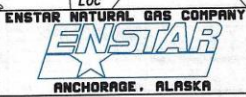
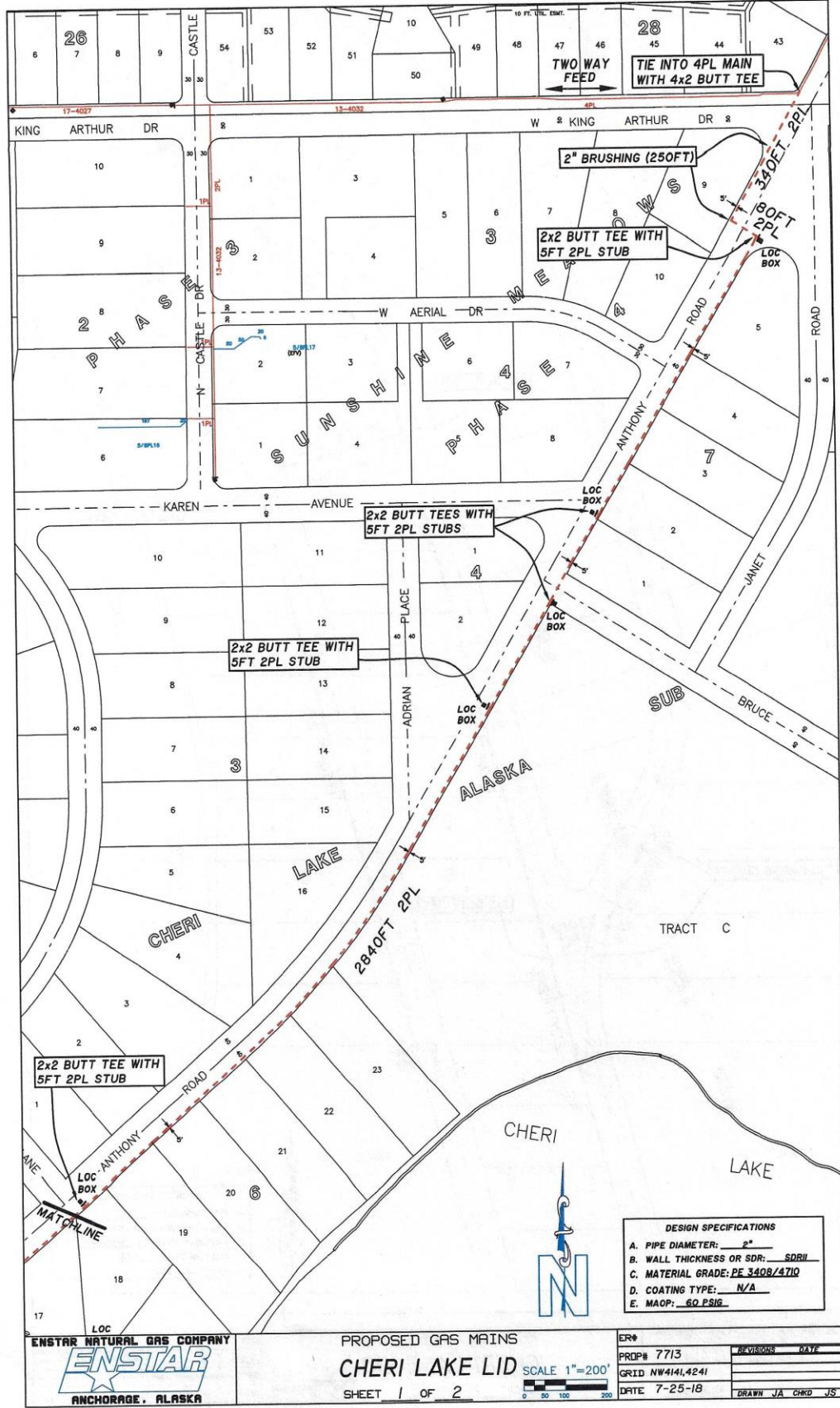


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Natural Gas Map

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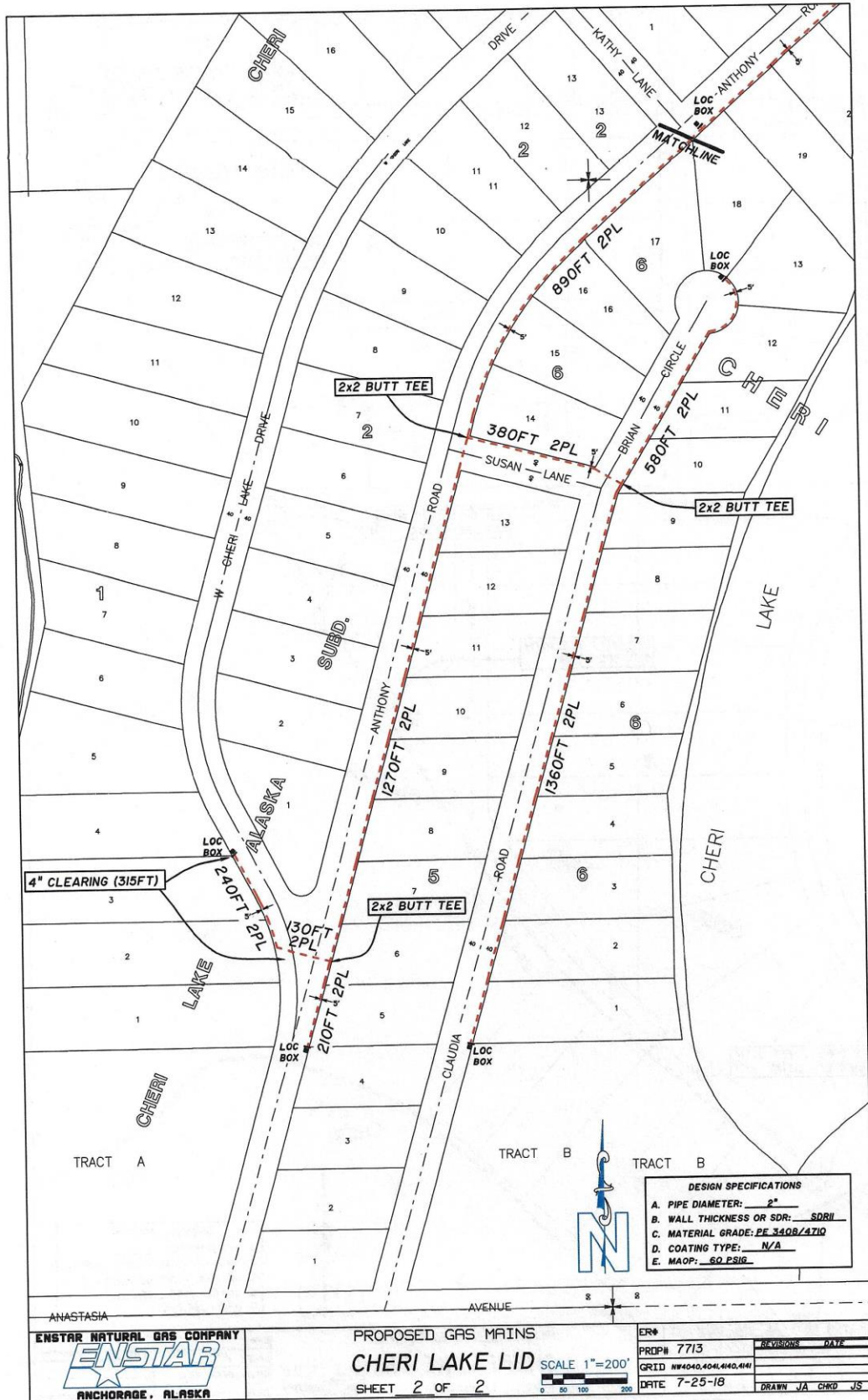
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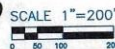
PROPOSED GAS MAINS  
**CHERI LAKE LID**  
 SCALE 1"=200'  
 SHEET 1 OF 2

DESIGN SPECIFICATIONS	
A. PIPE DIAMETER:	2"
B. WALL THICKNESS OR SDR:	SDR11
C. MATERIAL GRADE:	PE 3408/4710
D. COATING TYPE:	N/A
E. MAOP:	60 PSIG

ER#	
PROP#	7713
GRID	NW4141,4241
DATE	7-25-18
DRAWN	JA CHRD JS



PROPOSED GAS MAINS  
**CHERI LAKE LID**  
 SHEET 2 OF 2



ENR#	PROJ# 7713	REVISIONS	DATE
	GRID N94040,4041,4140,4141		
	DATE 7-25-18	DRAWN JA	CHKD JS

1 **4. Enchanted Forest Natural Gas: (LID Routing)**

2 Project Narrative:

3 The residents of the project area petitioned the City of Houston to do an LID to install natural gas on December  
 4 5, 2017. The City of Houston in January of 2018, ~~because of funding problems~~, was unable to ~~do~~ **bond** the  
 5 project. This left the Houston residence of the LID project area no **affordable** mechanism to get the natural gas  
 6 installed to their property.

7 Successful distribution and delivery of natural gas to this area will create less community and regional pollution.  
 8 In most applications, using natural gas produces less carbon dioxide (CO2) **and other pollutants** than oil, wood,  
 9 or coal. It is also less expensive than ~~resistant~~ electric heat, fuel oil, propane, wood pellets or kerosene which  
 10 will help offset the current high inflation.

11 Ready availability of natural gas allows for substantial cost savings for residential and commercial use. ~~Natural~~  
 12 ~~gas also reduces appliance maintenance which is a benefit of clean fuel and is less likely to cause a fire.~~

13 Approximately 44 properties would see an increase in property value **benefit** by adding natural gas. ~~This could~~  
 14 ~~encourage more building and increase revenue to the City of Houston. Average cost per lot \$3,050.00.~~

15 Natural Gas Extension

ROAD	Approximate Length	Utility Natural Gas Extension Cost
Prince Charming Drive	1,455 Feet	\$41,500
Squire Drive	1,180 Feet	\$33,600
Duke Drive	240 Feet	\$6,900
Project Area Total NG		\$82,000

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17 Road Improvements

ROAD	Culverts & Gravel	Road Improvement Cost
Prince Charming Drive		\$23,000
Squire Drive		\$14,000
Duke Drive		\$3,000
Project Area Total RI		\$40,000

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Natural Gas Cost	\$82,000
Road Improvement Cost	\$40,000
Contingency & Administration	\$12,200
Total	\$134,200

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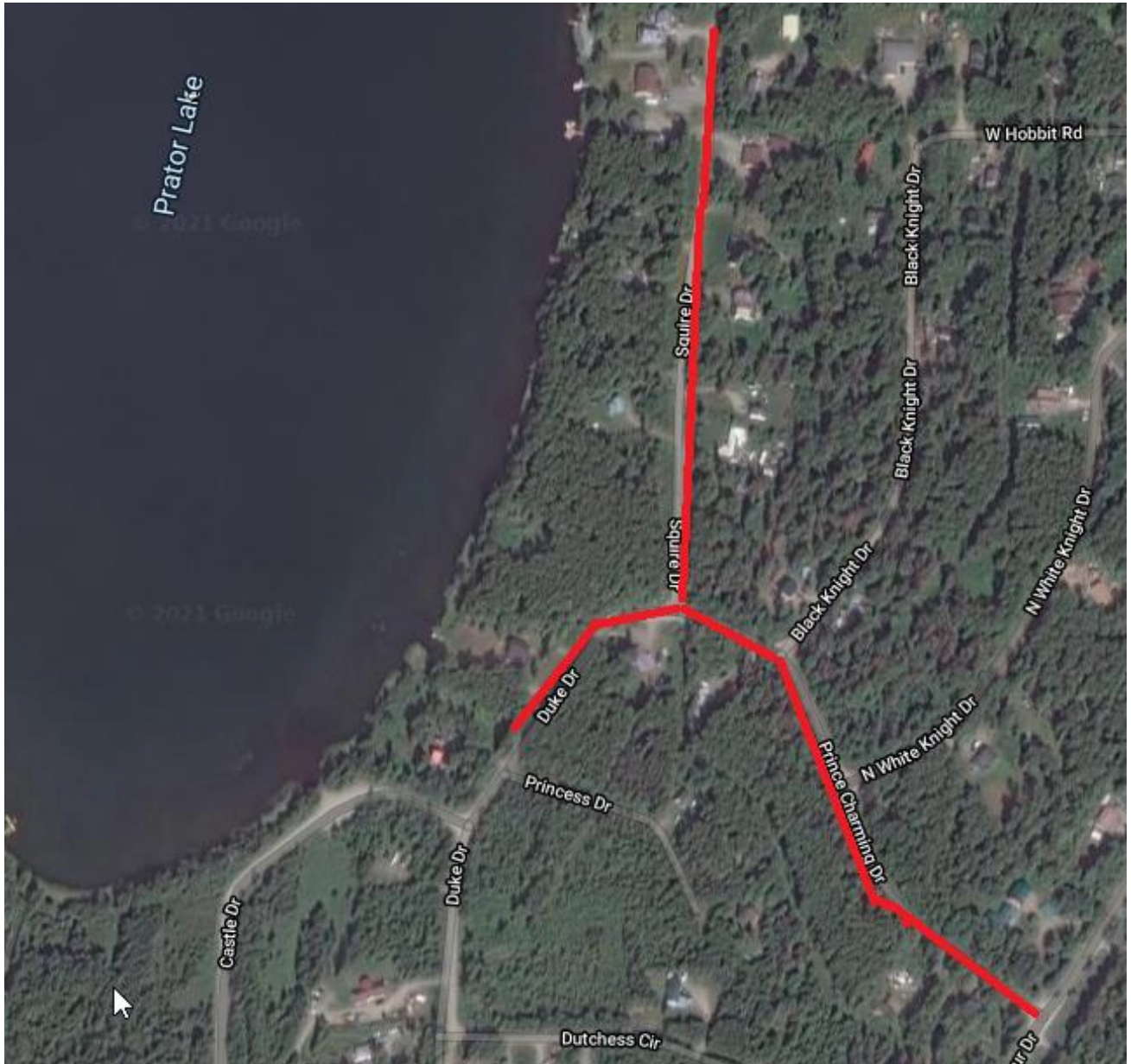
22 Funding

Federal Money	State Money	Mat-Su Borough	City of Houston	Other
\$0	\$134,200	\$0	\$0	\$0

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# Enchanted Forest Natural Gas Map

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Introduced by: Administration  
Amended: December 9, 2021  
January 13, 2022  
Public Hearing:  
Action:  
Date:  
Vote: Yes:  
No:

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**CITY OF HOUSTON, ALASKA  
RESOLUTION 21-26**

**A RESOLUTION OF THE HOUSTON CITY COUNCIL CONFIRMING STATE  
LEGISLATIVE PRIORITIES AND REQUESTING SUPPORT FROM THE STATE  
LEGISLATURE TO MEET CAPITAL IMPROVEMENT NEEDS FOR FISCAL YEAR  
2023**

---

**WHEREAS**, the City of Houston is planning for the fiscal year 2023 capital improvements projects as part of its 6-year capital improvement program in accordance with Houston Municipal Code 4.01.080; and

**WHEREAS**, the City of Houston seeks support from the Alaska State legislature and funding to meet its capital improvement needs.

**NOW, THEREFORE, BE IT FURTHER RESOLVED**, that the Houston City Council identifies the following project(s) as a priority and requests State funding for fiscal year 2023.

- **Houston Schools Campus Pathways (\$1,200,000)**
- ~~**Utility Infrastructure Distribution and subprojects**~~
- **Power and Natural Gas Utilities Master Plan, Phase 1 Utility Infrastructure Distribution (\$1,250,000)**
- **Bear Paw Lake Activity Park (\$723,000)**
- **Fire Station 9-3/Public Works shared Facilities (\$2,500,000)**

**EFFECTIVE DATE** this resolution becomes effective upon its adoption by the Houston City Council.

**ADOPTED** by the Houston City Council on \_\_\_\_\_.

**THE CITY OF HOUSTON, ALASKA**

\_\_\_\_\_  
Virgie Thompson, Mayor

**ATTEST:**  
**Bold and Underline**, added. ~~Strike through~~, deleted.

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[SEAL]

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Sonya Pevan, CMC, City Clerk

# POWER & NATURAL GAS UTILITIES MASTER PLAN

## PHASE 1 UTILITY INFRASTRUCTURE DISTRIBUTION



## POWER AND NATURAL GAS UTILITY PROJECTS FY2023

## **City of Houston Master Utility Plan**

### **Summary**

The City of Houston is developing a master utility plan to provide planning and funding for natural gas, and electric power projects within the City of Houston boundaries. City of Houston master plan will cover a multi-year, multi-million-dollar approach to provide the growth incentives for the residential, agricultural, and commercial markets. We expect over the next 5 years, 7.5 million in funding requests are needed to complete the utility upgrades through Houston.

The City will review and select project areas based upon the master utility plan, and what funding is available to complete projects each year. The financial availability and logical sequential growth in the utility's infrastructure will be primarily the basis for selection.

Property values increase when natural gas is delivered to the property. Areas where natural gas is available experience a steady growth of new homes, which could provide the City of Houston additional revenue.

### **History**

Houston residents previously petitioned the City of Houston several times since 2014 for Limited Improvement District (LID) for natural gas. The city has been unable to offer or support the resident petitioned LIDs. Those areas have met the City's selection process requirements and are included in State Legislative funding request for fiscal year 2023.

Natural Gas is a clean, affordable, and in abundance in Alaska. The State has previously helped other communities with utility extension when requested. The Master Utility Plan will affect all of residence within Houston that do not currently have access to natural gas. It will create a better standard of living for all the residents of Houston.

### **Benefit**

With this multi-year approach Houston can annually reduce pollution and help reduce the CO-2 emission preventing air quality issues experienced in the cold winter months. Replacing other fuels that create high volumes of air particulates and high CO-2 levels will benefit every Houston resident.

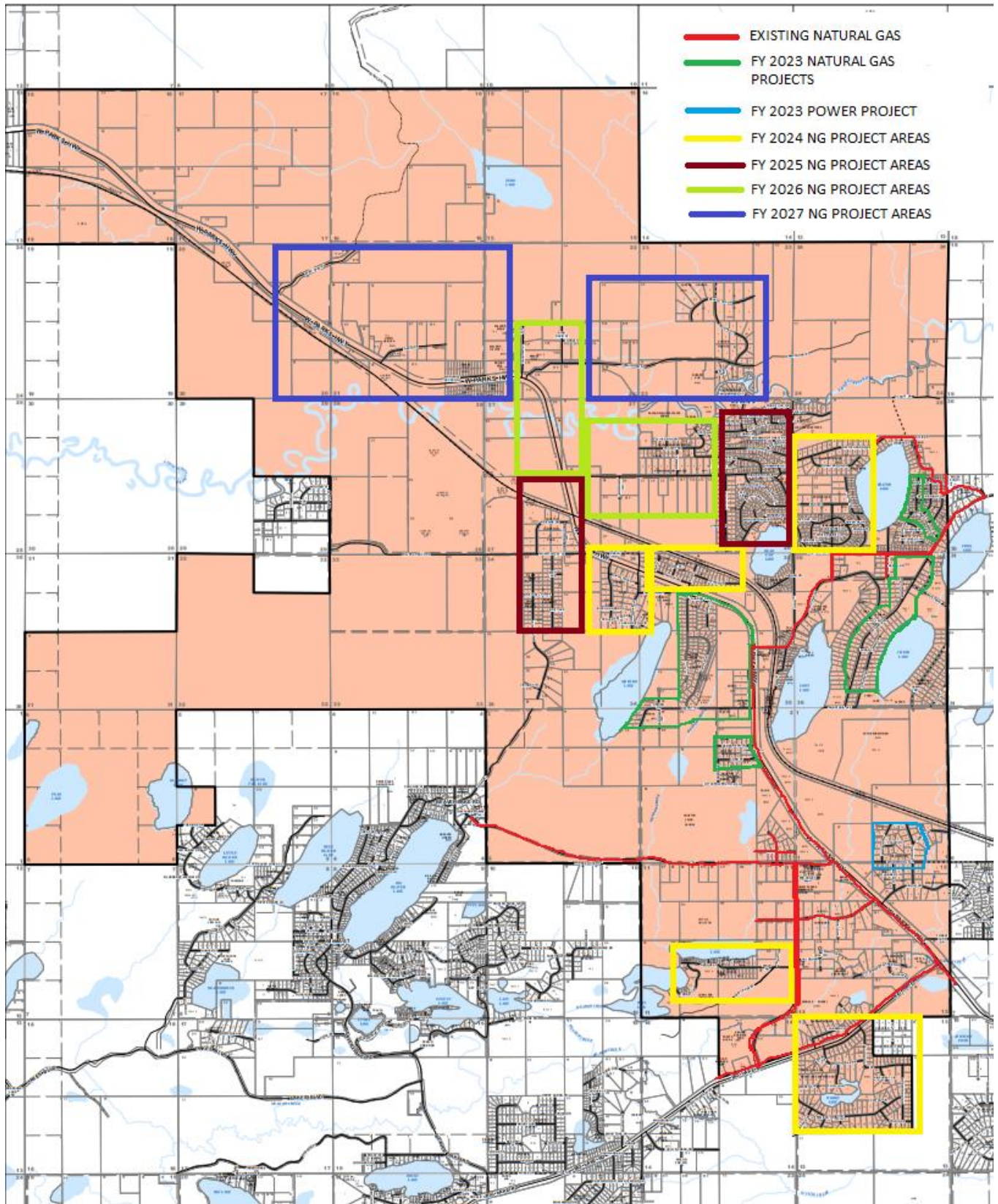
Under this funding, 263 properties will be upgraded with new utilities which provides for additional growth in Houston.

Another major benefit of these projects, it will have no negative cost impact on the operation budget for the City of Houston. Every resident that is served by the projects will have a direct benefit. Once the Natural Gas serves the city buildings, it will reduce the operating budget for each facility the city owns.

### **Cost & Funding FY 2023**

We are requesting funding from the legislator over the next five years for utility expansion in Natural Gas and Electricity. We expect to request between 1 - 2 million each year for projects under the Master Utility Plan selected by the City Council. Under the FY 2023 the City of Houston will be requesting \$1,250,000.00 for the upgrade of utilities and roads within the City of Houston Boundaries.

# Houston Boundary Map with FY 2023 Projects



## 1. Meadow View Power Expansion:

Project narrative:

Install underground power to residents living in Meadowview Subdivision. There is no LID on this project, but the city has been trying to get this work completed for the Houston Residents living in the subdivision.

Expanding basic electric service to this area will eliminate the need for City of Houston residents to continually operate costly, noisy, and polluting individual generators.

This project will provide household cost savings, improve quality of life, significantly reduce community noise, and exhaust emissions. The power extension is needed in this area because the power line is below ground. The cost difference from above ground power is significant, and more expensive than the residents can afford. The project will have no cost impact on the City's operational budget.

This project would benefit approximately 26 properties. Average cost per property \$12,311.54

### Power Extension

ROAD	Approximate Length	Utility Power Extension Cost
W. Claudia Court	396 Feet	\$244,000.00
W. Kar Drive	486 Feet	
Wilhelm Street	1514 Feet	
Birchwood Lane	0 Feet	
Winfield Way	1074 Feet	
Bryan Street	0 Feet	

### Road Improvements

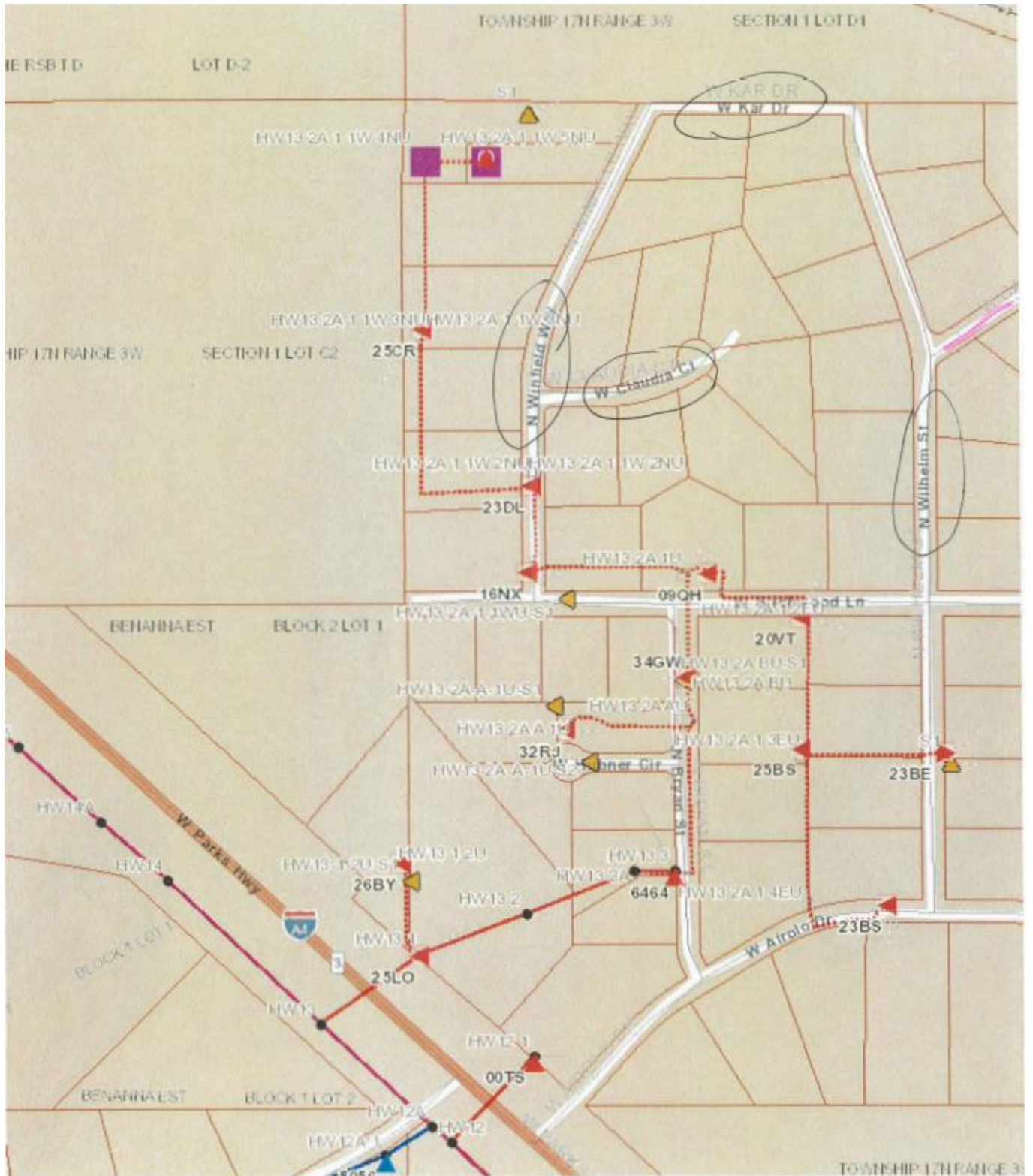
ROAD	Culverts & Gravel	Road Improvement Cost
W. Claudia Court		\$4,000
W. Kar Drive		\$5,000
Wilhelm Street		\$15,000
Birchwood Lane		\$5,000
Winfield Way		\$15,000
Bryan Street		\$3,000
Project Area Total RI		\$47,000

Electrical Cost	\$244,000
Road Improvement Cost	\$47,000
Contingency & Administration	\$29,100
Total	\$320,100

### Funding

Federal Money	State Money	Mat-Su Borough	City of Houston	Other
\$0	\$320,100	\$0	\$0	\$0

# Meadow View Power Expansion Map



## **2. Morvro Lake Natural Gas: (New Routing)**

### Project Narrative:

The residents of the project area petitioned the City of Houston to do an LID to install natural gas on May 14, 2014. The city in June of 2014, because of funding problems, was unable to do the project. This left the Houston residents of the LID project area no mechanism to get the natural gas installed to their property.

Successful distribution and delivery of natural gas to this area will create less community and regional pollution. In most applications, using natural gas produces less carbon dioxide (CO2) than oil, wood, or coal. It is also less expensive than resistant electric heat, fuel oil, propane, wood pellets or kerosene which will help offset the current high inflation.

Ready availability of natural gas allows for substantial cost savings for residential and commercial use. Natural gas also reduces appliance maintenance which is a benefit of clean fuel and is less likely to cause a fire.

Approximately 123 properties would see an increase in property value by adding natural gas. This could encourage more building and revenue to the City of Houston. Average cost per lot \$4,477.80

### Natural Gas Extension

ROAD	Approximate Length	Utility Natural Gas Extension Cost
W Debra Jean Lane	1,650 Feet	\$47,000
W Delroy Road	3,170 Feet	\$90,300
Parks Hyw	3,100 Feet	\$88,300
N Dana Court	920 Feet	\$26,200
N Gaunt Lane	2,471 Feet	\$70,400
N Saige Blvd.	3,180 Feet	\$90,500
Project Area Total NG		\$412,700

### Road Improvements

ROAD	Culverts & Gravel	Road Improvement Cost
W Debra Jean Lane		\$15,000
W Delroy Road		\$20,000
N Dana Court		\$8,000
N Gaunt Lane		\$25,000
N Saige Blvd.		\$20,000
Project Area Total RI		\$88,000

Natural Gas Cost	\$412,700
Road Improvement Cost	\$88,000
Contingency & Administration	\$54,430
Total	\$550,770

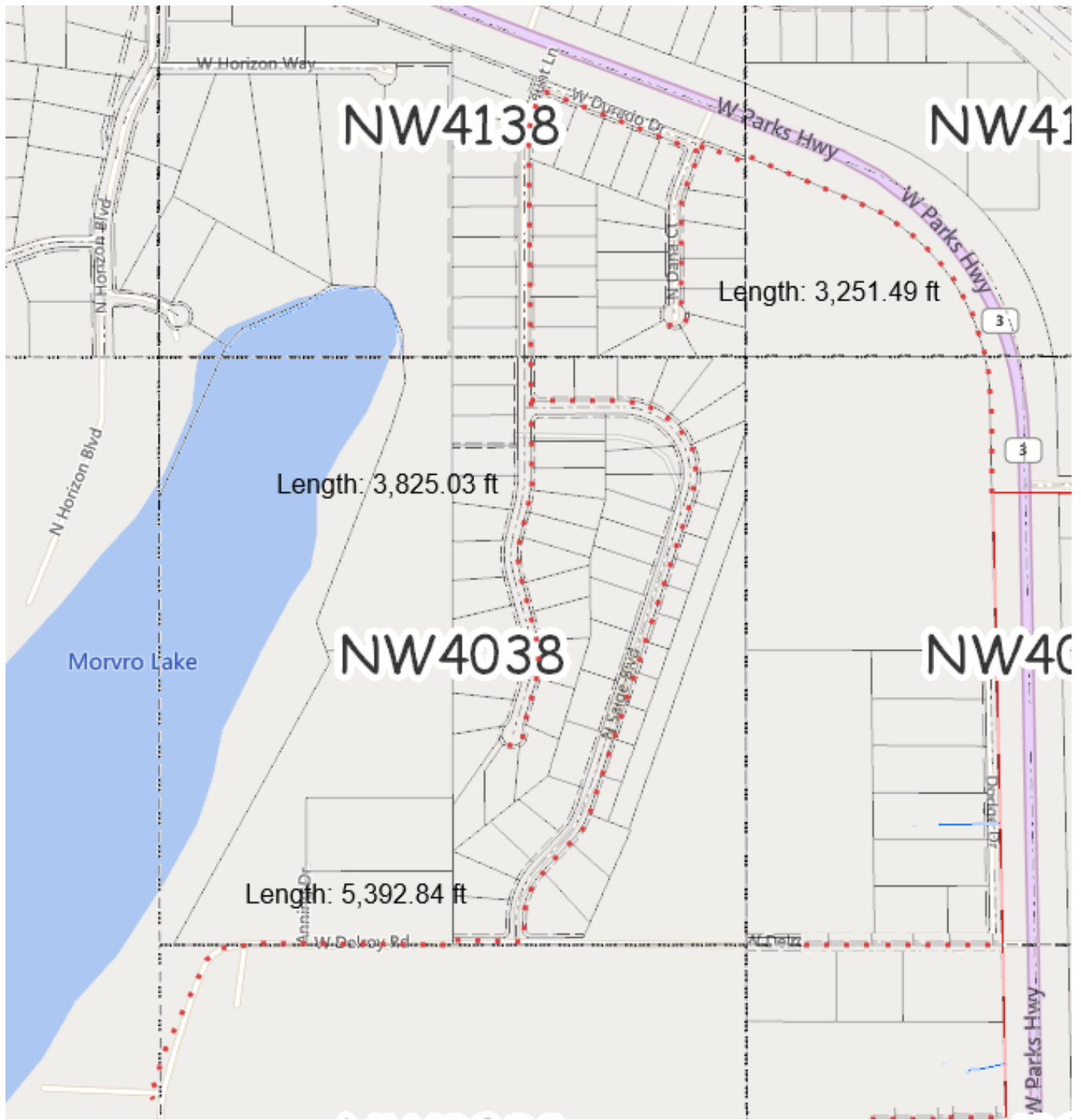
### Funding

Federal Money	State Money	Mat-Su Borough	City of Houston	Other
\$0	\$550,770	\$0	\$0	\$0

**Morvro Lake Natural Gas Map**



## Morvro Lake Natural Gas Routing



### **3. Cheri Lake Natural Gas: (LID Routing)**

Project Narrative:

The residents of the project area petitioned the City of Houston to do an LID to install natural gas on May 8, 2018. The City of Houston in July 2018, because of funding problems, was unable to do the project. This left the Houston residents of the LID project area no mechanism to get the natural gas installed to their property.

Successful distribution and delivery of natural gas to this area will create less community and regional pollution. In most applications, using natural gas produces less carbon dioxide (CO2) than oil, wood, or coal. It is also less expensive than resistant electric heat, fuel oil, propane, wood pellets or kerosene which will help offset the current high inflation.

Ready availability of natural gas allows for substantial cost savings for residential and commercial use. Natural gas also reduces appliance maintenance which is a benefit of clean fuel and is less likely to cause a fire.

Approximately 70 properties would see an increase in property value by adding natural gas. This could encourage more building and revenue to the City of Houston. Average cost per lot \$3,495.00.

#### Natural Gas Extension

ROAD	Approximate Length	Utility Natural Gas Extension Cost
W Cheri Lake Drive	240 Feet	\$6900
Anthony Road	3,204 Feet	\$91,200
Susan Lane	380 Feet	\$10,900
Claudia Road	1,360 Feet	\$38,800
Brian Circle	580 Feet	\$16,600
Project Area Total NG		\$164,400

#### Road Improvements

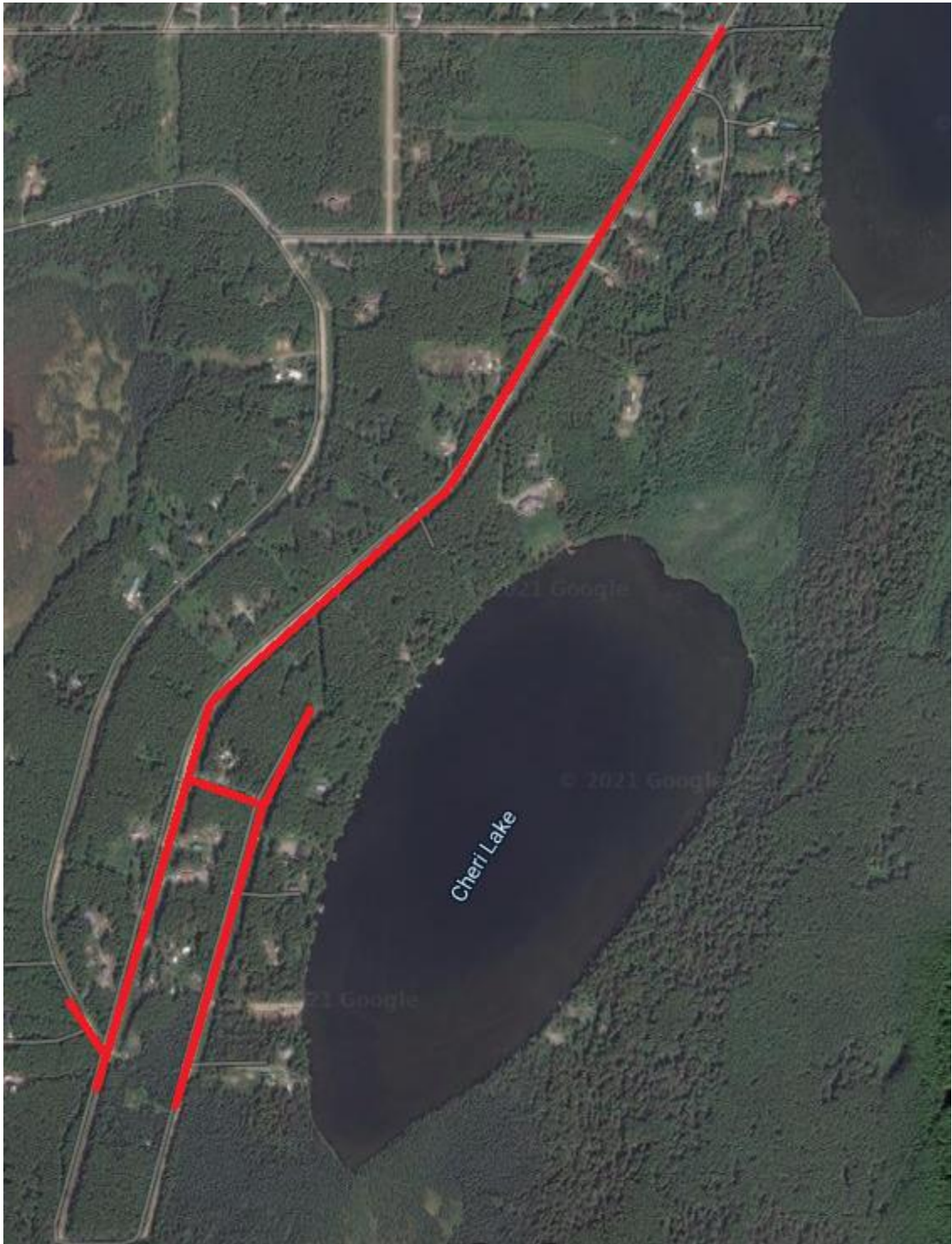
ROAD	Culverts & Gravel	Road Improvement Cost
W Cheri Lake Drive		\$4,000
Anthony Road		\$30,000
Susan Lane		\$4,000
Claudia Road		\$15,000
Brian Circle		\$5,000
Project Area Total RI		\$58,000

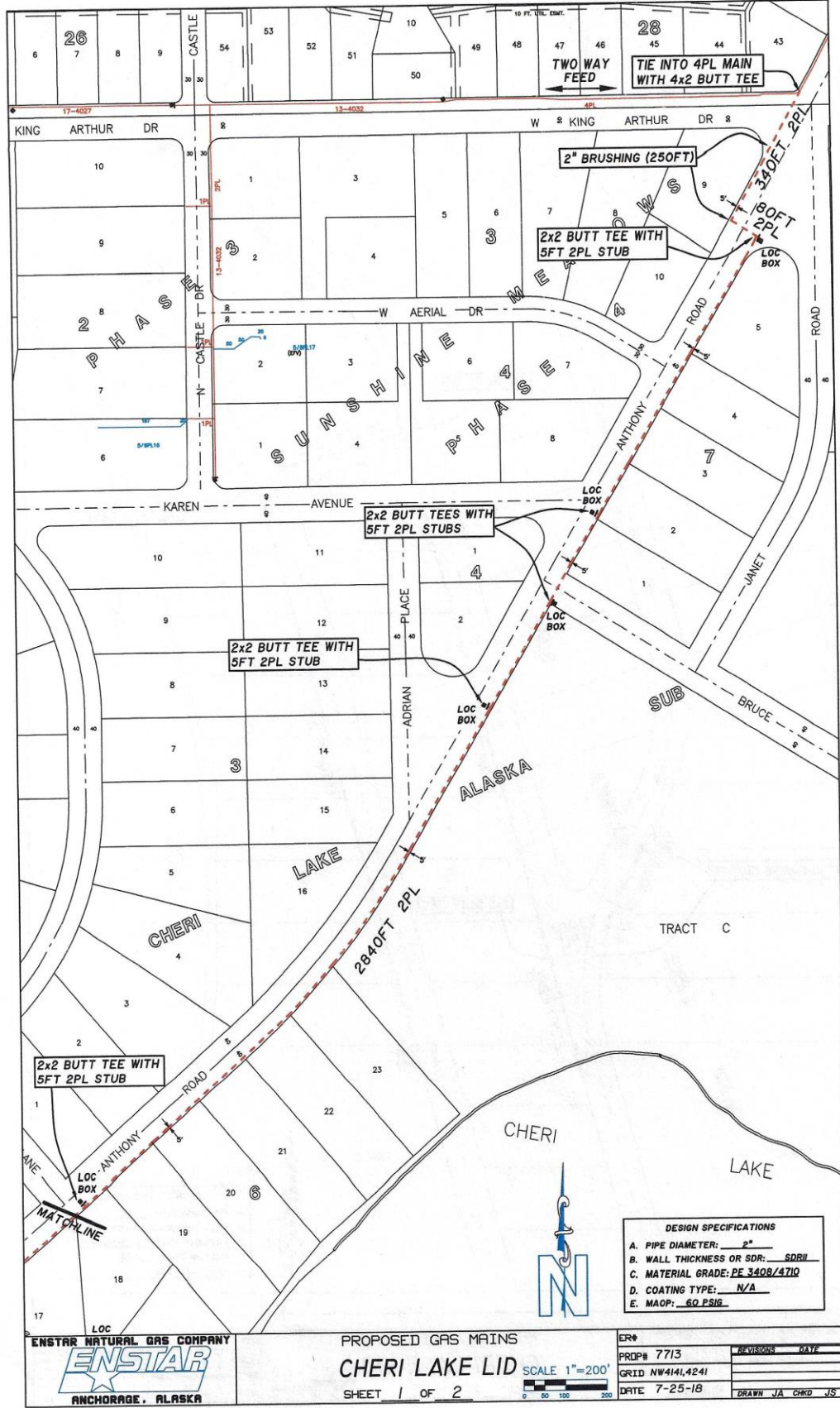
Natural Gas Cost	\$164,400
Road Improvement Cost	\$58,000
Contingency & Administration	\$22,240
Total	\$244,640

#### Funding

Federal Money	State Money	Mat-Su Borough	City of Houston	Other
\$0	\$244,640	\$0	\$0	\$0

**Cheri Lake Natural Gas Map**



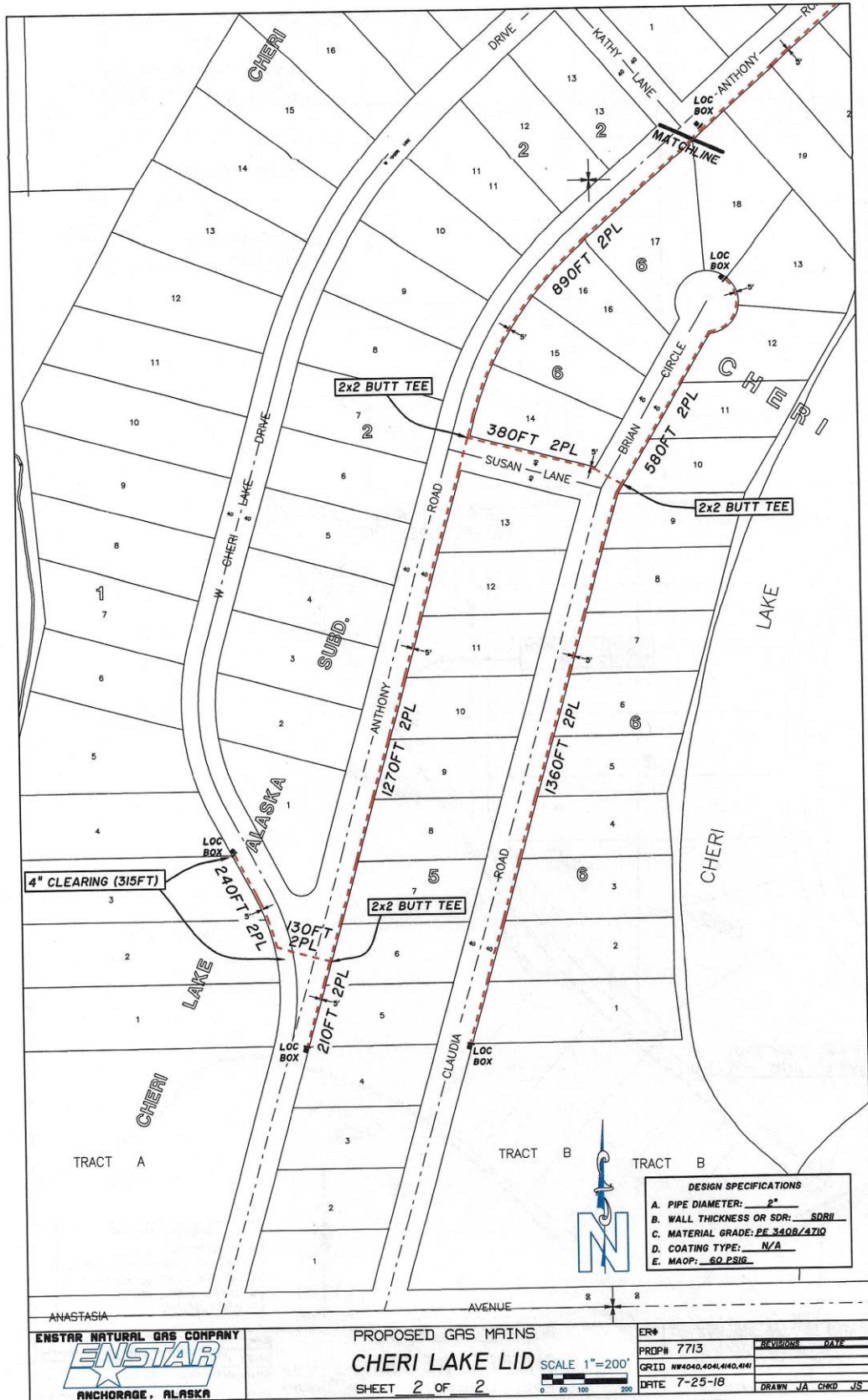


DESIGN SPECIFICATIONS	
A. PIPE DIAMETER:	2"
B. WALL THICKNESS OR SDR:	SDR11
C. MATERIAL GRADE:	PE 3408/4710
D. COATING TYPE:	N/A
E. MAOP:	60 PSIG



PROPOSED GAS MAINS  
**CHERI LAKE LID**  
 SCALE 1"=200'  
 SHEET 1 OF 2

ER#	
PROP#	7713
GRID	NW414,4241
DATE	7-25-18
DRAWN	JA CHRD JS

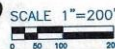


**DESIGN SPECIFICATIONS**

A. PIPE DIAMETER:	2"
B. WALL THICKNESS OR SDR:	SDR11
C. MATERIAL GRADE:	PE 3408/4710
D. COATING TYPE:	N/A
E. MAOP:	50 PSIG



PROPOSED GAS MAINS  
**CHERI LAKE LID**  
 SHEET 2 OF 2



ENR#	PROJ# 7713	REVISIONS	DATE
GRID N#4040,4041,4140,4141	DATE 7-25-18	DRAWN JA	CHKD JS

#### **4. Enchanted Forest Natural Gas: (LID Routing)**

Project Narrative:

The residents of the project area petitioned the City of Houston to do an LID to install natural gas on December 5, 2017. The City of Houston in January of 2018, because of funding problems, was unable to do the project. This left the Houston residence of the LID project area no mechanism to get the natural gas installed to their property.

Successful distribution and delivery of natural gas to this area will create less community and regional pollution. In most applications, using natural gas produces less carbon dioxide (CO2) than oil, wood, or coal. It is also less expensive than resistant electric heat, fuel oil, propane, wood pellets or kerosene which will help offset the current high inflation.

Ready availability of natural gas allows for substantial cost savings for residential and commercial use. Natural gas also reduces appliance maintenance which is a benefit of clean fuel and is less likely to cause a fire.

Approximately 44 properties would see an increase in property value by adding natural gas. This could encourage more building and increase revenue to the City of Houston. Average cost per lot \$3,050.00.

#### **Natural Gas Extension**

ROAD	Approximate Length	Utility Natural Gas Extension Cost
Prince Charming Drive	1,455 Feet	\$41,500
Squire Drive	1,180 Feet	\$33,600
Duke Drive	240 Feet	\$6,900
Project Area Total NG		\$82,000

#### **Road Improvements**

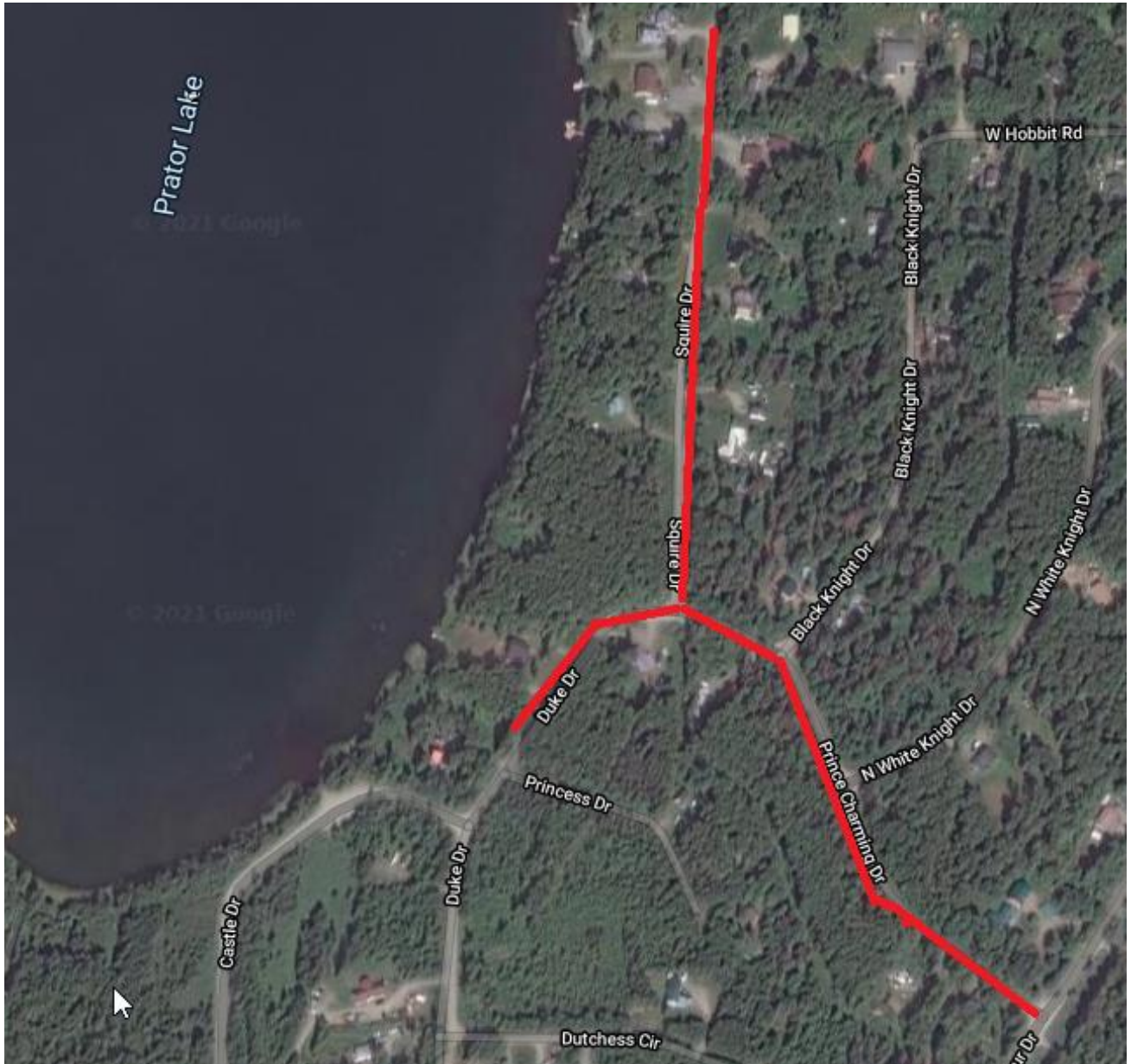
ROAD	Culverts & Gravel	Road Improvement Cost
Prince Charming Drive		\$23,000
Squire Drive		\$14,000
Duke Drive		\$3,000
Project Area Total RI		\$40,000

Natural Gas Cost	\$82,000
Road Improvement Cost	\$40,000
Contingency & Administration	\$12,200
Total	\$134,200

#### **Funding**

Federal Money	State Money	Mat-Su Borough	City of Houston	Other
\$0	\$134,200	\$0	\$0	\$0

# Enchanted Forest Natural Gas Map





DESIGN SPECIFICATIONS  
 A. PIPE DIAMETER: 2"  
 B. WALL THICKNESS OR SDR: SDR11  
 C. MATERIAL GRADE: PE 3408/AZ10  
 D. COATING TYPE: N/A  
 E. MAOP: 60 PSIG



PROPOSED GAS MAINS  
 ENCHANTED FOREST LID

SCALE 1"=150'  
 SHEET OF

ER#	PROJ# 7632	REVISIONS	DATE
	GRID NW4241		
	DATE 3/22/18	DRAWN JA	CHKD JS



**From:** [Jon Kotwicki](#)  
**To:** [CoH Clerks](#)  
**Subject:** In Support of Houston Natural Gas Installation  
**Date:** Friday, February 4, 2022 1:16:11 PM

---

I am writing today to show my support of the Houston Natural Gas Installation for the following reasons:

1. It will improve safety
  - a. Won't run out of food or fuel
  - b. Decreased risk of home fires
2. Improved air quality. We don't want to have the air quality issues that Fairbanks has.
3. Save funds on heating costs

I would like to thank Council Member for all the hard work and knowledge he has provided with this project.

Sincerely,  
Jon Kotwicki

NOTICE OF POTENTIAL AMENDMENT(S)

February 2, 2022

Meeting Date: February 10, 2022

Councilmember Cole

Resolution 21-26

*Main motion of approving Resolution 21-26 would need to be pending.*

**Motion to amend Resolution 21-26, by:**

- Prioritizing the projects by removing the bullet and inserting 1. “Power & Natural Gas Utilities Master Plan, Phase 1 Utility Infrastructure Distribution”, as priority #1.

**Purpose:** To prioritize the Power & Natural Gas Utilities Master Plan, Phase 1 Utility Infrastructure Distribution project as priority #1. This multiyear project is instrumental to provide low-cost energy and cleaner air to the citizens of Houston.

Councilmember Cole

Resolution 21-26

*Main motion of approving Resolution 21-26 would need to be pending.*

**Motion to amend Resolution 21-26, by:**

- Prioritizing the projects by removing the bullet and inserting 2. “Fire Station 9-3/Public Works Shared Facilities”, as priority #2.

**Purpose:** To prioritize the Fire Station 9-3/Public Works Shared Facilities project as priority #2. The new facility will provide protection of the current equipment owned by the City of Houston from adverse weather and vandalism. It will also provide faster response time to the highest population density of Houston.

NOTICE OF POTENTIAL AMENDMENT(S)

February 3, 2022

Meeting Date: February 10, 2022

Mayor Thompson

Resolution 21-26

*Main motion of approving Resolution 21-26 would need to be pending.*

**Motion to substitute Resolution 21-26, by:**

- Adopting the shown amendments on pages 3, 5, 7, 10 and 14, in the attached document labeled “substitute” in full.

**Purpose:** To fix clerical errors and eliminate opinion and any reference to increasing revenue to the City.

Mayor Thompson

Resolution 22-01

*Main motion of approving Resolution 21-26 would need to be pending.*

**Motion to amend Resolution 22-01, by:**

- Adopting the shown amendments on pages 3, 5, 7, 10 and 14, in the attached document labeled “substitute” in full.

**Purpose:** To fix clerical errors and eliminate opinion and any reference to increasing revenue to the City.

1 POWER & NATURAL GAS UTILITIES MASTER PLAN

2 PHASE 1 UTILITY INFRASTRUCTURE DISTRIBUTION



4

5 POWER AND NATURAL GAS UTILITY PROJECTS FY2023

6 Substitute /Amendment

7 Bold and Underline, added. ~~Strike through~~, deleted.

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2

# City of Houston Master Utility Plan

## Summary

The City of Houston is developing a master utility plan to provide planning and funding for natural gas, and electric power projects within the City of Houston boundaries. ~~The~~ City of Houston master plan will cover a multi-year, multi-million-dollar approach to provide the growth incentives for the residential, agricultural, and commercial markets. We expect over the next 5 years, ~~that~~ \$7.5 million in funding requests are needed to complete ~~the~~ utility upgrades through Houston.

The City will review and select project areas based upon the master utility plan, and what funding is available to complete projects each year. The financial availability and logical sequential growth in the utility's infrastructure will be primarily the basis for selection.

~~Property values increase when natural gas is delivered to the property. Areas where natural gas is available experience a steady growth of new homes, which could provide the City of Houston additional revenue.~~

## History

Houston residents previously petitioned the City of Houston several times since 2014 for ~~Limited~~ Local Improvement District's (LID's) for natural gas. The city has been unable to ~~offer or support~~ secure bonding for the resident petitioned LID's. Those areas have met the City's selection process requirements and are included in State Legislative funding request for fiscal year 2023.

Natural Gas is a clean, affordable, and in abundance in Alaska. ~~The State has previously helped other communities with utility extension when requested.~~ The Master Utility Plan will affect all of ~~residence~~ residents within Houston that ~~do not~~ do not have access to natural gas. It will create a better standard of living for all the residents of Houston.

## Benefit

With this multi-year approach Houston can annually reduce pollution and help reduce the CO-2 emission preventing air quality issues experienced in the cold winter months. Replacing other fuels that create high volumes of air particulates and high CO-2 and Nitrogen Oxide levels will benefit ~~every Houston resident~~ all Mat-Su Residents.

Under this funding, 263 properties ~~will~~ may be upgraded with new utilities ~~which provides for additional growth in Houston.~~ creating a more desirable place to live, work and play.

~~Another major benefit of these projects, it will have no negative cost impact on the operation budget for the City of Houston. Every resident that is served by the projects will have a direct benefit. Once the Natural Gas serves the city buildings, it will reduce the operating budget for each facility the city owns.~~

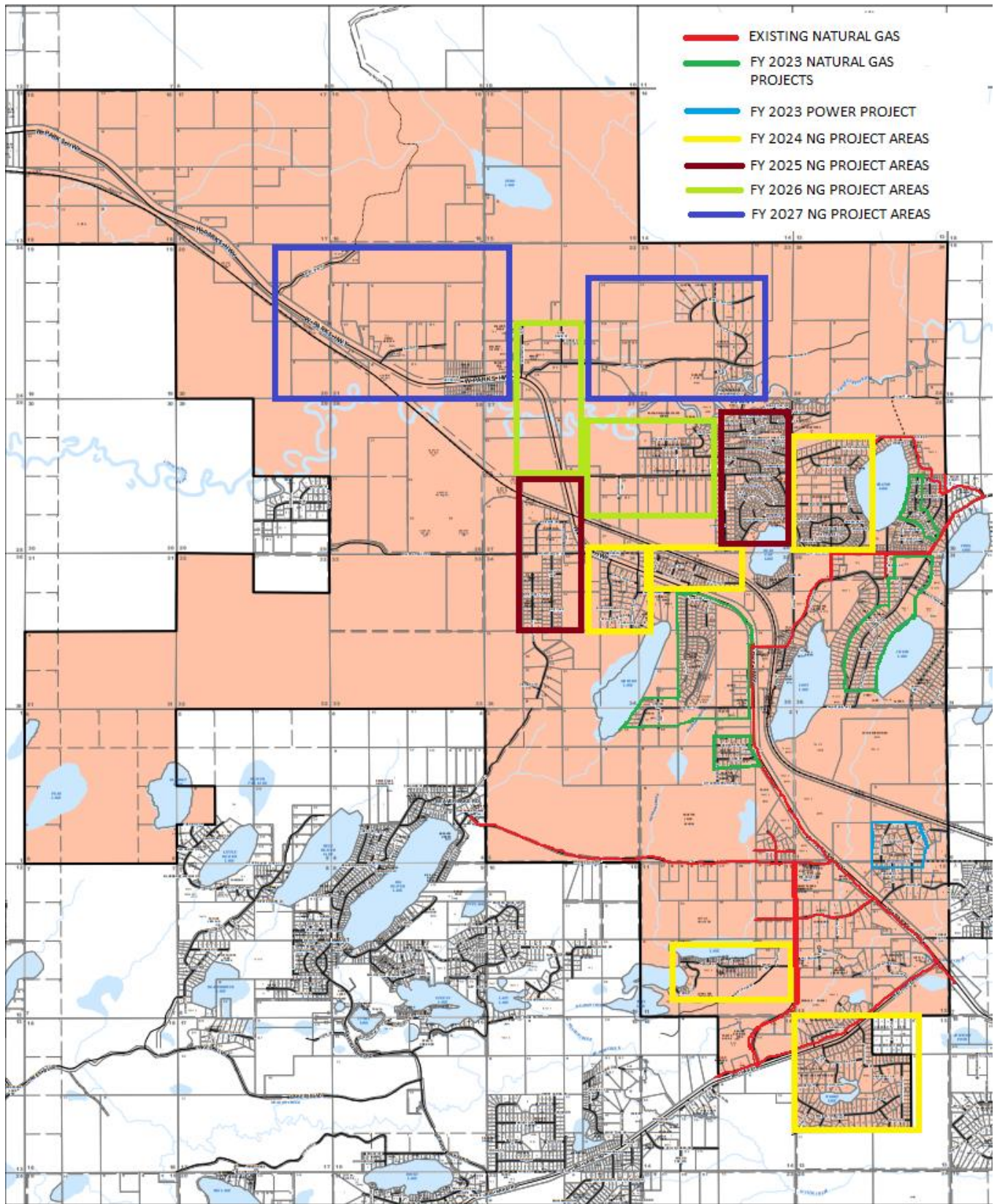
## Cost & Funding FY 2023

We are requesting funding from the ~~legislator~~ legislature over the next five years for utility expansion ~~in~~ of Natural Gas and Electricity. We expect to request between 1 - 2 million each year for projects under the Master Utility Plan selected by the City Council. ~~Under the In~~ In FY 2023, the City of Houston will be requesting \$1,250,000.00 for the upgrade of utilities and roads within the City of Houston Boundaries.

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### Houston Boundary Map with FY 2023 Projects



3

1 **1. Meadow View Power Expansion:**

2 Project narrative:

3 Install underground power **distribution lines** to residents living in Meadowview Subdivision- **not connected to**  
 4 **the existing grid**. There is no LID on this project, but the city has been trying to get this work completed for the  
 5 ~~Houston Residents living in the subdivision.~~

6 Expanding basic electric service to this area will eliminate the need for City of Houston residents to continually  
 7 operate costly, noisy, and polluting individual generators.

8 This project will provide household cost savings, improve quality of life, significantly reduce community noise,  
 9 and exhaust emissions. ~~The This power extension is needed in this area because the power lines in this area is~~  
 10 **are run** below ground. The cost difference from above ground power is significant, and **is** more expensive than  
 11 the residents can afford. ~~The project will have no cost impact on the City's operational budget.~~

12 This project would benefit approximately 26 properties. ~~Average cost per property \$12,311.54~~

13 Power Extension

ROAD	Approximate Length	Utility Power Extension Cost
W. Claudia Court	396 Feet	\$244,000.00
W. Kar Drive	486 Feet	
Wilhelm Street	1514 Feet	
Birchwood Lane	0 Feet	
Winfield Way	1074 Feet	
Bryan Street	0 Feet	

14

15 Road Improvements

ROAD	Culverts & Gravel	Road Improvement Cost
W. Claudia Court		\$4,000
W. Kar Drive		\$5,000
Wilhelm Street		\$15,000
Birchwood Lane		\$5,000
Winfield Way		\$15,000
Bryan Street		\$3,000
Project Area Total RI		\$47,000

16

Electrical Cost	\$244,000
Road Improvement Cost	\$47,000
Contingency & Administration	\$29,100
Total	\$320,100

17

18 Funding

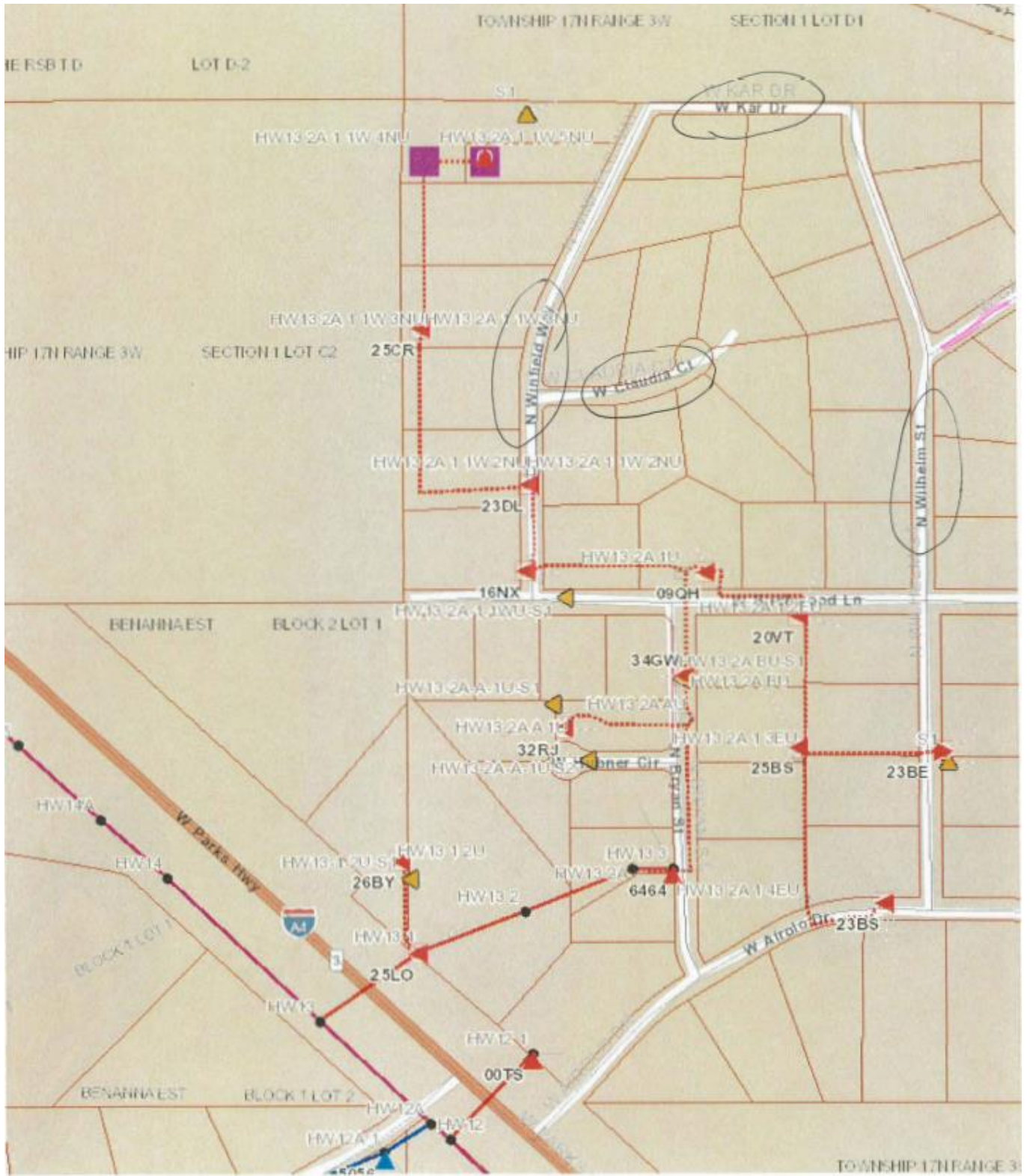
Federal Money	State Money	Mat-Su Borough	City of Houston	Other
\$0	\$320,100	\$0	\$0	\$0

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## Meadow View Power Expansion Map



4

1 **2. Morvro Lake Natural Gas: (New Routing)**

2 Project Narrative:

3 The residents of the project area petitioned the City of Houston to do an LID to install natural gas on May 14,  
 4 2014. The city in June of 2014, ~~because of funding problems,~~ was unable to ~~do~~ **bond** the project. This left the  
 5 Houston residents of the LID project area no **affordable** mechanism to get the natural gas installed to their  
 6 property.

7 Successful distribution and delivery of natural gas to this area will create less community and regional pollution.  
 8 In most applications, using natural gas produces less carbon dioxide (CO2) **and other pollutants** than oil, wood,  
 9 or coal. It is also less expensive than ~~resistant~~ electric heat, fuel oil, propane, wood pellets or kerosene which  
 10 will help offset the current high inflation.

11 Ready availability of natural gas allows for substantial cost savings for residential and commercial use. ~~Natural~~  
 12 ~~gas also reduces appliance maintenance which is a benefit of clean fuel and is less likely to cause a fire.~~

13 Approximately 123 properties would see an increase in property value **benefit** by adding natural gas. ~~This could~~  
 14 ~~encourage more building and revenue to the City of Houston. Average cost per lot \$4,477.80~~

15 Natural Gas Extension

ROAD	Approximate Length	Utility Natural Gas Extension Cost
W Debra Jean Lane	1,650 Feet	\$47,000
W Delroy Road	3,170 Feet	\$90,300
Parks Hyw	3,100 Feet	\$88,300
N Dana Court	920 Feet	\$26,200
N Gaunt Lane	2,471 Feet	\$70,400
N Saige Blvd.	3,180 Feet	\$90,500
Project Area Total NG		\$412,700

16

17 Road Improvements

ROAD	Culverts & Gravel	Road Improvement Cost
W Debra Jean Lane		\$15,000
W Delroy Road		\$20,000
N Dana Court		\$8,000
N Gaunt Lane		\$25,000
N Saige Blvd.		\$20,000
Project Area Total RI		\$88,000

18

Natural Gas Cost	\$412,700
Road Improvement Cost	\$88,000
Contingency & Administration	\$54,430
Total	\$550,770

19

20 Funding

Federal Money	State Money	Mat-Su Borough	City of Houston	Other
---------------	-------------	----------------	-----------------	-------

\$0	\$550,770	\$0	\$0	\$0
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**Morvro Lake Natural Gas Map**

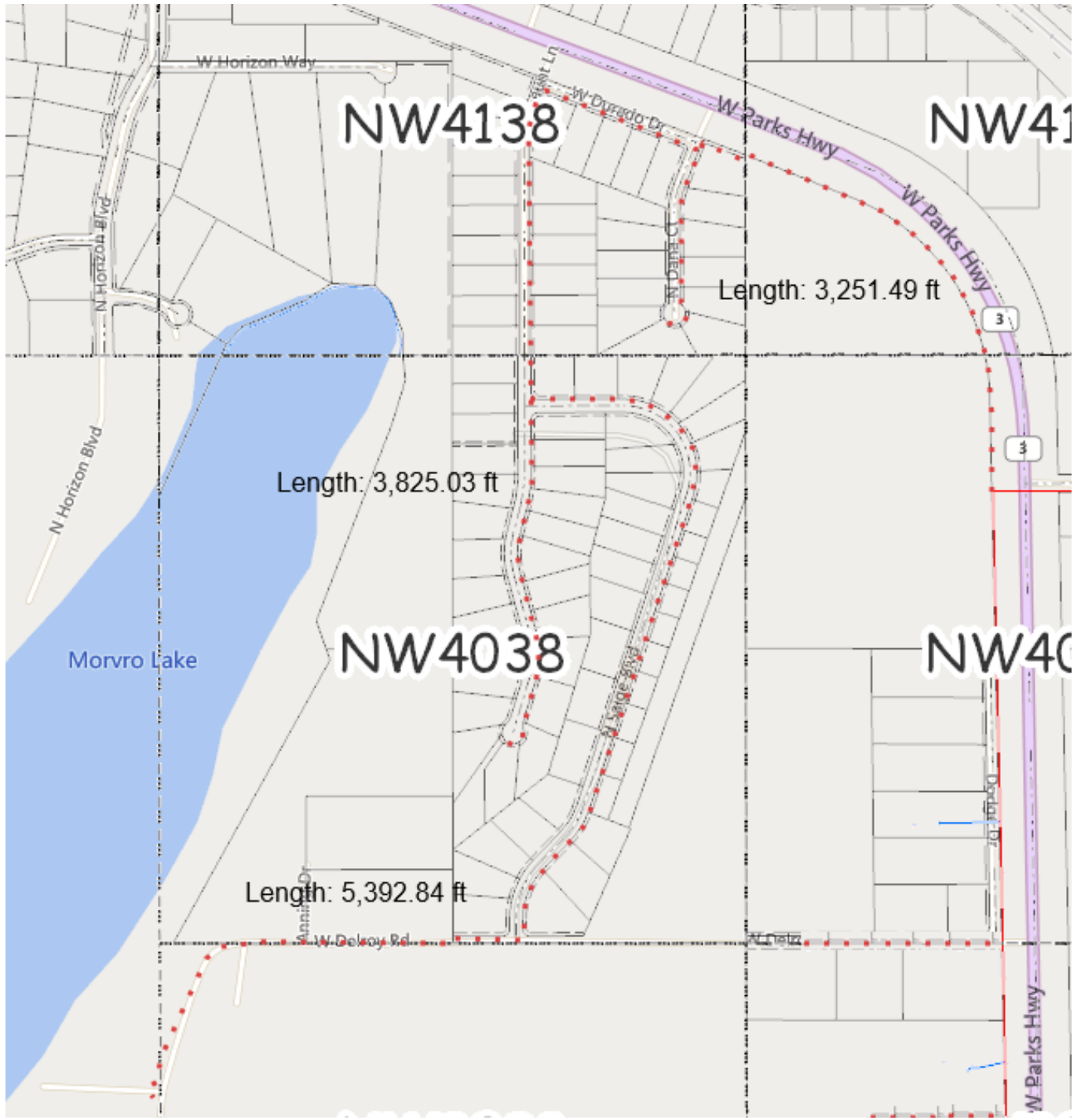
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### Morvro Lake Natural Gas Routing



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1 **3. Cheri Lake Natural Gas: (LID Routing)**

2 Project Narrative:

3 The residents of the project area petitioned the City of Houston to do an LID to install natural gas on May 8,  
 4 2018. The City of Houston in July 2018, ~~because of funding problems,~~ was unable to ~~do~~ **bond** the project. This  
 5 left the Houston residents of the LID project area no **affordable** mechanism to get the natural gas installed to  
 6 their property.

7 Successful distribution and delivery of natural gas to this area will create less community and regional pollution.  
 8 In most applications, using natural gas produces less carbon dioxide (CO2) **and other pollutants** than oil, wood,  
 9 or coal. It is also less expensive than ~~resistant~~ electric heat, fuel oil, propane, wood pellets or kerosene which  
 10 will help offset the current high inflation.

11 Ready availability of natural gas allows for substantial cost savings for residential and commercial use. ~~Natural~~  
 12 ~~gas also reduces appliance maintenance which is a benefit of clean fuel and is less likely to cause a fire.~~

13 Approximately 70 properties would see an increase in property value **benefit** by adding natural gas. ~~This could~~  
 14 ~~encourage more building and revenue to the City of Houston. Average cost per lot \$3,495.00.~~

15 Natural Gas Extension

ROAD	Approximate Length	Utility Natural Gas Extension Cost
W Cheri Lake Drive	240 Feet	\$6900
Anthony Road	3,204 Feet	\$91,200
Susan Lane	380 Feet	\$10,900
Claudia Road	1,360 Feet	\$38,800
Brian Circle	580 Feet	\$16,600
Project Area Total NG		\$164,400

16

17 Road Improvements

ROAD	Culverts & Gravel	Road Improvement Cost
W Cheri Lake Drive		\$4,000
Anthony Road		\$30,000
Susan Lane		\$4,000
Claudia Road		\$15,000
Brian Circle		\$5,000
Project Area Total RI		\$58,000

18

Natural Gas Cost	\$164,400
Road Improvement Cost	\$58,000
Contingency & Administration	\$22,240
Total	\$244,640

19

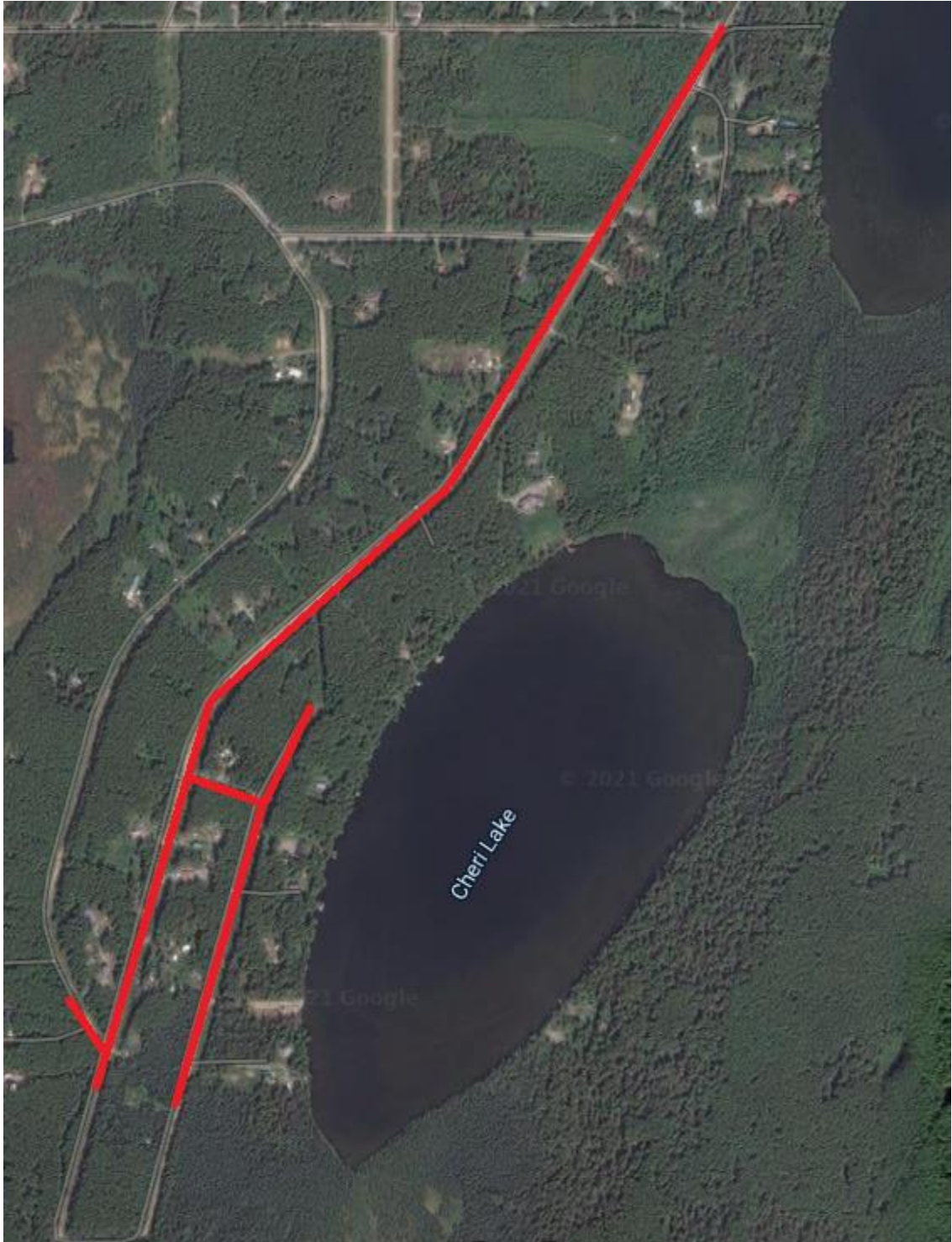
20 Funding

Federal Money	State Money	Mat-Su Borough	City of Houston	Other
\$0	\$244,640	\$0	\$0	\$0

1

2 Cheri

Lake

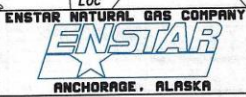
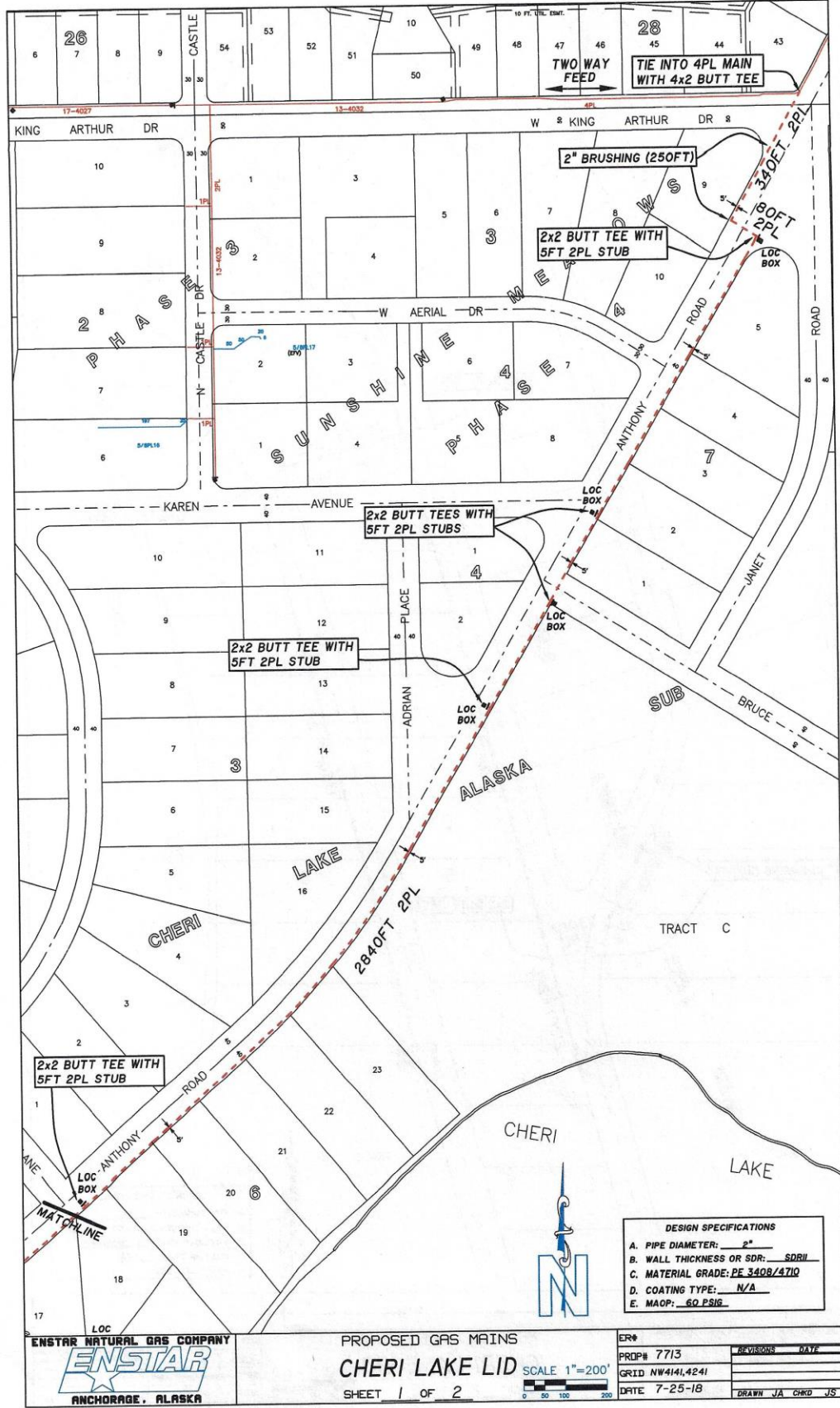


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Natural Gas Map

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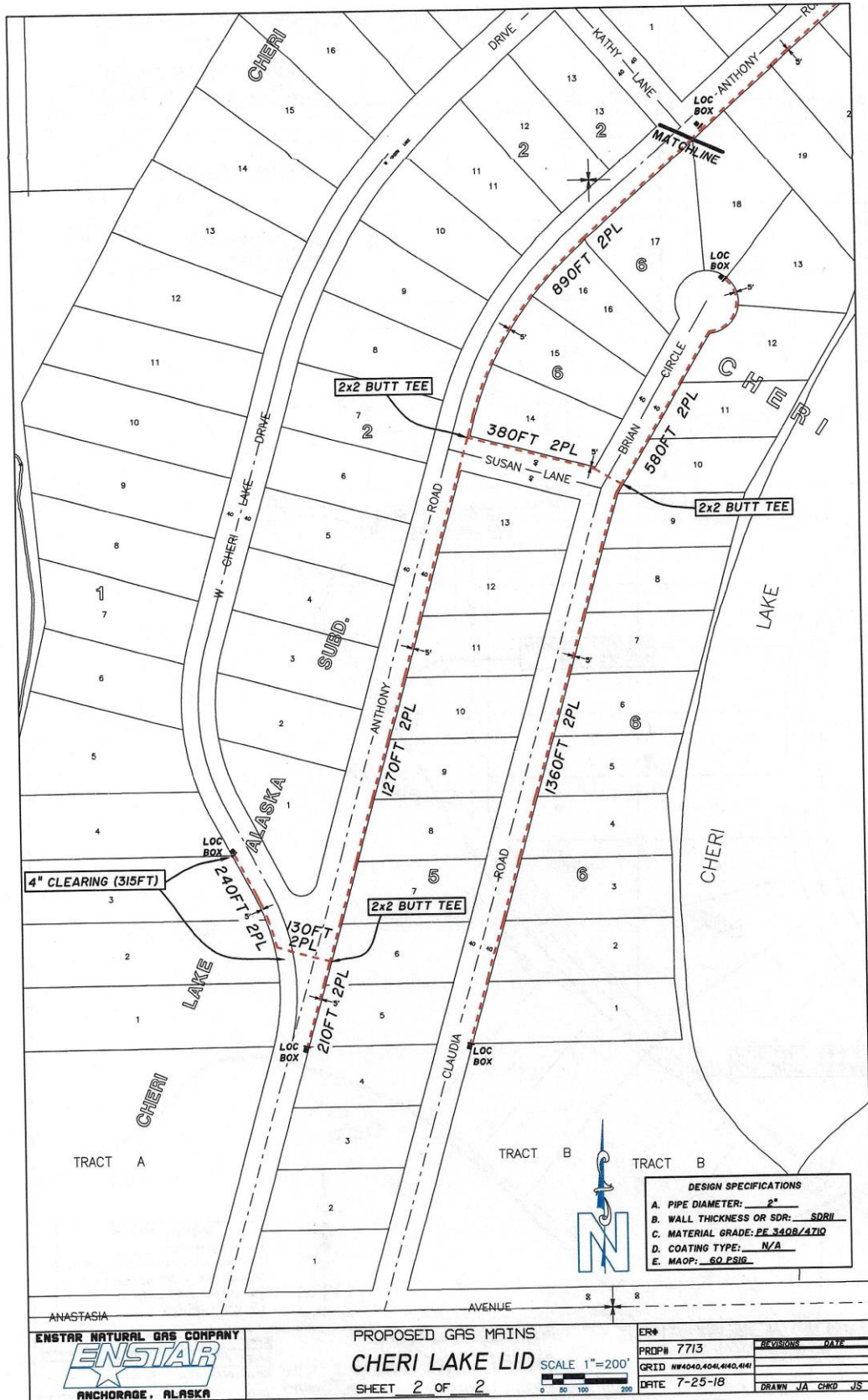
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PROPOSED GAS MAINS  
**CHERI LAKE LID**  
 SCALE 1"=200'  
 SHEET 1 OF 2

DESIGN SPECIFICATIONS	
A. PIPE DIAMETER:	2"
B. WALL THICKNESS OR SDR:	SDR11
C. MATERIAL GRADE:	PE 3408/4710
D. COATING TYPE:	N/A
E. MAOP:	60 PSIG

ER#	
PROP#	7713
GRID	NW4141,4241
DATE	7-25-18
DRAWN	JA CHRD JS

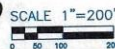


**DESIGN SPECIFICATIONS**

A. PIPE DIAMETER:	2"
B. WALL THICKNESS OR SDR:	SDR11
C. MATERIAL GRADE:	PE 3408/4710
D. COATING TYPE:	N/A
E. MAOP:	50 PSIG



PROPOSED GAS MAINS  
**CHERI LAKE LID**  
 SHEET 2 OF 2



ER#	PROJ# 7713	REVISIONS	DATE
GRID N#4040,4041,4140,4141			
DATE 7-25-18		DRAWN JA	CHKD JS

1 **4. Enchanted Forest Natural Gas: (LID Routing)**

2 Project Narrative:

3 The residents of the project area petitioned the City of Houston to do an LID to install natural gas on December  
 4 5, 2017. The City of Houston in January of 2018, ~~because of funding problems~~, was unable to ~~do~~ **bond** the  
 5 project. This left the Houston residence of the LID project area no **affordable** mechanism to get the natural gas  
 6 installed to their property.

7 Successful distribution and delivery of natural gas to this area will create less community and regional pollution.  
 8 In most applications, using natural gas produces less carbon dioxide (CO2) **and other pollutants** than oil, wood,  
 9 or coal. It is also less expensive than ~~resistant~~ electric heat, fuel oil, propane, wood pellets or kerosene which  
 10 will help offset the current high inflation.

11 Ready availability of natural gas allows for substantial cost savings for residential and commercial use. ~~Natural~~  
 12 ~~gas also reduces appliance maintenance which is a benefit of clean fuel and is less likely to cause a fire.~~

13 Approximately 44 properties would see an increase in property value **benefit** by adding natural gas. ~~This could~~  
 14 ~~encourage more building and increase revenue to the City of Houston. Average cost per lot \$3,050.00.~~

15 Natural Gas Extension

ROAD	Approximate Length	Utility Natural Gas Extension Cost
Prince Charming Drive	1,455 Feet	\$41,500
Squire Drive	1,180 Feet	\$33,600
Duke Drive	240 Feet	\$6,900
Project Area Total NG		\$82,000

16

17 Road Improvements

ROAD	Culverts & Gravel	Road Improvement Cost
Prince Charming Drive		\$23,000
Squire Drive		\$14,000
Duke Drive		\$3,000
Project Area Total RI		\$40,000

18

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Natural Gas Cost	\$82,000
Road Improvement Cost	\$40,000
Contingency & Administration	\$12,200
Total	\$134,200

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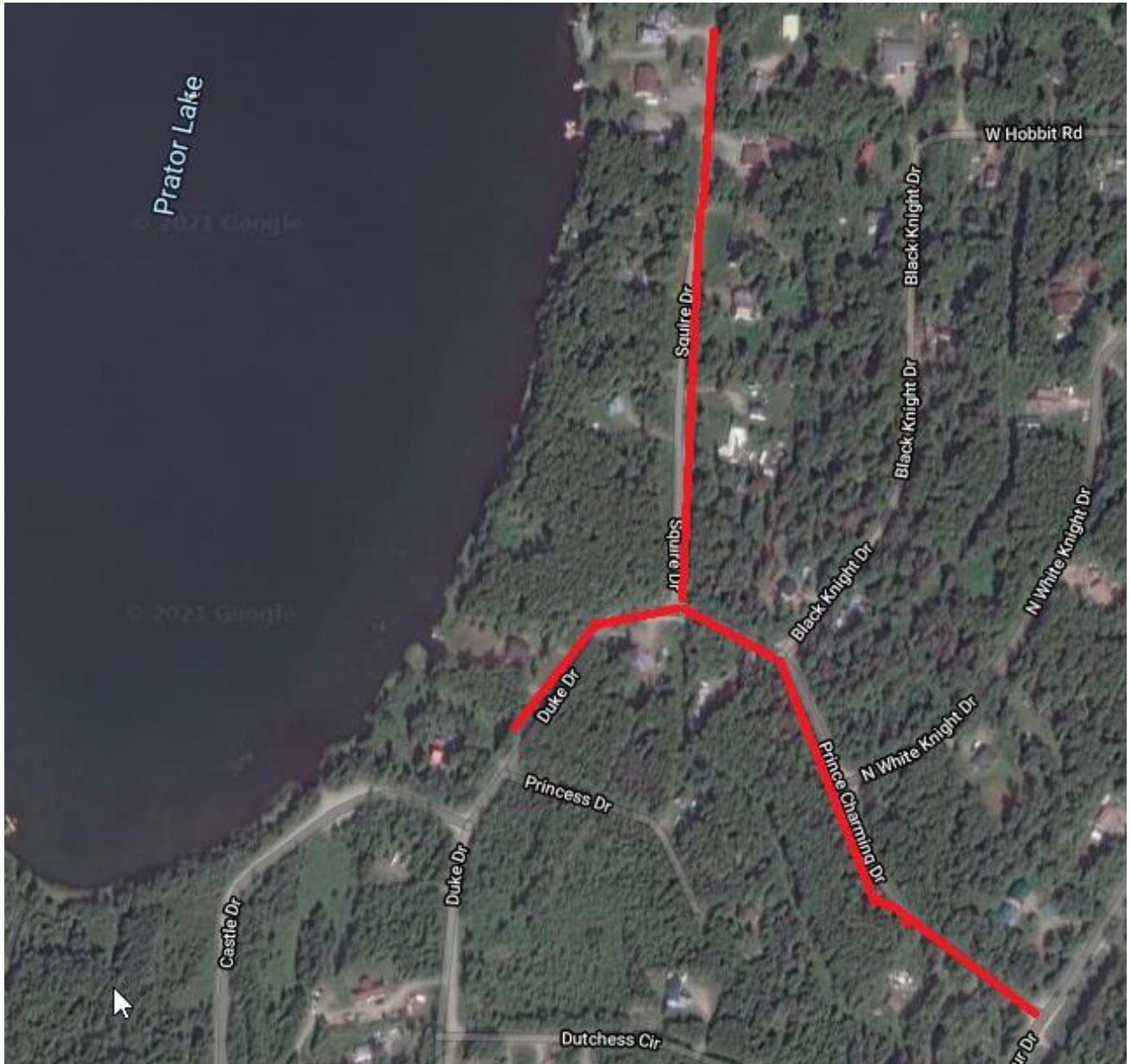
22 Funding

Federal Money	State Money	Mat-Su Borough	City of Houston	Other
\$0	\$134,200	\$0	\$0	\$0

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# Enchanted Forest Natural Gas Map

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**CITY OF HOUSTON**  
**CITY COUNCIL LEGISLATION STAFF REPORT**

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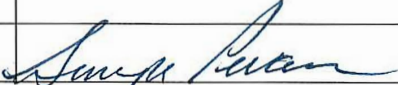
Ordinance 22-01 An Ordinance of the Houston City Council amending Houston Municipal Code (HMC) Section 2.04.090, Mayor and Section 2.04.100 Deputy Mayor by establishing that the Election of Mayor and Deputy Mayor are not held on the same day as the certification of election.

---

Originated by: Council Member Cole and Council Member Adams

Date: January 4, 2022

Agenda of: January 13, 2022

Route to:	Department Head	Signature	Date
X	City Clerk		1/4/22

Reviewed By Mayor Thompson: \_\_\_\_\_



**Attachments:**

Ordinance 22-01

---

**Summary statement:** This proposed change would require the election of Mayor and Deputy Mayor to be held on a different day than the certification of election.

Pursuant to Alaska Statutes 29.20.230 the election of the Mayor shall be held on the first Monday following certification.

**Administrative recommendation:** Introduce and set for public hearing Ordinance No. 22-01

Introduced by: Council Member(s) Cole and Adams

Introduced:

Public Hearing:

Adopted:

Vote: Yes:

No:

Absent:

HOUSTON, ALASKA  
ORDINANCE 22-01

AN ORDINANCE OF THE HOUSTON CITY COUNCIL AMENDING HOUSTON MUNICIPAL CODE (HMC) SECTION 2.04.090, MAYOR AND SECTION 2.04.100, DEPUTY MAYOR BY ESTABLISHING THAT THE ELECTION OF MAYOR AND DEPUTY MAYOR ARE NOT HELD ON THE SAME DAY AS THE CERTIFICATION OF ELECTION

NOW THEREFORE, BE IT ORDAINED AND ENACTED BY THE CITY OF HOUSTON, ALASKA:

**SECTION 1: CLASSIFICATION.** This ordinance is of a permanent nature and shall become part of the Houston Municipal Code.

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

**SECTION 3. PURPOSE.** The purpose of this ordinance is to:

- Adopt new language establishing that the election of the Mayor and Deputy Mayor may not be held on the same day as the certification of the election.

**SECTION 4: AMENDMENT.** Section 2.04.090(A) Mayor of the Houston Municipal Code is hereby amended to read as follows:

A. Executive power in the City is vested in the Mayor as prescribed in AS 29.20.220 through 29.20.280. The Mayor shall also be the Chief Administrator of the City and has the same powers and duties as those of a manager under AS 29.20.500. The Mayor shall be elected for a one-year term by and from the City Council at a special meeting on the first Monday following certification of the election. **The election of the Mayor shall not be held on the same day as the certification of the election.** The Mayor may serve only while a member of the Council.

**SECTION 5. AMENDMENT.** Section 2.04.100(A) Deputy Mayor of the Houston Municipal Code is hereby amended to read as follows.

**Bold and Underline**, added. ~~Strike through~~, deleted.

39 A. The Deputy Mayor shall be elected for a one-year term by and from the City Council at a  
40 special meeting on the first Monday following certification of the election. **The election of the**  
41 **Deputy Mayor shall not be held on the same day as the certification of the election.** The  
42 Deputy Mayor may serve only while a member of the Council. The Deputy Mayor shall be  
43 recognized as standing second in line to the Mayor, and in the absence of the Mayor shall be  
44 designated as the Acting Mayor, with the same powers and responsibilities as the Mayor. The  
45 Deputy Mayor shall serve as sergeant-at-arms at all Council meetings.

46 **SECTION 6: EFFECTIVE DATE.** This ordinance shall take effect upon adoption by  
47 the Houston City Council.

48  
49 **ADOPTED** by the Houston City Council on \_\_\_\_\_ .

50  
51  
52 **THE CITY OF HOUSTON, ALASKA**

53  
54  
55 \_\_\_\_\_  
56 Virgie Thompson, Mayor

57  
58  
59 **ATTEST:** [SEAL]

60  
61  
62 \_\_\_\_\_  
63 Sonya Pevan CMC, City Clerk



**1. CALL TO ORDER**

The Regular Meeting of the Houston City Council was held on Thursday, January 13, 2022, at Houston City Hall, 13878 W. Armstrong Road, Houston, Alaska.

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

**2. ROLL CALL**

Council Members Present and establishing a quorum:

Council Member Adams  
Council Member Brunswick  
Council Member Cole  
\*Council Member Porter  
Council Member Stout  
\*Deputy Mayor Wilson  
Mayor Thompson

**Council Members absent:**

None (0)

**City of Houston Staff and Officials in Attendance:**

Sonya Pevan, City Clerk  
Raymond Russell, Public Works Director  
Christian Hartley, Fire Chief  
Amy Hansen, Deputy City Clerk

\*Participated telephonically.

**3. INVOCATION AND PLEDGE OF ALLEGIANCE**

Terry Fouts led the invocation. Council Member Adams led the Pledge of Allegiance.



#### 4. APPROVAL OF AGENDA

MOTION: Council Member Brunswick moved to approve the City Council agenda of January 13, 2022.

ACTION: Approved

YES: Adams, Cole, Brunswick, Stout, Porter, Wilson, Thompson

NO: None (0)

ABSENT: None (0)

#### 5. SPECIAL ORDERS OF THE DAY

Mayor Thompson read into record the Mayoral Proclamation recognizing Dr. Martin Luther King, Jr. Day, January 17, 2022.

#### 6. REPORTS/CORRESPONDENCE

- 6.1 Mat-Su Borough Assembly District 7 Representative: Ron Bernier – not present.
- 6.2 Mayor's Report – provided a written report.
- 6.3 Commission/Committee Reports
  - a. Planning Commission – no report provided.
  - b. Parks & Recreation Commission –no report provided.
  - c. Land Use Advisory Committee – no report provided.
- 6.4 City Partners
  - a. Mat-Su Borough School District – not present.
- 6.5 Department Head Reports
  - a. 2021 City Annual Report – staff provided a combined written report.
  - b. City Clerk's Report – provided a written report.
  - c. City Treasurer's Report – provided an emailed written report.
  - d. Public Work's Report – provided a verbal report with a Borough paving update.

Council Member Cole requested a change on the public works report concerning code compliance. Encouraged the director to check with other Public Works Directors to see how they track their compliance reports.

- e. Fire Chief's Report – provided a written report.



---

Council Member Cole commended Fire Chief Hartley on the exemplary report the Chief provided.

Mayor Thompson asked if there were any further questions about staff reports.

There were no further questions.

#### 6.6 Information Memorandums

There were no Information Memorandums.

### 7 PUBLIC PARTICIPATION Public Hearing(s) (3 minutes per person)

#### 7.1 Public Hearings

##### 7.1.1 Action Memorandum 22-01: City Council statement of non-protest for a new Marijuana Standard Cultivation Facility License #28947 held by Double Eagle Farms LLC.

The applicant, Jared Karr, was available telephonically.

Mayor Thompson opened the public hearing on Resolution 22-01.

John McDonald spoke to the city process of approving marijuana businesses.

Hearing no further comments Mayor Thompson closed the public hearing and discussion moved to the City Council.

**MOTION:** Council Member Brunswick moved to approve AM 22-01.

Mayor Thompson asked the clerk to describe the process used to review Marijuana Excise Files.

The City Clerk detailed the city's process of reviewing Marijuana Excise Files and processing legislation.

Council Member Cole declared that he spoke to the applicant and is now in favor of this facility.

**ACTION:** Adopted



---

YES: Stout, Cole, Porter, Adams, Brunswick, Wilson, Thompson  
NO: None (0)  
ABSENT: None (0)

7.1.2 Action Memorandum 22-02: City Council statement of non-protest for the renewal of Marijuana Standard Cultivation Facility License #17409 held by Kine Co. LLC.

The applicant was present.

Mayor Thompson opened the public hearing on Action Memorandum 22-02.

Hearing no objections, Mayor Thompson closed the public hearing and discussion moved to the City Council.

MOTION: Council Member Brunswick moved to approve AM 22-02.

Council Member Adams asked the applicant if he had any complaints and to describe the facilities filtration system.

The applicant, Jordan Agen, stated that the facility had no known complaints and described the facilities filtration system.

Council Member Cole declared that he spoke to the applicant and asked several cultivators to attend a work session to educate the Council on their facilities & the industry.

ACTION: Adopted

YES: Brunswick, Adams, Stout, Cole, Wilson, Porter, Thompson  
NO: None (0)  
ABSENT: None (0)

7.1.3 Action Memorandum 22-03: City Council statement of non-protest for the renewal of Marijuana Limited Cultivation Facility License #13663 held by Arctic Farm LLC.

Mayor Thompson opened the public hearing on AM 22-03.

The applicant was present.

Hearing no objections, Mayor Thompson closed the public hearing and



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discussion moved to the Council.

MOTION: Council Member Brunswick moved to approve AM 22-03.

Council Member Cole declared that he spoke to the applicant on the phone.

Council Member Adams asked the applicant if they have any complaints & to describe the facilities filtration system.

The applicant, Jonathan Cortez & his partner Cameron Rollins, confirmed they had no complaints and described their filtration system.

The City Clerk reminded the Council that Marijuana applications are quasi-judicial. Any communications had between a council member and an applicant should be declared at the meeting and all information shared with the remainder of the Council.

ACTION: Approved

YES: Adams, Brunswick, Cole, Porter, Stout, Wilson, Thompson

NO: None (0)

ABSENT: None (0)

7.1.4 Resolution 21-26 – Amended: a resolution of the Houston City Council confirming state legislative priorities and requesting support from the state legislature to meet Capital Improvement needs for FY2023 (Introduced, amended and set to public hearing on December 9, 2021.)

Mayor Thompson opened the public hearing on Resolution 21-26.

Daryl Sobeck spoke in favor of natural gas and Resolution 21-26.

Craig Frictal spoke in favor of natural gas and Resolution 21-26.

Randy Talvi spoke in favor of natural gas and Resolution 21-26.

Dale Lloyd knows spoke in favor of natural gas and Resolution 21-26.

Terry Fouts spoke in favor of natural gas and Resolution 21-26.

Sherry Lloyd spoke in favor of natural gas and Resolution 21-26.



---

Stacy Quimby spoke in favor of natural gas and Resolution 21-26.

Hearing no objections, Mayor Thompson closed the public hearing and discussion moved to the Council.

Council Member Cole asked the Fire Chief to speak on behalf of the fire department's view concerning natural gas.

Fire Chief Hartley spoke in favor of natural gas to better improve public safety.

- 7.1.5 Ordinance 21-10: an ordinance of the Houston City Council amending the fiscal year 2022 budget by accepting and appropriating \$109,800.00 from Mat-Su Health Foundation for the purpose of improving emergency response and improving the safety of city employees during times of the pandemic and authorizing the Mayor and Treasurer to execute the grant documents. *(Introduced and set to public hearing on December 9, 2021.)*

Mayor Thompson opened the public hearing on Ordinance 21-10.

Hearing no objections, Mayor Thompson closed the public hearing and discussion moved to the Council.

MOTION: Council Member Brunswick moved to approve Ordinance 21-10.

ACTION: Approved

YES: Adams, Cole, Porter, Brunswick, Stout, Wilson, Thompson

NO: None (0)

ABSENT: None (0)

- 7.1.6 Ordinance 21-11: an ordinance of the Houston City Council amending the fiscal year 2022 budget by appropriating \$1,875.95 from the reserve account to the general account for replacement of one computer for the fire department. *(Introduced and set to public hearing on December 9, 2021.)*

Mayor Thompson opened the public hearing on Ordinance 21-11.

No one present chose to speak to Ordinance 21-11.

Hearing no objections, Mayor Thompson closed the public hearing and discussion moved to the Council.



MOTION: Deputy Mayor Wilson moved to approve Ordinance 21-11.

Council Member Cole asked Fire Chief Hartley about the laptop.

Fire Chief Hartley explained his preference to have both a desktop and a laptop and the reasoning behind that preference.

ACTION: Approved

YES: Cole, Stout, Adams, Brunswick, Porter, Wilson, Thompson

NO: None (0)

ABSENT: None (0)

### 7.1 Persons to be Heard

There were no persons to be heard.

### 7.2 Audience Comments

- Callie Webber appreciates the City Council listening to the public.
- Scott Thompson spoke in favor of natural gas.
- Dale Lloyd spoke in favor natural gas appliance safety.
- Pat Fouts spoke in opposition to the state of the roads on Backhaus St.

## 8 CONSENT AGENDA

The City Clerk read the consent agenda into record.

MOTION: Council Member Brunswick moved to approve the consent agenda of January 13, 2021.

### 8.1 Minutes of Previous Meeting

December 9, 2021, Regular Meeting Minutes

### 8.2 Introduction of Ordinances- Recommended for *Public Hearing on February 10, 2022*

8.2.1 Ordinance 22-01: an ordinance of the Houston City Council amending the Houston Municipal code (HMC) Section 2.04.090, Mayor and Section



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2.04.100 Deputy Mayor by establishing the election of the Mayor and Deputy Mayor are not held on the same day.

**8.3 Resolutions – Recommended for *Public Hearing on February 10, 2022***

There were no resolutions set to public hearing.

**8.4 Action Memorandums**

There were no action memorandums set to public hearing.

ACTION: Approved

YES: Stout, Cole, Brunswick, Adams, Wilson, Porter, Thompson

NO: None (0)

ABSENT: None (0)

**9 UNFINISHED BUSINESS**

9.1 Resolution 21-26 – Amended: a resolution of the Houston City Council confirming state legislative priorities and requesting support from the State Legislature to meet Capital Improvement Needs for FY2023.

MOTION: Mayor Thompson moved to approve Resolution 21-26.

MOTION: Council Member Cole moved to amend Resolution 21-26 by incorporating the “Power & Natural Gas Utilities Master Plan,” as Exhibit A.

ACTION: Approved

YES: Cole, Stout, Adams, Porter, Brunswick, Wilson, Thompson

NO: None (0)

ABSENT: None (0)

MOTION: Council Member Cole moved to amend something previously adopted on December 9, 2021, that approved adding Utility Infrastructure Distribution and Subprojects, to read, “Power & Natural Gas Utilities Master Plan, Phase 1 Utility Infrastructure Distribution \$1,250,000.00.”



---

ACTION: Approved

YES: Cole, Brunswick, Porter, Adams, Wilson, Thompson

NO: None (0)

ABSENT: None (0)

Clerk's note: The clerk did not call the roll for Council Member Stout. No objection was heard.

MOTION: Mayor Thompson moved to amend Resolution 21-26 on line 22 by inserting "Bear Paw Lake Activity Park" in the amount of \$723,000.

Council Member Adams asked what the priority ordering was.

Mayor announced that there was no priority list.

ACTION: Approved

YES: Adams, Brunswick, Stout, Cole, Porter, Wilson, Thompson

NO: None (0)

ABSENT: None (0)

MOTION: Mayor Thompson moved to amend Resolution 21-23 on line 23 by inserting "Fire Station 9-3/Public Works Shared Facilities" in the amount of \$2,500,000.

Mayor Thompson asked Fire Chief Hartley to address Council Member Coles questions about thoughts on the Fire Station 9-3/Public Works Shared Facility.

Fire Chief Hartley spoke in favor of the Fire Station 9-3/Public Works Shared Facility specifically as it relates to public safety & ISO ratings.

ACTION: Approved

YES: Stout, Porter, Cole, Adams, Brunswick, Wilson, Thompson

NO: None (0)



---

ABSENT: None (0)

MOTION: Council Member Cole moved to set Resolution 21-26 as amended to a second Public Hearing on February, 10, 2022.

ACTION: Approved

YES: Stout, Cole, Adams, Brunswick, Porter, Wilson, Thompson  
NO: None (0)  
ABSENT: None (0)

Council Member Adams asked what the deadline for entering legislative requests into CAPSIS was.

The City Clerk gave an update and what the deadline has historically been. There was no update to the communities for this year's deadline yet.

ACTION: Set to a Public Hearing as amended

YES: Stout, Cole, Adams, Brunswick, Porter, Wilson, Thompson  
NO: None (0)  
ABSENT: None (0)

## 10 NEW BUSINESS

10.01 Resolution 22-01: a resolution of the Houston City Council amending the Fiscal Year 2023-2029 Capital Improvement Program by replacing the Utility Infrastructure Distribution and Subprojects with the Power and Natural Gas Utilities Master Plan, Phase 1 Utility Infrastructure Distribution.

MOTION: Council Member Brunswick moved to set Resolution 22-01 to a public hearing on February 10, 2022.

ACTION: Approved and set to a public hearing

YES: Adams, Brunswick, Cole, Stout, Porter, Wilson, Thompson  
NO: None (0)



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ABSENT: None (0)

*Clerk's Note: Motion to approve is on the table.*

10.02 Action Memorandum 22-04: confirming the appointment of Tony Kuse to the Houston Parks and Recreation Advisory Commission, Seat D.

The applicant was present.

MOTION: Council Member Stout moved to approve AM 22-04.

ACTION: Approved

YES: Porter, Wilson, Brunswick, Adams, Cole, Stout, Thompson

NO: None (0)

ABSENT: None (0)

10.03 Action Memorandum 22-05: confirming the re-appointment of Debra Meister to the Houston Planning & Zoning Commission.

MOTION: Council Member Brunswick moved to approve AM 22-05.

ACTION: Approved

YES: Brunswick, Cole, Adams, Porter, Wilson, Thompson

NO: None (0)

ABSENT: None (0)

Mayor Thompson thanked the applicants.

## **11 RECORD OF ITEMS PLACED ON THE TABLE**

There were no items placed on the table.

## **12 AUDIENCE COMMENTS (Three minutes per person)**

No one present chose to speak.



### 13 EXECUTIVE SESSION

There was no executive session.

### 14 COUNCIL/MAYOR COMMENTS

- Council Member Stout
  - No comment.
- Council Member Cole
  - Spoke in favor of natural gas.
- Council Member Brunswick
  - No comment.
- Council Member Adams
  - Thanked everyone for coming to the meeting.
- Council Member Porter
  - Thanked everyone for coming.
- Deputy Mayor Wilson
  - No comment.
- City Clerk
  - Thanked Pat Fouts & Deb Meister for serving as election officials.
  - Spoke about CAPSIS.
  - Appreciates public stopping in and asking questions.
- Mayor Thompson
  - Thanked the residents for attending the Council Meeting.

### 15 ADJOURNMENT

MOTION: Council Member Stout moved to adjourn the meeting.



ACTION:       Approved by unanimous consent.

With no further business at hand, Mayor Thompson adjourned the meeting at 7:32 p.m.

\_\_\_\_\_  
Virgie Thompson, Mayor

ATTEST:

\_\_\_\_\_  
Sonya Pevan, CMC, City Clerk

Introduced by: Mayor Thompson

Action:

Date:

Vote: Yes:

No:

Absent:

**CITY OF HOUSTON, ALASKA  
RESOLUTION 22-02**

**A RESOLUTION OF THE HOUSTON CITY COUNCIL ACCEPTING THE FISCAL  
YEAR 2021 FINANCIAL STATEMENT AND FEDERAL SINGLE AUDIT  
CERTIFICATION FOR PUBLIC RECORD**

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**WHEREAS**, pursuant to Houston Municipal Code Section 4.01.070, the Council will provide for an audit or certified financial statement of annual income and expenditures; and

**WHEREAS**, on May 5, 2020, Mayor Thompson engaged with Altman, Rogers & Co. for the purpose of auditing the City of Houston’s annual financial statements for the fiscal year ending June 30, 2021, (Fiscal Year 2021); and

**WHEREAS**, pursuant to Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* the City also provided for a Federal Single Audit due to the fact the City received more than \$750,000 through the Coronavirus Local Fiscal Recovery Funds; and

**WHEREAS**, the audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**NOW, THEREFORE, BE IT RESOLVED**, by the Houston City Council accepts the Fiscal Year 2021 Financial Statement Audit as attached for public record and it shall be submitted to the Department of Community and Regional Affairs by May 31, 2022.

**EFFECTIVE DATE**, this resolution becomes effective upon its adoption by the Houston City Council.

**ADOPTED** by the Houston City Council on \_\_\_\_\_.

**THE CITY OF HOUSTON, ALASKA**

\_\_\_\_\_  
Virgie Thompson, Mayor

**Bold and Underline**, added. ~~Strike through~~, deleted.

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**ATTEST:**

\_\_\_\_\_  
Sonya Pevan, CMC, City Clerk

[SEAL]

CITY OF HOUSTON, ALASKA

Letter to the Governing Board

Year Ended June 30, 2021

*Altman, Rogers*  
*& Co.* | CERTIFIED  
PUBLIC  
ACCOUNTANTS

CITY OF HOUSTON, ALASKA

Letter to the Governing Board

Year Ended June 30, 2021

November 30, 2021

Members of the City Council  
City of Houston  
Houston, Alaska

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Houston, Alaska (the City), for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 14, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Accounting Policies and Transactions

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Houston, Alaska, are described in Note I to the financial statements. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

All opinion units:

Management's estimate of the collectability of accounts receivable is based on historical collections. We evaluated the key factors and assumptions used to develop the collectability of accounts receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

Governmental activities opinion unit:

Management's estimate of the useful lives and depreciation is based upon the expected life of an asset. We evaluated the key factors and assumptions used to develop the useful lives and depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

#### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The following misstatements were detected as a result of audit procedures and corrected by management:

- \$4,608 to adjust deferred revenue in the Volunteer Fire Assistance Special Revenue Fund.
- \$19,774 to adjust revenues in the General Fund.
- \$36,789 to accrue sales tax revenue in the General Fund.
- \$7,068 to accrue payroll expenditures in the General Fund.
- \$18,319 to adjust cash in the General Fund.
- \$68,748 to adjust insurance expenditures and prepaid expenses in the General Fund.
- \$429,552 to adjust unavailable revenues and accounts receivable in the General Fund.
- \$5,505 to record a transfer to the CARES Act Special Revenue Fund to cover Excess Expenditures.
- \$4,258 to adjust notes payable and interest expense in the General Fund.
- \$4,258 to record gain on sale of foreclosed properties in the General Fund.

#### Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### Internal Control Matters

See the June 30, 2021 financial statements, compliance section for definition and descriptions of deficiencies, significant deficiencies, material weaknesses and any reported findings.

#### Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 30, 2021.

#### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to City of Houston, Alaska's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Accounting Assistance

As part of our engagement, we drafted the basic financial statements of the City from the City's accounting records; however, management of the City was involved in the drafting process and retains responsibility for the basic financial statements.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

Supplementary Information Accompanying the Financial Statements

We applied certain limited procedures to the Major Governmental Fund: Schedule of Revenues, Expenditures and Changes in Fund Balance Original and Final Budget to Actual – General Fund and CARES Act Special Revenue Fund which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquires or management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the information listed in the table of contents as "Additional Supplementary Information," which includes the Schedule of Expenditures of Federal Awards and related Notes, as required by Title 2 US. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. With respect to this additional supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior year, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of City Council and management of City of Houston, Alaska and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

*Altman, Rogers & Co.*

Anchorage, Alaska

CITY OF HOUSTON, ALASKA

Basic Financial Statements, Required Supplementary  
Information, Additional Supplementary Information,  
and Compliance Reports

Year Ended June 30, 2021

CITY OF HOUSTON, ALASKA

Basic Financial Statements, Required Supplementary  
Information, Additional Supplementary Information,  
and Compliance Reports

Year Ended June 30, 2021

CITY OF HOUSTON, ALASKA

Table of Contents

	<u>Page</u>
<b>Independent Auditor’s Report</b>	1-3
<b>Basic Financial Statements:</b>	
Government-Wide Financial Statements:	
Statement of Net Position	A-1      4
Statement of Activities	B-1      5
Fund Financial Statements:	
Balance Sheet - Governmental Funds	C-1      6
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	D-1      7
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	D-2      8
Notes to Basic Financial Statements	9-20
<b>Required Supplementary Information:</b>	
Major Governmental Funds:	
Schedule of Revenues, Expenditures and Changes in Fund Balance Original and Final Budget to Actual –	
General Fund	E-1      21-22
CARES Act Special Revenue Fund	E-2      23
Notes to Required Supplementary Information	24
<b>Additional Supplementary Information:</b>	
Schedule of Expenditures of Federal Awards and Related Notes	F-1      25
<b>Compliance Reports:</b>	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	26-27
Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the <i>Uniform Guidance</i>	28-29

CITY OF HOUSTON, ALASKA

Table of Contents, continued

	<u>Page</u>
<b>Compliance Reports, continued:</b>	
Schedule of Findings and Questioned Costs	30-31
Status of Prior Year Audit Findings	32
Corrective Action Plan	33

## **Independent Auditor's Report**

Members of the City Council  
City of Houston  
Houston, Alaska

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Houston, Alaska, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Houston, Alaska's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Houston, Alaska, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules and notes to the required supplementary information on pages 21-24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Houston, Alaska's basic financial statements. The information listed in the table of contents as "Additional Supplementary Information", which includes the Schedule of Expenditures of Federal Awards and Related Notes, as required by Title 2 US. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Additional Supplementary Information, listed above, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Additional Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Members of the City Council  
City of Houston, Alaska

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2021, on our consideration of City of Houston, Alaska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Houston, Alaska's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Houston, Alaska's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Altman, Rogers & Co.".

Anchorage, Alaska  
November 30, 2021

## CITY OF HOUSTON, ALASKA

## Statement of Net Position

June 30, 2021

Assets

Current:	
Cash and cash equivalents	\$ 807,753
Receivables, net:	
Taxes	466,341
Other	54,939
Prepaid expenses	73,899
Assets held for resale	6,135
Total current	<u>1,409,067</u>
Long-term:	
Notes receivable	12,812
Capital assets	21,253,511
Accumulated depreciation	<u>(16,612,172)</u>
Total long-term	<u>4,654,151</u>
Total assets	<u>6,063,218</u>

Liabilities

Current:	
Accounts payable	5,093
Accrued payroll and payroll liabilities	18,123
Deferred revenue	4,608
Notes payable - due within one year	17,457
Total current	<u>45,281</u>
Long term:	
Notes payable	<u>13,847</u>
Total liabilities	<u>59,128</u>

Net Position

Net investment in capital assets	4,610,035
Unrestricted	<u>1,394,055</u>
Total net position	<u>\$ 6,004,090</u>

The notes to the financial statements are an integral part of this statement.

## CITY OF HOUSTON, ALASKA

## Statement of Activities

Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Primary government:				
Governmental activities:				
Administration	\$ 234,418	52,454	8,060	(173,904)
Park service and visitor center	14,628	17,156	-	2,528
Public works	519,675	-	953,474	433,799
Public safety	626,882	-	171,913	(454,969)
Unallocated interest expense	5,100	-	-	(5,100)
Total primary government	\$ <u>1,400,703</u>	<u>69,610</u>	<u>1,133,447</u>	<u>(197,646)</u>
General revenues:				
Sales taxes			\$ 443,963	
Property taxes			441,520	
Motor vehicle taxes			53,540	
Grants and contributions not restricted to specific programs			95,337	
MJ Excise Tax			234,397	
Interest			529	
Proceeds from insurance claims			272,501	
Other			70,826	
Total general revenues			<u>1,612,613</u>	
Change in net position				1,414,967
Net position - beginning of year				4,589,123
Net position - end of year				\$ <u><u>6,004,090</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF HOUSTON, ALASKA  
Balance Sheet - Governmental Funds  
June 30, 2021

	General Fund	Other Governmental Fund Voluntary Fire Department Special Revenue Fund	Total Governmental Funds
<u>Assets</u>			
Cash and cash equivalents	\$ 807,753	-	807,753
Receivables, net of allowance for uncollectible accounts:			
Taxes	466,341	-	466,341
Other	54,939	-	54,939
Notes receivable	12,812	-	12,812
Prepaid expenses	73,899	-	73,899
Assets held for resale	6,135	-	6,135
Due from other funds	-	4,608	4,608
	<hr/>	<hr/>	<hr/>
Total assets	\$ 1,421,879	4,608	1,426,487
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>			
Liabilities:			
Accounts payable	5,093	-	5,093
Accrued payroll and payroll liabilities	18,123	-	18,123
Unearned revenue	-	4,608	4,608
Due to other funds	4,608	-	4,608
Total liabilities	<hr/>	<hr/>	<hr/>
	27,824	4,608	32,432
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Deferred inflows of resources:			
Unavailable notes and property tax revenues	459,570	-	459,570
	<hr/>	<hr/>	<hr/>
	459,570	-	459,570
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Fund balances:			
Non-spendable:			
Prepaid expenses	73,899	-	73,899
Long-term note receivables	12,812	-	12,812
Unassigned	847,774	-	847,774
Total fund balances	<hr/>	<hr/>	<hr/>
	934,485	-	934,485
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total liabilities, deferred inflows of resources and fund balances	\$ 1,421,879	4,608	

Amounts reported for governmental activities in the Statement of Net Positions are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds

Capital assets, net 4,641,339

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Long-term debt (31,304)

Long-term receivables, delinquent property taxes and loans are not available to pay for current-period expenditures and, therefore, are unavailable in the funds:

Property taxes and receivables 446,758

Long-term notes receivable 12,812

Total net position \$ 6,004,090

The notes to the financial statements are an integral part of this statement.

## CITY OF HOUSTON, ALASKA

## Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

Year Ended June 30, 2021

	General Fund	CARES Act Special Revenue Fund	Total Governmental Funds
Revenues:			
Intergovernmental:			
State of Alaska	\$ 95,337	-	95,337
Federal sources	-	1,125,387	1,125,387
Local sources:			
Taxes	1,186,328	-	1,186,328
Charges for services	69,610	-	69,610
Contributions and donations	8,060	-	8,060
Proceeds from insurance claims	272,501	-	272,501
Other	29,600	-	29,600
Total revenues	<u>1,661,436</u>	<u>1,125,387</u>	<u>2,786,823</u>
Expenditures:			
Current:			
Administration	253,337	-	253,337
Park service and visitor center	14,628	-	14,628
Public works	393,557	958,138	1,351,695
Public safety	426,450	172,754	599,204
Debt service:			
Principal	28,239	-	28,239
Interest	5,100	-	5,100
Total expenditures	<u>1,121,311</u>	<u>1,130,892</u>	<u>2,252,203</u>
Excess (deficiency) of revenues over expenditures	<u>540,125</u>	<u>(5,505)</u>	<u>534,620</u>
Other financing sources (uses):			
Sale of land	5,057	-	5,057
Transfers in (out)	(5,505)	5,505	-
Total other financing sources (uses)	<u>(448)</u>	<u>5,505</u>	<u>5,057</u>
Net change in fund balances	539,677	-	539,677
Fund balances, beginning of year	<u>394,808</u>	<u>-</u>	<u>394,808</u>
Fund balances, end of year	<u>\$ 934,485</u>	<u>-</u>	<u>934,485</u>

The notes to the financial statements are an integral part of this statement.

## CITY OF HOUSTON, ALASKA

Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities

Year Ended June 30, 2021

Net change in fund balances - total governmental funds	\$ 539,677
--	------------

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	938,988
Depreciation expense	<u>(115,727)</u>
	<u>823,261</u>

Certain revenues in the statement of activities do not provide current financial resources and are unavailable in the funds.

Amounts listed below represent the change in:

Property taxes and receivables	24,850
Long-term receivables	<u>(1,060)</u>
	<u>23,790</u>

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position:

Principal payments	<u>28,239</u>
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Change in net position of governmental activities	\$ <u><u>1,414,967</u></u>
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The notes to the financial statements are an integral part of this statement.

CITY OF HOUSTON, ALASKA  
Notes to Basic Financial Statements  
Year Ended June 30, 2021

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The financial statements of the City of Houston, Alaska, (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The City of Houston is a municipal corporation governed by an elected council. The City was incorporated in 1966 as a third-class city and re-classified as a second-class city in 1973. The City provides a variety of services including fire, roads maintenance and public works, animal safety and protection, parks and recreation services, community development and administration. As required by accounting principles generally accepted in the United States of America, these financial statements present the government and entities for which the government is considered to be financially accountable. There are no component units based on operational and financial relationship criteria.

The more significant of the City's accounting policies are described below.

**B. Government-Wide and Fund Financial Statements**

The Government-Wide Financial Statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The City does not presently have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include grants and contributions that are restricted to meeting the operations or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*.

Deferred inflows of resources are the acquisition of fund balance/net position by the City that is applicable to a future reporting period. Deferred outflows of resources are the consumption of fund balance/net position by the City that is applicable to a future reporting period.

Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The Government-Wide Financial Statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## CITY OF HOUSTON, ALASKA

### Notes to Basic Financial Statements, Continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for grant revenues which are recognized when the related expenditure is incurred irrespective of when the cash is received. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property tax and sales tax are susceptible to accrual. Other receipts, including licenses, interest, and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of a receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants, including capital grants, recognize revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and when revenues are considered to be available and measurable, which is considered to be within 12 months of the end of the current fiscal period.

The City has the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *CARES Act Special Revenue Fund* accounts for contributions in relation to COVID-19.

As a general rule the effect of inter-fund activity has been eliminated from the government wide financial statements.

When both restricted and unrestricted resources are available for use for governmental activities, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

#### Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

CITY OF HOUSTON, ALASKA

Notes to Basic Financial Statements, Continued

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance**

**1. Deposits and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. There are no statutory limitations on the type of investment allowed; however, there are policies in place listing accepted investment vehicles as noted below:

- a. Bonds, notes or other obligations of the United States;
- b. Bonds or other evidence of indebtedness of the state;
- c. Savings accounts or certificates of deposits of banks authorized to do business in Alaska to the extent that the account is insured;
- d. Federally insured savings and loan associations to the extent that the investment is insured; and
- e. Commercial paper and other short-term taxable instruments that, at the time of investment.

No investment is to be made for a term beyond the time when the City expects to need the funds.

**2. Receivables and Payables**

Activity between funds that are representative of lending/ borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All current outstanding balances between funds are reported as "due from other funds" or "due to other funds." These balances represent the numerous transactions that occur during the course of operations between individual funds for goods provided or services rendered.

All tax receivables and other receivables are shown net of an allowance for uncollectible receivables.

**3. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business type activities columns in the Government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

CITY OF HOUSTON, ALASKA

Notes to Basic Financial Statements, Continued

Property, plant, and equipment of the City is depreciated using the straight line method over the following estimated useful lives:

Roads and improvements	20-45 years
Buildings and improvements	30-35 years
Motor vehicles and motorized equipment	5-10 years
Furniture, machinery and equipment	5-10 years

**4. Fair Value of Financial Instruments**

The following financial instruments are recorded at fair value or at amounts that approximate fair value: (1) cash and cash equivalents, (2) receivables, net, (3) certain other current assets, (4) accounts payable, and (5) other current liabilities. The carrying amounts reported in the balance sheet and Statement of Net Position for the above financial instruments closely approximates their fair value due to the short-term nature of these assets and liabilities.

The carrying amount of notes receivable and notes payable approximate fair value for those financial instruments with interest at variable rates, as those rates approximate current market rates for notes with similar maturities and credit quality.

**5. Unearned Revenue and Unavailable Revenues**

Amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met are recorded as unearned revenue.

Unavailable revenues are reported as deferred inflow of resources and represent revenue received beyond the period of availability.

**6. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements the face amount of the debt issued is reported as other financing sources and an expenditure of the fund incurring the debt. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**7. Net Position**

In the government-wide financial statements, net position is reported in three categories:

Net investment in capital assets – consists of the historical costs of capital assets less accumulated depreciation and less any related debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.

Restricted net position consist of assets that are restricted by the City's creditors (for example through debt covenants) by enabling legislation (through restrictions or shared on shared revenues), by grantors (both federal and state), and other contributors.

Unrestricted net position – consists of all other net positions.

CITY OF HOUSTON, ALASKA

Notes to Basic Financial Statements, Continued

**8. Fund Balance**

In the Fund Financial Statements, fund balance includes five classifications as follows:

**Nonspendable Fund Balance** – Amounts that are legally or contractually required to be maintained intact (such as the corpus of an endowment fund) or amounts that are not in a spendable form (such as inventory, prepaid expenses, supplies, long-term receivables). Such constraint is binding until the legal or contractual requirement is repealed or the amounts become spendable.

**Restricted Fund Balance** – Amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions, or by enabling legislation. Such constraint is binding unless modified or rescinded by external body, laws, or regulation.

**Committed Fund Balance** – Includes amounts that can be used only for the specific purposes determined by a formal action of the City's Council in the form of an ordinance and resolution. Commitments may be changed or lifted by the Council taking the same formal action that imposed the constraint originally.

**Assigned Fund Balance** – Fund balance comprises amounts intended to be used by the City for specific purposes: intent can be expressed by the Council or by management, having been designated such authority. Such constraint is binding unless modified or eliminated by the Council or Management. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed.

**Unassigned Fund Balance** – Fund balance is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Positive unassigned amounts will be reported only in the General Fund. If another governmental fund, other than the General Fund, has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund.

The order of spending, regarding the restricted and unrestricted fund balance when an expenditure is incurred for which both restricted and unrestricted fund balance is available should first reduce restricted fund balance and then unrestricted fund balance. The order of spending regarding unrestricted fund balance is that committed amounts should be reduced first, followed by the assigned amounts, and then the unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The City's Special Revenue Funds are used to account for administration, fire, parks and public works and roads programs that are restricted or committed.

CITY OF HOUSTON, ALASKA

Notes to Basic Financial Statements, Continued

**E. Revenues, Expenditures, and Expenses**

**1. Property Taxes**

The City receives its share of property taxes from the Borough for property located in the City of Houston. The current rate is 3 mills per \$1,000 property value. The Borough's policy is as follows:

Property taxes are based on the assessed value of taxable property as of January 1. Pursuant to Alaska Statute 29.45.240, the Borough establishes the mill rate on or before June 15<sup>th</sup>. Tax bills are then mailed on or before July 1<sup>st</sup>.

Taxes are due when billed and generally become delinquent on or after March 15<sup>th</sup>. The Borough code also provides for split payments. If a taxpayer avails themselves of this provision, one-half must be paid on or before August 15<sup>th</sup> and the remainder becomes due on or before February 15<sup>th</sup>. Borough property tax revenues are recognized in the fiscal year in which they become measurable and available, which is generally the year following the year the tax bills are mailed.

All taxes are delinquent on February 16<sup>th</sup>, and a tax foreclosure process may commence as outlined in Alaska Statutes Title 29. Briefly, this entails the petition for Judgment of Foreclosure signed by the District Court Judge and the publication of all delinquent taxes in the local newspaper for four consecutive weeks.

The property taxes shall be administered and collected in the manner provided by the ordinances of the Borough.

**2. Intergovernmental Revenue**

State shared revenues, safe communities, and State levied taxes, the proceeds of which are distributed to local governments, are recorded in the fiscal year to which they relate, including accrual at year end if final payments due are measurable and received within approximately two months after year end.

State of Alaska and Federal government cost reimbursable grants and contracts are recorded to the extent of allowable expenditures in the period in which the expenditures were incurred.

**II. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The City maintains a cash pool that is available for use by all funds. All deposits are carried at cost plus accrued interest. The City's investment policy is presented under Footnote I. D. 1.

Custodial credit risk – is the risk that, in the event of a bank failure, the City will not be able to recover its deposits or collateral. The City does not have a policy that addresses custodial credit risk.

The bank accounts are insured by the Federal Depositary Insurance Corporation (FDIC) to a maximum of \$250,000. At June 30, 2021, the city had \$656,560 in uninsured and collateralized cash and cash equivalents.

CITY OF HOUSTON, ALASKA

Notes to Basic Financial Statements, Continued

**B. Receivables, Deferred Inflows of Resources, and Unearned Revenues**

Receivables at year end for the City's General Fund, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund
Sales tax	\$ 36,789
Property taxes	429,552
Other	74,939
Total gross receivables	<u>541,280</u>
Less allowance for uncollectibles	<u>(20,000)</u>
Net total receivables	<u>\$ 521,280</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenues in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Unavailable property taxes receivable	\$ 446,758	-	446,758
Unavailable long-term receivables	12,812	-	12,812
Unearned revenue – Grants	<u>-</u>	<u>4,608</u>	<u>4,608</u>
Totals	<u>\$ 459,570</u>	<u>4,608</u>	<u>464,178</u>

**C. Long-Term Note Receivable**

The City of Houston entered into a long-term note receivable agreement for the sale of land (assets held for resale) in the amount of \$17,200. The note is due in fixed monthly installments of \$200, with an interest rate of 10%.

Future annual note receipts at June 30, 2021, are as follows:

Year Ended			
June 30,	Principal	Interest	Total
2022	1,172	1,228	2,400
2023	1,294	1,106	2,400
2024	1,430	970	2,400
2025	1,579	821	2,400
Thereafter	<u>7,337</u>	<u>1,456</u>	<u>8,793</u>
	<u>\$ 12,812</u>	<u>5,581</u>	<u>18,393</u>

CITY OF HOUSTON, ALASKA

Notes to Basic Financial Statements, Continued

**D. Capital Assets**

The following is a summary of changes in the capital assets for the year ended June 30, 2021:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,470,500	-	-	1,470,500
Capital assets, being depreciated:				
Buildings	4,684,488	865,660	-	5,550,148
Vehicles and equipment	1,189,547	73,328	-	1,262,875
Infrastructure	12,969,988	-	-	12,969,988
Total capital assets, being depreciated	<u>18,844,023</u>	<u>938,988</u>	-	<u>19,783,011</u>
Less accumulated depreciation for:				
Buildings	2,935,673	76,593	-	3,012,266
Vehicles and equipment	974,332	30,214	-	1,004,546
Infrastructure	12,586,440	8,920	-	12,595,360
Net accumulated depreciation	<u>16,496,445</u>	<u>115,727</u>	-	<u>16,612,172</u>
Net capital assets, being depreciated	<u>2,347,578</u>	<u>823,261</u>	-	<u>3,170,839</u>
Governmental capital assets, net	<u>\$ 3,818,078</u>	<u>823,261</u>	-	<u>4,641,339</u>

Depreciation expense was charged to functions of the City as follows:

Governmental activities:	
Administration	\$ 11,871
Public works	70,216
Public safety	<u>33,640</u>
Total depreciation expense	<u>\$ 115,727</u>

**E. Leases**

The City of Houston leases equipment under non-cancelable lease agreements. The City of Houston leases two Sharp copy/scan/print/fax machines which require monthly payments of \$222. These leases end February 22, 2026. The future minimum lease payments for these leases are as follows:

Year Ending	
June 30,	
2022	\$ 2,664
2023	2,664
2024	2,664
2025	2,664
2026	<u>1,776</u>
	<u>\$ 12,432</u>

CITY OF HOUSTON, ALASKA

Notes to Basic Financial Statements, Continued

The City is the lessor on a lease for a Cell Tower Land Lease. The Cell Tower Land Lease is with AT&T, and calls for payments of \$760 per month from November 1, 2018 through October 31, 2023. Future minimum lease payments to be received are as follows:

Year Ending June 30,		
2022	\$	9,120
2023		9,120
2024		<u>3,040</u>
	\$	<u>21,280</u>

**F. Interfund Receivables, Payables and Transfers**

Interfund receivables and payables are shown as “Due From Other Funds” and “Due To Other Funds” in each of the individual funds. The composition of interfund balances on June 30, 2021, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Other Governmental Fund	General Fund	\$ <u>4,608</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

<u>Transfers Out</u>	<u>Transfers In</u>
General Fund	CARES Act Special Revenue Fund
\$	<u>5,505</u>

Transfers were used to cover cost overing in the Cares Act Special Revenue Fund.

**G. Long-Term Debt**

Changes in long-term debt are as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
Loans	\$ <u>59,543</u>	<u>-</u>	<u>28,239</u>	<u>31,304</u>	<u>17,457</u>

In 2018, the City entered into a note payable for the purchase of an F450 pickup truck. The note payable of \$38,891 requires monthly payments of principal and interest with a fixed interest rate of 4.95%. The note payable began in September 2017 and ends August 2022.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	8,610	280	8,890
2023	954	5	959
Total	\$ <u>9,564</u>	<u>285</u>	<u>9,849</u>

Less current portion	8,610
Long-term portion	\$ 954

CITY OF HOUSTON, ALASKA

Notes to Basic Financial Statements, Continued

In 2019, the City entered into a note payable for the purchase of an F250 pickup truck. The note payable of \$42,429 requires monthly payments of principal and interest with a fixed interest rate of 6.70%. The note payable began in January 2019 and ends December 2023.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	8,847	1,235	10,082
2023	9,459	623	10,082
2024	3,434	70	3,504
Total	\$ <u>21,740</u>	<u>1,928</u>	<u>23,668</u>

Less current portion	8,847
Long-term portion	\$ 12,893

**III. OTHER INFORMATION**

Contingencies - Grants

The City participates in a number of State and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City does not expect such amounts.

**IV. SUBSEQUENT PRONCEMENTS**

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates covering several topics as follows:

- GASB 87 *Leases*. Effective for fiscal years beginning after June 15, 2021.
- GASB 89 *Accounting for Interest Cost Incurred before the End of a Construction Period*. Effective for fiscal years beginning after December 15, 2020.
- GASB 91 *Conduit Debt Obligations*. Effective for fiscal years beginning after December 15, 2021.
- GASB 92 *Omnibus 2020*. This Statement has multiple effective dates which vary by topic.
- GASB 93 *Replacement of Interbank Offered Rates*. Effective for fiscal years beginning after June 15, 2021.
- GASB 94 *Public-Private and Public-Public Partnerships and Availability Payments Arrangements*. Effective for fiscal years beginning after June 15, 2022.
- GASB 95 *Postponement of the Effective Dates of Certain Authoritative Guidance*. Effective immediately.
- GASB 96 *Subscription-Based Information Technology Arrangements*. Effective for fiscal years beginning after June 15, 2022.
- GASB 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Effective for fiscal years beginning after June 15, 2021.

CITY OF HOUSTON, ALASKA

Notes to Basic Financial Statements, Continued

GASB Statement No. 94 and 97 are not expected to have any significant impact on the financial statements of the City.

GASB Statement No. 87, the objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 89 requires interest costs incurred before the end of a construction period to be recognized as an expenditure or expense in the period in which the cost is incurred for financial statements prepared under the current financial resources measurement focus or the economic resource measurement focus.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures

GASB Statement No. 92, the objectives of this Statement are to enhance comparability and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement No. 93, addresses the fact that some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate.

GASB Statement No. 95 provides temporary relief to governments in light of the COVID-19 pandemic. The effective dates of the following pronouncement are postponed by one year: GASB Statements No. 83, No. 84, No. 88, No. 89, No. 90, No. 91, No. 92, and No. 93. The effective date for GASB 87 has been postponed by 18 months.

CITY OF HOUSTON, ALASKA

Notes to Basic Financial Statements, Continued

GASB Statement No. 96 will improve financial reporting by establishing a definition for Subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

## CITY OF HOUSTON, ALASKA

## General Fund

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Original and Final Budget to Actual

Year Ended June 30, 2021

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
State of Alaska:			
Community revenue sharing	75,320	75,711	391
Liquor license tax refund	7,000	-	(7,000)
Electric and telephone cooperative	20,000	19,093	(907)
Shared fisheries business tax	859	533	(326)
Total State of Alaska	<u>103,179</u>	<u>95,337</u>	<u>(7,842)</u>
Local sources:			
Taxes:			
Sales taxes	390,000	443,963	53,963
Property taxes	377,866	441,520	63,654
Motor vehicle taxes	11,500	53,540	42,040
MJ excise tax	90,000	234,397	144,397
Penalties and interest on sales taxes	3,500	12,908	9,408
Total taxes	<u>872,866</u>	<u>1,186,328</u>	<u>313,462</u>
Charges for services:			
Park fees	17,086	17,156	70
Cell tower lease	6,900	9,125	2,225
Other rentals and leases	3,700	2,640	(1,060)
Animal control	500	30	(470)
Business licenses	8,000	6,875	(1,125)
Permits	30,500	33,135	2,635
Other services	300	649	349
Total charges for services	<u>66,986</u>	<u>69,610</u>	<u>2,624</u>
Contributions and donations	-	8,060	8,060
Proceeds from insurance claims	-	272,501	272,501
Other:			
Interest	300	529	229
Miscellaneous	16,000	29,071	13,071
Total other	<u>16,300</u>	<u>29,600</u>	<u>13,300</u>
Total local sources	<u>956,152</u>	<u>1,566,099</u>	<u>609,947</u>
Total revenues	<u>1,059,331</u>	<u>1,661,436</u>	<u>602,105</u>
Expenditures:			
Administration:			
Salaries and benefits	184,211	172,327	11,884
Travel	5,200	2,098	3,102
Facility	12,950	17,673	(4,723)
Supplies	4,050	4,849	(799)
Equipment and maintenance	5,100	40	5,060
Dues and subscriptions	6,157	7,609	(1,452)
Insurance	5,641	4,754	887
Contractual	29,936	33,194	(3,258)
Records information	2,410	1,574	836
Elections and hearings	900	2,641	(1,741)
Advertising	1,750	1,078	672
Donations and special events	500	5,200	(4,700)
City resiliency and recovery	-	300	(300)
Other	1,950	-	1,950
Total administration	<u>260,755</u>	<u>253,337</u>	<u>7,418</u>

(Continued)

## CITY OF HOUSTON, ALASKA

## General Fund

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Original and final Budget to Actual, Continued

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Expenditures, continued:			
Park service and visitor center:			
Salaries and benefits	\$ 10,888	5,789	5,099
Facility	3,150	5,329	(2,179)
Supplies	950	1,674	(724)
Equipment and maintenance	1,600	1,167	433
Insurance	48	623	(575)
Advertising	400	46	354
Other	50	-	50
Total park service and visitor center	<u>17,086</u>	<u>14,628</u>	<u>2,458</u>
Public works:			
Salaries and benefits	267,565	254,432	13,133
Travel	100	89	11
Facility	19,040	65,160	(46,120)
Supplies	8,050	4,275	3,775
Equipment and maintenance	25,500	37,184	(11,684)
Dues and subscriptions	1,200	749	451
Insurance	9,534	14,804	(5,270)
Contractual	40,470	16,633	23,837
Advertising	1,000	231	769
Total public works	<u>372,459</u>	<u>393,557</u>	<u>(21,098)</u>
Public safety:			
Salaries and benefits	210,067	199,477	10,590
Travel	1,000	443	557
Facility	52,000	52,677	(677)
Supplies	4,944	13,869	(8,925)
Equipment and maintenance	30,500	71,503	(41,003)
Dues and subscriptions	7,600	735	6,865
Insurance	20,973	33,816	(12,843)
Contractual	62,407	51,928	10,479
Advertising	500	2,002	(1,502)
Other	340	-	340
Total public safety	<u>390,331</u>	<u>426,450</u>	<u>(36,119)</u>
Debt service:			
Principal	31,042	28,239	2,803
Interest	4,162	5,100	(938)
Total debt service	<u>35,204</u>	<u>33,339</u>	<u>1,865</u>
Total expenditures	<u>1,075,835</u>	<u>1,121,311</u>	<u>(45,476)</u>
Excess of revenues over expenditures	<u>(16,504)</u>	<u>540,125</u>	<u>556,629</u>
Other financing sources (uses):			
Sale of land	33,336	5,057	(28,279)
Transfer out - CARES Act Special Revenue fund	-	(5,505)	(5,505)
Total other financing sources (uses)	<u>33,336</u>	<u>(448)</u>	<u>(33,784)</u>
Net change in fund balance	<u>\$ 16,832</u>	<u>539,677</u>	<u>522,845</u>
Fund balance, beginning of year		<u>394,808</u>	
Fund balance, end of year		<u>\$ 934,485</u>	

## CITY OF HOUSTON, ALASKA

## CARES Act Special Revenue Fund

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Final Budget and Actual

Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental:			
Federal sources	\$ 1,135,290	1,125,387	(9,903)
Expenditures:			
Public works:			
City resiliency and recovery	802,746	958,138	(155,392)
Public safety:			
Salaries and benefits	5,044	3,903	1,141
Relief grants	317,500	167,137	150,363
City mitigation	10,000	1,714	8,286
Total public safety	<u>332,544</u>	<u>172,754</u>	<u>159,790</u>
Total expenditures	<u>1,135,290</u>	<u>1,130,892</u>	<u>4,398</u>
Excess (deficiency) of revenues over expenditures	-	(5,505)	(5,505)
Other financing sources:			
Transfers in - General Fund	-	5,505	5,505
Net change in fund balance	<u>\$ -</u>	-	<u>-</u>
Fund balances, beginning of year		-	
Fund balances, end of year		<u>\$ -</u>	

CITY OF HOUSTON, ALASKA

Notes to Required Supplementary Information

Year Ended June 30, 2021

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental fund types. All annual appropriations lapse at fiscal year-end.

The appropriated budget is prepared by fund and department. Budgetary control is exercised at the department level. The City Mayor is authorized to transfer budget amounts between categories within any department; however, any supplemental appropriations that amend the total expenditures of any department or fund, require City ordinance. Reported budgeted amounts are as originally adopted or as amended by ordinance.

**B. Excess of Expenditures over Appropriations**

For the year ended June 30, 2021, expenditures exceeded appropriations in the General Fund as follows:

	Amount over <u>Expenditures</u>
Public works	\$ 21,098
Public safety	36,119

Excess of expenditures over appropriations were funded through available fund balance.

**ADDITIONAL SUPPLEMENTARY  
INFORMATION**

CITY OF HOUSTON, ALASKA

Schedule of Expenditures of Federal Awards and Related Notes

Year Ended June 30, 2021

Grant Title	Grant Pass-through Number	Catalog of Federal Assistance Number	Total Grant Award	Eligible Expenditures
<b>U.S. Department of the Treasury</b>				
Passed through the State of Alaska Department of Commerce, Community, and Economic Development				
COVID-19 Coronavirus Relief Fund	20-CRF-086	21.019	\$ <u>1,135,290</u>	<u>1,125,387</u>

**Note 1. Basis of Presentation**

The schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because this Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the basic financial statements of the City.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on this Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on this Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City has elected not to use the 10% de Minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3. Subrecipients**

No federal funds were passed through to subrecipients.

# **COMPLIANCE REPORTS**

**Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards**

**Independent Auditor's Report**

Members of the City Council  
City of Houston  
Houston, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Houston, Alaska, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise City of Houston, Alaska's basic financial statements and have issued our report thereon dated November 30, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Houston, Alaska's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Houston, Alaska's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Houston, Alaska's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Houston, Alaska's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **City of Houston, Alaska's Response to the Finding**

City of Houston, Alaska's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs and the Corrective Action Plan. City of Houston, Alaska's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Anchorage, Alaska  
November 30, 2021

**Report on Compliance for Each Major Federal Program and on Internal Control over Compliance  
Required by the Uniform Guidance**

**Independent Auditor's Report**

Members of the City Council  
City of Houston  
Houston, Alaska

**Report on Compliance for Each Major Federal Program**

We have audited the City of Houston, Alaska's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Houston, Alaska's major federal programs for the year ended June 30, 2021. City of Houston, Alaska's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City of Houston, Alaska's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Houston, Alaska's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Houston, Alaska's compliance.

Members of the Council  
City of Houston, Alaska

### **Opinion on Each Major Federal Program**

In our opinion, the City of Houston, Alaska, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### **Report on Internal Control over Compliance**

Management of the City of Houston, Alaska, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Houston, Alaska's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Houston, Alaska's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Anchorage, Alaska  
November 30, 2021

CITY OF HOUSTON, ALASKA

Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

**Section I - Summary of Auditor's Results**

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Is a going concern emphasis-of-matter paragraph included in report?

       Yes      x   No

Internal control over financial reporting:

Material weakness identified?

       Yes      x   No

Significant deficiency identified?

  x   Yes           None reported

Noncompliance material to financial statements noted?

       Yes      x   No

Federal Awards

Internal control over major programs (2 CFR 200.516 (a)(1)):

Material weakness identified?

       Yes      x   No

Significant deficiency identified?

       Yes      x   None reported

Any material noncompliance with provisions of laws, Regulations, contracts, or grant agreements related To a major program 2 CFR 200.516(a)(2)?

       Yes      x   No

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)(3) or (4)?

       Yes      x   No

Identification of major programs:

CFDA Number(s)

21.019

Name of Federal Program or Cluster

Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

       Yes      x   No

CITY OF HOUSTON, ALASKA

Schedule of Findings and Questioned Costs, continued

**Section II – Financial Statement Findings**

**Finding 2021-001**

**Internal Control over Credit Cards**

**Significant Deficiency**

<b>Condition:</b>	During our testing of internal controls over the credit card system we noted lack of supporting documentation for multiple charges.
<b>Criteria:</b>	Financial Accounting Standards states that management is responsible for ensuring that financial information is reliable and properly reported. Proper internal control over credit cards should be in place to ensure that supporting documentation is retained, reviewed and approved by the appropriate level of management. Ensuring that any unauthorized or personal charges are identified and corrected.
<b>Context:</b>	We tested detailed supporting documentation and authorization for individual charges for two (2) monthly statements and noted a total of approximately seven (7) transactions for which there was no supporting documentation.
<b>Cause:</b>	Lack of internal controls over credit card purchases.
<b>Effect:</b>	Charges with no legitimate business purposes could remain undetected without the implementation of proper internal controls.
<b>Recommendation:</b>	All credit card charges should be supported by third party documentation via vendor invoice, receipt, or statement.
<b>Management Response:</b>	Management agrees with this finding, see corrective action plan.

***Section III – Federal Award Findings and Questioned Costs***

City of Houston, Alaska did not have any findings related to federal programs.



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Status of Prior Year Audit Findings

Year Ended June 30, 2021

**Financial Statement Findings**

**Finding 2020-001**

Significant Deficiency

**Internal Control Over Payroll**

**Condition:**

During testwork performed over the payroll system, we encountered 1 transaction in our sample of 25 which was incorrectly coded in the general ledger. The employee's time should have been split coded between the Public Works and the Public Safety functions, however the employee's entire time was incorrectly coded to the Public Works function.

**Status:**

This finding has been resolved.



Corrective Action Plan

Year Ended June 30, 2021

**Finding 2021-001**

**Internal Control over Credit Cards**

**Name of Contact Person:** Sally Schug

**Corrective Action:** The Mayor and I have discussed this issue with the Department Heads. They are to stop using the cards for any small items unless they order from Amazon. The recurring renewals of Stamps, GPS, Adobe are acceptable and if we don't have an account with the vendor and it is the only place to get the product in an emergency. They are to ask first to be able to use it and do a purchase order before using the credit card. All invoices are required for the charges.

**Proposed Completion Date:** July 30, 2021.

Introduced by: Mayor Thompson

Action:

Date:

Vote: Yes:

No:

Absent:

**CITY OF HOUSTON, ALASKA  
RESOLUTION 22-03**

**A RESOLUTION OF THE HOUSTON CITY COUNCIL REQUESTING  
PARTICIPATION IN THE FEDERAL BUILDING A BETTER AMERICA GRANT  
PROGRAMS**

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**WHEREAS**, the Building A Better America Grant Program was approved as a Bipartisan Infrastructure Law that permits local governments to compete for grant dollars to rebuild and reinvest in our communities; and

**WHEREAS**, Twenty-five competitive infrastructure funding opportunities are not structured uniformly; and

**WHEREAS**, the local governments of the Matanuska-Susitna Borough are required to compete on a national level; and

**WHEREAS**, we together have established four grant seeking priorities which are:

- A. Workforce development in partnership with private and public sector advancing technology skills to build a strong economy
- B. Affordable and Accessible Healthcare
- C. Long-term infrastructure plan that includes roads, ports, railroads, and airports
- D. Economic Development in the region

**WHEREAS**, infrastructure projects in the pre-development stage are:

- 1. Water system expansion and connectivity,
- 2. Airport expansion and improvement,
- 3. Port MacKenzie Development
- 4. Transportation system expansion

**NOW, THEREFORE, BE IT RESOLVED**, that our four entities are calling up Representative Don Young, Senator Lisa Murkowski and Senator Dan Sullivan to assist us in successfully participating in the Federal Governments historically largest local community infrastructure opportunity.

**Bold and Underline**, added. ~~Strike through~~, deleted.

