



# CITY OF NORTH POLE *Alaska*

## REGULAR CITY COUNCIL MEETING Tuesday, September 2, 2014

**Committee of the Whole – 6:30 p.m.**  
**Regular City Council Meeting – 7:00 p.m.**

### **MAYOR**

Bryce Ward 888-4444

### **CITY CLERK**

Kathy Weber, MMC 488-8583

### **COUNCIL MEMBERS**

Michael Welch- <i>Mayor Pro Tem</i>	488-5834
Sharron Hunter- <i>Dep Mayor Pro Tem</i>	978-5591
Elizabeth Holm – <i>Alt Dep Mayor Pro Tem</i>	488-6125
Kevin McCarthy-	590-0800
Thomas McGhee-	455-0010
Preston Smith -	488-8824

1. Call to Order/Roll Call
2. Pledge of Allegiance to the US Flag
3. Invocation
4. Approval of the Agenda
5. Approval of the Minutes
6. Communications from the Mayor
  - Proclamations
    - Interior Alaska Community Preparedness
    - Payroll Week

**7. Council Member Questions of the Mayor**

**8. Communications from Department Heads, Borough Representative and the City Clerk**

**9. Ongoing Projects Report**

**10. Citizens Comments (Limited to Five (5) minutes per Citizen)**

**11. Old Business**

- a. Ordinance 14-15, an ordinance of the City of North, Alaska amending Title 4, Revenue & Finance, Chapter 4.25, adding section 4.25.080, Health Insurance Reserve Fund.
- b. Ordinance 14-16, An Ordinance of the City of North Pole, Alaska to amend the 2014 Budget to Authorize Repayment of an Alaska Clean Water Fund loan used to help repair aging techite sewer mains.
- c. Ordinance 14-17, An Ordinance of the City of North Pole, Alaska adopting legislative grants awarded to the City of North Pole in 2014 and approving them in the 2014 City of North Pole budget.

**12. New Business**

- a. Request from Public Works to surplus the 1994 Ford F150.
- b. Request from Chief Lane to hire new firefighters at Range 6, \$14.52 per hour on the pay scale.
- c. Request from Fairbanks Convention and Visitors Center for 4<sup>th</sup> Quarter 2013 and 1<sup>st</sup> & 2<sup>nd</sup> Quarter 2014 bed tax.

**13. Executive Session**

- a. To give direction to the City Attorney regarding the handling of a specific legal matter with Flint Hills, Williams, and the State of Alaska

**14. Council Comments**

**15. Adjournment**

*The City of North Pole will provide an interpreter at City Council meetings for hearing impaired individuals. The City does require at least 48 hours' notice to arrange for this service. All such requests are subject to the availability of an interpreter. All City Council meetings are recorded on CD. These CD's are available for listening or duplication at the City Clerk's Office during regular business hours, Monday through Friday, 8:00 a.m. to 5:00 p.m. or can be purchased for \$5.00 per CD. The City Clerk's Office is located in City Hall, 125 Snowman Lane, North Pole, Alaska.*

**Committee of the Whole – 6:30 P.M.  
Regular City Council Meeting – 7:00 P.M.**

A regular meeting of the North Pole City Council was held on Monday, August 18, 2014 in the Council Chambers of City Hall, 125 Snowman Lane, North Pole, Alaska.

**CALL TO ORDER/ROLL CALL**

Mayor Ward called the regular City Council meeting of Monday, August 18, 2014 to order at 7:00 p.m.

***There were present:***

**Ms. Holm  
Ms. Hunter  
Mr. McCarthy  
Mr. McGhee  
Mr. Smith  
Mr. Welch  
Mayor Ward**

***Absent/Excused***

**Excused  
Excused**

**PLEDGE OF ALLEGIANCE TO THE U.S. FLAG**

Led by Mayor Ward

**INVOCATION**

Invocation was given by Councilwoman Holm

**APPROVAL OF AGENDA**

**Ms. Holm *moved to* Approve the Agenda of August 18, 2014**

**Seconded by Mr. Smith**

**Discussion**

None

**Mr. McCarthy *moved to* consent the following items under New Business:**

- b. Recommendation from Chief Dutra to award the North Pole Police Station Cooling Upgrades to Slayden Plumbing in the amount of \$86,899
- c. Recommendation for A & A Roofing Co., Inc. for roof repairs on City Hall and North Pole Police Station in the amount of \$42,000.

- d. New liquor license approval for Wildeberry, LLC dba Grizzli's
- e. Ordinance 14-15, An Ordinance of the City of North Pole, Alaska amending Title 4, Revenue & Finance, Chapter 4.25 Designated Funds, and adding Section 4.25.080, Health Insurance Reserve Fund

**Seconded by Ms. Holm**

**Discussion**

None

On the amendment

**PASSED**

YES – 5 – McCarthy, Smith, Holm, Hunter, Ward

NO – 0

Absent – 2 – McGhee, Welch

On the main motion as amended

**Discussion**

None

**PASSED**

YES – 5 – McCarthy, Smith, Holm, Hunter, Ward

NO – 0

Absent – 2 – McGhee, Welch

**APPROVAL OF MINUTES**

**Ms. Holm moved to Approve the minutes of August 4, 2014**

**Seconded by Mr. Smith**

**Discussion**

None

**PASSED**

YES – 5 – McCarthy, Smith, Holm, Hunter, Ward

NO – 0

Absent – 2 – McGhee, Welch

**COMMUNICATIONS FROM THE MAYOR**

I will be taking some time off this summer (Thursdays and Fridays) If you would like to stop in please call and make an appointment to ensure I am here at City Hall. I always carry my phone if there is a need to immediately reach me.

Please be mindful of the engineers out surveying the City for the new gas system. They are preparing for construction to happen in 2015!

We have received several calls in regards to flooding basements due to the rain and the high water table. There is very little the City can do for flooding basements due to the water table. We are also asking people to make sure that any sump pumps that are in their basement are not hooked up to the city sewer mains. Water pumped into the system from an alternative source is not metered and increases the cost of the utility. If you have questions please call City Hall 488-2281

The Interior Gas Utility will be meeting at Hotel North Pole (449 North Santa Claus Ln) on Monday August 25<sup>th</sup> from 5-7 pm. Please come get informed on the upcoming projects to get gas to the residents of North Pole. For more information please contact Mindy O'Neill Community Affairs Manager for the IGU at 907-374-4474 or go to [Interiorgas.com](http://Interiorgas.com)

Muffins with the Mayor was a success last week and a great way for residents to come voice their concerns and address issues we have in the community. One of the items that came up for discussion was the safety at the intersection of NPHS Blvd and the Richardson Highway. I was able to inform the public that we have passed a resolution earlier this year to nominate that intersection for a FMATS safety improvement project. I look forward to continuing the Muffins tradition into the future.

I was able to have a brief meeting with Col. Winkler from Eielson AFB last week. Col. Winkler is the new 'base commander' for Eielson and replaces General Mark Kelly. We were able to get to know each other better and discuss his first couple months as the base commander. I look forward to a productive relationship with Eielson AFB as we move toward F-35's in the Future.

I sent a letter to the Attorney General last week in regards to the resolution efforts regarding sulfolane. I asked for a formal seat at the table during discussions regarding sulfolane and am anxiously awaiting a response.

I was honored to address the teachers at their first day of school last week. Some of the new teachers were my fellow classmates and some of my old teachers were still there. I was able to share about the impact teachers have on their students and the importance of the search for knowledge.

I am pleased to announce that the Memorial Park will enter into the design stages as we were able to sign an agreement with Design Alaska to do the design and public participation plan in the creation of the park. Using the IRS forfeiture monies the City will partner with Design Alaska to complete a construction ready set of Plans and cost estimate for the construction of the park in 2015.

### **COUNCIL MEMBER QUESTIONS OF THE MAYOR**

None

### **COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH REPRESENTATIVE AND THE CITY CLERK**

#### **Police Department, Chief Dutra**

- Talk about VIP's and explorers. Over the years assisted us with crowd control, fingerprinting of children, bike rodeo's, volunteers for active shooter and more. This money came from a drug dealer inside the City of Fairbanks and this money should go back into a worthy cause to help support the community and I couldn't think of a more deserving group. Lorna has been the Director of this group for many years and it is my understanding both the VIP's and Explorers struggle with funding.
  - Under Asset Forfeiture rules: Recently authorized.
- We just hired back Officer Nathaniel Missimer who was a reserve officer for us for a short period.
- Lorna Illingworth stated that the Police Explorer Program give young adults an opportunity to learn about law enforcement and make a difference in the community. Explorers participate in all of the following activities:
  - **Law Enforcement Training**
    - Police Procedures
    - Criminal Laws
    - Ride-Alongs
    - Firearms Safety
    - Self Defense
    - Leadership Training
  - **Teaching Younger Kids**
    - Drug Awareness

- Bike Safety
- Personal Safety
- **Community Service**
  - Bicycle Patrol
  - Graffiti Removal
  - Crime Prevention Projects
- **Assisting Police**
  - Evidence Searches
  - Searches for Missing Persons
  - Traffic and crowd Control for Special Events
  - Assist with Law Enforcement Training as Role Players
- **Social Activities**
  - Camping Trips
  - State Conferences
  - Parties
  - National Conferences
  - Movie Nights

Applicants are now being accepted for the next Explorer Academy. Applications are available at your school counselor's office or Fairbanks Police Department, 911 Cushman St. or online at: [www.fairbanksalaska.us/fpd-volunteer-explorer](http://www.fairbanksalaska.us/fpd-volunteer-explorer).

**City Accountant, Lisa Vaughn**

- Update on July financial statement and other revenues within the City budget.

**Fire Department, Chief Lane**

- None

**Director of City Services, Bill Butler**

**Building Department**

- New commercial permit issued for AT&T Reseller Store on Badger Road
- Almost \$7.8 in building projects this year

**Public Works**

- Weather continues to affect Public Works projects
  - Down to a single summer hire, one worker had to leave early to enter his college wrestling program
  - Road patching has begun—potholes, dips, etc.

- Have begun road striping between projects and when weather is acceptable (learned from DOT Maintenance they plan to repair crosswalks in roundabouts with inlays, but probably will not be until 2015)
- Begun brush cutting around City, but with reduced staff will affect this effort (plan to hire a contractor to do brush cutting if Public Works staff cannot)
- Weather hindered fitness trail work at site #5, but equipment was installed today
- Received an additional \$5,000 from the Snedden Family Foundation to help complete the fitness trail
- Plan to have a “Grand Opening” of fitness trail Saturday, August 23
- Dog park work hindered by flooding, but plan to begin fence work this week
- Saint Nicholas Drive project held an inspection on 13<sup>th</sup>, major issues were cleaning of the site

#### **Utility Department**

- Received contact from ADEC that they are proposing to address sewer outfall problem with a Notice of Violation
- Have not been able to talk directly with ADEC about what this means for the Utility
- Wastewater treatment plant is moving forward with building modifications
  - Rainfall has slowed lowering the lagoons which must occur to upgrade the sewer lift station and replace critical plant piping, but Ghemm is keeping the project on track
  - The emergency generator and enclosure must be built and this is 90 days from delivery which puts this part of the project into October

#### **Natural Gas Utility Board**

- Previously reported IGU was at a critical juncture of negotiating a take-or pay gas supply contract as early as August 5<sup>th</sup>
- Financing of the liquefaction plant on the North Slope and determining the method and cost of trucking are slowing the process and delayed take-or-pay negotiations
- Engineering of Phase 1 in the North Pole area continues
- Award of a Phase 2 engineering went to MJB for \$839,548 (Phase 2 is northern North Pole and line to Eielson AFB)
- Process begun to solicit an operator to run the gas utility has begun
- November will mark 2<sup>nd</sup> year of IGU and there are two positions opening by election on the Board



**Borough Representative**

- Nothing on the agenda that concerned the City of North Pole.

**City Clerk, Kathy Weber**

- Laserfiche workflow is continuing. We are in the process of looking into adding the Police Department to the system.
- The state primary election is tomorrow. Polls will open at 7:00 a.m. and stay open until 8:00 p.m. North Pole residents will vote at the City Hall precinct. The general election will be held on Tuesday, November 4, 2014.
- City of North Pole continues to work with the FNSB and City of Fairbanks to coordinate the 2014 Preparedness Expo on Saturday, October 4, 2014 at the Carlson Center. I have included the flyer, Expo objectives, and a registration form if anyone is interested in sponsoring or being a part of this important event. The City of North Pole will be fielding all calls from area residents on this event.
- Pro Music will be out on Thursday to start installing the new sound system in the council chambers. We should be up and running by our meeting of September 2<sup>nd</sup>.
- Reminder that the first council meeting in September will be on Tuesday, September 2, 2014 due to Labor Day weekend.
- Continue to work on the legal review of the NPMC.
- Proof reading NPMC so as to make changes before we do a final print. This has been a long, slow process.

**NOTICE OF ELECTION**

**DECLARATION OF CANDIDACY & FILING DATES**

**CITY OF NORTH POLE**

The Municipal Election for the City of North Pole will be held Tuesday, October 7, 2014. The Declaration of Candidacy closed on Friday, August 15, 2014 at 5:00 p.m. for the following:

**CITY OF NORTH POLE COUNCIL SEATS**

(all offices serve at-large)

City Council Seat.....3-year term

City Council Seat.....3-year term

Two candidates filed for the two City Council seats. They are Thomas McGhee and Kevin McCarthy.

**Withdrawal Deadline:** A candidate desiring to withdraw may do so by filing a written request with the clerk no later than 5:00 p.m., August 22, 2014.

## **ONGOING PROJECTS**

- None

## **CITIZENS COMMENTS**

- None

## **OLD BUSINESS**

- None

## **NEW BUSINESS**

### **REQUEST FROM GARY GALVIN FOR PARTIAL FORGIVENESS OF WATER BILL DUE TO BREAK**

Mayor Ward stated that Mr. Galvin came before council approximately a month ago and drafted a letter to council asking for partial forgiveness of his water bill.

#### **Public Comment**

None

**Ms. Holm *moved to* adopted a partial forgiveness of the water bill due to a break.**

**Seconded *by* Mr. Smith**

#### **Discussion**

Ms. Holm stated that with information that was provided by council she wanted to know if the council would be willing to decrease the amount if Mr. Galvin agreed to sign a Confession of Judgment.

Ms. Hunter said that to consider anything but what was in code would be a dangerous precedence to set.

Mr. Smith felt sympathy for Mr. Galvin and said no one has \$10,000 to pay a water bill. He wished there was a mechanism that could catch this sooner.

Mr. McCarthy asked Mr. Butler where the break was. He wanted clarification.

Mr. Butler said that the fitting applied was not done properly and that it appeared that's where the leak/break was.

Mr. McCarthy stated that when new water lines were installed in his house he made sure special fittings were installed. It bothers him that this happened and \$10,000 is a lot of money. He stated that he has insurance and the owner should have insurance also to cover this.

Mayor Ward said it was unfortunate but ultimately it is the responsibility of the owner and should be maintained properly. There are things that you can do to insure that the property is taken care of. He has a hard time voting for any forgiveness of this account. However, it goes back to the owner's responsibility. The sewer portion of the bill was already forgiven and he can't see the rate payers paying for this.

Ms. Holm said that showing compassion for this owner who just took over the property in March who didn't know there was a lien on the property when he bought it because he was in Hawaii. She said this isn't the first time we've put something onto the rate payers. She would like to see partial forgiveness.

Mr. Smith said he would like to see a repayment plan for him.

Mayor Ward said that the Satisfaction of Judgment is a repayment plan and that Mr. Galvin does not want to go through that plan.

*Ms. Holm withdrew her motion*

*Mr. Smith withdrew his second*

**Ms. Holm moved to request from Gary Galvin for forgiveness of water bill due to break using 13.12.110, Part E, to recomputed at a later time.**

***Failed for lack of a second***

**Mr. McCarthy moved to deny forgiveness of the \$10,000 water bill resulting in the loss of 450,000 gallons due to a water break.**

**Seconded by Ms. Hunter**

**Discussion**

Mayor Ward cited code:

**13.12.110 Appeal of utility billings.**

- A. Any City utility customer who believes his utility billing is unjust and inequitable as applied to his property within the intent of the City utility rules and regulations may make written application to the City Council requesting a review of his utility billing. The application shall include the facts and data upon which the appeal is based.
- B. While awaiting Council review of his appeal, the customer shall pay the amount of the disputed bill to the City within thirty days from the mailing date to avoid becoming delinquent. Subsequent bills shall be paid in full within the prescribed time limit.
- C. Payment of disputed bills as required by this section shall not be deemed to prejudice an otherwise valid contest.
- D. Review of the request shall be made by the City Council who shall determine if it is substantiated or not, including recommending further study of the matter by a designated representative.
- E. If the request is determined to be substantiated, the charges for the customer shall be recomputed based on the Council approved terms, and the new charges thus recomputed shall be applicable retroactively up to one year.
- F. In instances where a utility customer billing appeal relates to a situation limited to forgiveness of sewer service and associated charges where the customer can document the water upon which the charges are calculated was not discharged into the sewer system, the Mayor or his designee may waive these charges without the appeal proceeding to the City Council for approval. Should such an appeal be granted by the Mayor or his designee, he shall report the waiver of these charges to the City Council. (Ord. 12-02 §2(part), 2012; Ord. 00-16 §2(part), 2000; Ord. 82-8 §2.L, 1982)

**PASSED**

YES – 4 – McCarthy, Smith, Hunter, Ward

NO – 1 - Holm

Absent - 2– McGhee, Welch

**ORDINANCE 14-16, AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA  
TO AMEND THE 2014 BUDGET TO AUTHORIZE REPAYMENT OF AN ALASKA  
CLEAN WATER FUND LOAN USED TO HELP REPAIR AGING TECHITE  
SEWER MAINS**

Mr. Butler stated that the city borrowed monies from the State of Alaska through an Alaska Clean Water Fund Loan with an annual interest rate of 1.5 percent per year for a period of 20 years to repair the aging Techite sewer mains. The total funds borrowed by the City were \$682,735.51 combined with load forgiveness of \$102,409.74 which resulted in a debt to be repaid by the City totaling \$580,325.77. The first payment is due October 1, 2014 totaling

\$27,428.53 and each of the succeeding 19 payments each totaling \$33,801.50. This loan was approved by the voters.

**Public Comment**

None

**Mr. McCarthy *moved to* Introduce and advance Ordinance 14-16, an ordinance of the City of North Pole, Alaska to amend the 2014 budget to authorize repayment of an Alaska Clean Water Fund loan to use to help repair aging techite sewer mains**

**Seconded by Ms. Holm**

**Discussion**

None

**PASSED**

YES – 5 – McCarthy, Smith, Holm, Hunter, Ward

NO – 0

Absent - 2– McGhee, Welch

**ORDINANCE 14-17, AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA ADOPTING LEGISLATIVE GRANTS AWARDED TO THE CITY OF NORTH POLE IN 2014 AND APPROVING THEM IN THE 2014 CITY OF NORTH POLE BUDGET**

Mayor Ward said that it was his pleasure to present the legislative grand awards appropriated by the 28<sup>th</sup> Alaska Legislature for the City of North Pole. The City of North Pole was fortunate to have all of the request/needs met by the legislature. Special thanks to our legislator for allowing the City to move forward with these important projects.

The City of North Pole, through Resolution 13-21, requested monies for Strategic Planning, a skid steer loader for Public Works, to redesign City Hall, a mixing zone compliance for North Pole Utilities and a de-watering study in the sulfolane plume. The City has also agreed to match all general fund grants with a 10 % match of our own funding.

Funding was not appropriated for the de-watering study in the sulfolane plume because ADEC (Alaska Dept. of Environmental Conservation) has agreed to do the study. ADEC is in the final stages of developing a BMP (Best Management Practices) for de-watering in the sulfolane plume.

**Public Comment**

None

**Mr. McCarthy moved to Introduce and advance Ordinance 14-16, an ordinance of the City of North Pole, Alaska to amend the 2014 budget to authorize repayment of an Alaska Clean Water Fund loan to use to help repair aging techite sewer mains**

**Seconded by Mr. Smith**

**Discussion**

Mr. Smith said that it was good to see a lot of good things come out of the state legislature to help the City.

Mayor Ward said that video's were sent along with a 10% match from the City really helped in securing those grants.

**PASSED**

YES – 5 – McCarthy, Smith, Holm, Hunter, Ward

NO – 0

Absent - 2– McGhee, Welch

**COUNCIL COMMENTS**

Mr. McCarthy- happy that Ms. Holm brought her baby and that we should try and rescue her better. He likes having a little one here.

Ms. Holm – thanked everyone for being so accommodating tonight.

Ms. Hunter – passed out a report on the AML conference and brought a portion of that to the attention of the council on marijuana. She asked council to please look at what the costs would be to the state and to individuals. She appreciated hearing the presentation on Volunteers in Policing.

Mr. Smith – be on the look out as school starts this week.

Mayor Ward – if councilmen are interested in making amendments please come in and let the clerk help you in advance. Also, watch for students. He addressed the teacher orientation last week and saw previous teachers and schoolmates.

**ADJOURNMENT**

**Ms. Hunter adjourned the meeting at 8:26 p.m.**

**Seconded by Mr. Smith**

The regular meeting of August 18, 2014 adjourned at 8:26 p.m.

**These minutes passed and approved** by a duly constituted quorum of the North Pole City Council on Tuesday, September 2, 2014.

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Bryce J. Ward, Mayor

**ATTEST:**

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Kathryn M. Weber, MMC  
North Pole City Clerk

# Interior Alaska Community Preparedness Proclamation

**WHEREAS**, "National Preparedness Month" creates an important opportunity for every resident of our local community as well as throughout the state to prepare their homes, businesses, and communities for any type of emergency including natural & manmade disasters and potential terrorist attacks; and

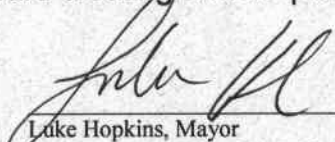
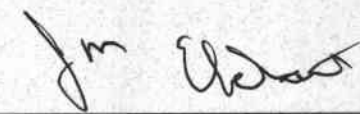
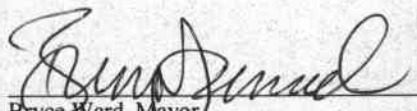
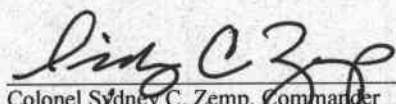

**WHEREAS**, investing in the preparedness of ourselves, our families, businesses, and communities can reduce injuries & deaths and economic devastation in our communities and in our nation; and

**WHEREAS**, the Federal Emergency Management Agency's "Ready Campaign", Citizen Corps and other federal, state, local, tribal, territorial, private, and volunteer agencies are working to increase public activities in preparing for emergencies and to educate individuals on how to take action; and

**WHEREAS**, emergency preparedness is the responsibility of every citizen throughout the State of Alaska and all citizens are urged to make preparedness a priority and work together, as a team, to ensure that individuals, families, and communities are prepared for disasters and emergencies of any type; and

**WHEREAS**, citizens of communities in Interior Alaska are encouraged to participate in citizen preparedness activities and asked to review the Ready campaign's websites at [Ready.gov](http://Ready.gov) and become more prepared.

**FURTHERMORE**, LET IT BE KNOWN that the City of North Pole, City of Fairbanks, Eielson AFB, Fort Wainwright, Fairbanks North Star Borough and the State of Alaska proclaim September 2014 as National Preparedness Month, and encourages all citizens and businesses to develop their own emergency preparedness plan, and work together toward creating a more prepared society.

  
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Luke Hopkins, Mayor  
Fairbanks North Star Borough  
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John Eberhart, Mayor  
City of Fairbanks  
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Bryce Ward, Mayor  
City of North Pole  
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Colonel Sydney C. Zemp, Commander  
U.S. Army Garrison; Fort Wainwright, AK  
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Colonel Michael T. Winkler, Commander  
354<sup>th</sup> Fighter Wing, Eielson Air Force Base, AK



Office of the Mayor  
City of North Pole

# Proclamation

*Whereas, the American Payroll Association and its more than 21,000 members have launched a nationwide public awareness campaign that pays tribute to the more than 156 million people who work in the United States and the payroll professionals who support the American system by paying wages, reporting worker earnings and withholding federal employment taxes; and*

*Whereas, payroll professionals in the Interior play a key role in maintaining the economic health of the Interior, carrying out such diverse tasks as paying into the unemployment insurance system, providing information for child support enforcement, and carrying out tax withholding, reporting and depositing; and*

*Whereas, payroll departments collectively spend more than \$15 billion annually complying with myriad federal and state wage and tax laws; and*

*Whereas, payroll professionals play an increasingly important role ensuring the economic security of American families by helping to identify noncustodial parents and making sure they comply with their child support mandates; and*

*Whereas, payroll professionals have become increasingly proactive in educating both the business community and the public at large about the payroll tax withholding systems; and*

*Whereas, payroll professionals meet regularly with federal and state tax officials to discuss both improving compliance with government procedures and how compliance can be achieved at less cost to both government and businesses; and*

*Whereas, the week in which Labor Day falls has been proclaimed National Payroll Week.*

**NOW, THEREFORE, I, Bryce J. Ward, Mayor of the City of North Pole, do hereby give additional support to the efforts of the people who work in the Interior and of the payroll profession by proclaiming the first full week of September Payroll Week for the City of North, Alaska.**



ATTEST:

*Kathryn M. Weber*  
Kathryn M. Weber, MMC  
North Pole City Clerk

*Bryce J. Ward*  
Bryce J. Ward, Mayor



**CITY OF NORTH POLE**

**ORDINANCE 14-15**

**AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA AMENDING TITLE 4,  
REVENUE AND FINANCE, CHAPTER 4.25 DESIGNATED FUNDS, AND ADDING  
SECTION 4.25.080 HEALTH INSURANCE RESERVE FUND**

**WHEREAS**, changes to the North Pole Municipal Code is a continually changing requirement;  
and

**WHEREAS**, the City of North Pole Municipal Code should be amended to conform to the  
requirements of the City and to provide clarification as needed; and

**WHEREAS**, the City of North Pole desires to centralize and simplify health care expenses to  
departments and streamline the budgeting process; and

**WHEREAS**, creation of a health care reserve fund adds fiscal transparency, stability and is  
fiscally responsible.

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of the City of North Pole:

**Section 1.** This ordinance is of a general and permanent nature and shall be codified.

**Section 2.** Title 4 Revenue and Financing, Chapter 4.25, and adding section 4.25.080 Health  
insurance reserve fund is amended as follows [new text in *italicized red font*; deleted text in  
~~striketrough~~ font]:

***4.25.080 Health insurance reserve fund***

***a.*** A health insurance reserve fund is hereby created. All health insurance claim rebates  
received shall be appropriated to and deposited in the health insurance reserve fund.

***b.*** The City Council may appropriate additional sums to the fund.

***c.*** Any earnings from investment of monies accumulated in the health insurance reserve  
fund shall accrue to the health insurance reserve fund.

***d.*** At the end of the year, all unexpended and unencumbered appropriations from the health  
insurance reserve fund shall be lapsed into that reserve fund.

***e.*** Monies in the health insurance reserve fund shall be available for appropriation and  
expenditures for health insurance premium increases as recommended by the Mayor and  
authorized by the City Council.

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41           Section 3. **Effective Date.** This ordinance shall become effective January 1, 2015.

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43 **PASSED AND APPROVED** by a duly constituted quorum of the North Pole City Council this  
44 2<sup>nd</sup> day of September, 2014.

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Bryce J. Ward, Mayor

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51 ATTEST:

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Kathryn M. Weber, MMC

56 North Pole City Clerk

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PASSED/FAILED

Yes:

No:

Absent:

**ORDINANCE NO. 14-16**

**AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA TO  
AMEND THE 2014 BUDGET TO AUTHORIZE REPAYMENT OF AN  
ALASKA CLEAN WATER FUND LOAN USED TO HELP REPAIR  
AGING TECHITE SEWER MAINS**

**WHEREAS**, changes to the public services practices and policies is a continually changing requirement; and

**WHEREAS**, the City of North Pole Municipal Code should be amended to conform to the requirements of the City; and

**WHEREAS**, the City borrowed monies from the State of Alaska through an Alaska Clean Water Fund Loan with an annual interest rate is 1.5 percent per year per for a period of 20 years to repair aging Techite sewer mains; and

**WHEREAS**, the total funds borrowed by the City were \$682,735.51 combined with loan forgiveness of \$102,409.74 resulted in a debt to be repaid by the City totaling \$580,325.77; and

**WHEREAS**, the first payment is due October 1, 2014 totaling \$27,428.53 and each of the succeeding 19 payments each totaling \$33,801.50 (See attached Annual Repayment Schedule.).

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of North Pole, Alaska:

**Section 1.** This ordinance is of a special nature and shall not be included in the North Pole Code of Ordinances.

**Section 2.** Effective date. This ordinance shall become effective at 5:00 PM on the first City business day following adoption.

**PASSED AND APPROVED** by a duly constituted quorum of the North Pole City Council this 2<sup>nd</sup> day of September, 2014.

---

Bryce Ward, Mayor

ATTEST:

---

Kathryn M. Weber, MMC  
North Pole City Clerk



# City of North Pole, Alaska

**Fiscal Note Year:** 2014

Accompanying Ordinance/Resolution:

Originator / sponsor: Bill Butler

Date: August 12, 2014

Does the Ordinance or Resolution have a fiscal impact? ☒ yes ☐ no

FUND	Account Description	Account #	Debit	Credit
27	Transfer out (to Fund 02)	27-0000-7091	\$27,428.53	
27	Transfer in - retained earnings	27-00-00-5900		\$27,428.53
02	ACWF Loan #633291	02-00-00-2526	\$27,428.53	
02	Transfer in (from Fund 27)	02-00-00-5901		\$27,428.53

**Summary:** (Brief description of proposed alterations as defined by accompanying ordinance or resolution. Where did the money come from and how will it be used).

Funding to repay the Alaska Clean Water Fund loan #633291 will be paid from the Sewer Reserve Fund's retained earnings. The loan repayment begins on October 1, 2014 and will run through October 1, 2033--20 years. Future loan payments will become part of the Utility Department's annual budget.

**Prepared By:** Bill Butler

**Date:** August 13, 2014

**Finance Approval:** *Lina KGL*

**Date:** 8-13-14

**NOTE-** Fiscal notes attached to an ordinance are considered amendments to the budget and do not require an additional approval for insertion into the budget document.

**Annual Repayment Schedule**  
**ACWF #633291 Inflow & Infiltration Project**  
**Based upon Level Total Payments**

**Beginning Balance    \$580,325.77**

<b>Payment</b>	<b>Date of Payment</b>	<b>Finance Amount</b>	<b>Principal Amount</b>	<b>Total Payment</b>	<b>Loan Balance</b>
1	10/1/2014	\$2,331.91	\$25,096.61	\$27,428.53	\$555,229.15
2	10/1/2015	\$8,328.44	\$25,473.06	\$33,801.50	\$529,756.09
3	10/1/2016	\$7,946.34	\$25,855.16	\$33,801.50	\$503,900.93
4	10/1/2017	\$7,558.51	\$26,242.99	\$33,801.50	\$477,657.94
5	10/1/2018	\$7,164.87	\$26,636.63	\$33,801.50	\$451,021.31
6	10/1/2019	\$6,765.32	\$27,036.18	\$33,801.50	\$423,985.13
7	10/1/2020	\$6,359.78	\$27,441.72	\$33,801.50	\$396,543.40
8	10/1/2021	\$5,948.15	\$27,853.35	\$33,801.50	\$368,690.05
9	10/1/2022	\$5,530.35	\$28,271.15	\$33,801.50	\$340,418.90
10	10/1/2023	\$5,106.28	\$28,695.22	\$33,801.50	\$311,723.68
11	10/1/2024	\$4,675.86	\$29,125.65	\$33,801.50	\$282,598.04
12	10/1/2025	\$4,238.97	\$29,562.53	\$33,801.50	\$253,035.51
13	10/1/2026	\$3,795.53	\$30,005.97	\$33,801.50	\$223,029.54
14	10/1/2027	\$3,345.44	\$30,456.06	\$33,801.50	\$192,573.48
15	10/1/2028	\$2,888.60	\$30,912.90	\$33,801.50	\$161,660.58
16	10/1/2029	\$2,424.91	\$31,376.59	\$33,801.50	\$130,283.99
17	10/1/2030	\$1,954.26	\$31,847.24	\$33,801.50	\$98,436.75
18	10/1/2031	\$1,476.55	\$32,324.95	\$33,801.50	\$66,111.80
19	10/1/2032	\$991.68	\$32,809.82	\$33,801.50	\$33,301.97
20	10/1/2033	\$499.53	\$33,301.97	\$33,801.50	\$0.00
<b>TOTAL REPAYMENT</b>		<b>\$89,331.28</b>	<b>\$580,325.77</b>	<b>\$669,657.05</b>	

125 Snowman Ln  
North Pole AK  
99705  
(O) 907-488-8584  
(M) 907-888-4444

**City of North Pole  
Office of the Mayor**

# Memo

**To: City Council**  
**From: Mayor Bryce Ward**  
**CC: Kathy Weber**  
**Date: 8/12/2014**  
**Re: Legislative Grant Approval**

---

It is my pleasure to present the legislative grant awards appropriated by the 28<sup>th</sup> Alaska Legislature for the City of North Pole. The City of North Pole was fortunate to have all of its request/needs met by the legislature. Special thanks to our legislators for allowing the City to move forward with these important projects.

The City of North Pole, through Resolution 13-21, requested monies for Strategic Planning, a skid steer loader for Public Works, to redesign City Hall, a mixing zone compliance for North Pole Utilities, and a de-watering study in the sulfolane plume. The City has also agreed to match all general fund grants with a 10% match of our own funding.

Funding was not appropriated for the de-watering study in the sulfolane plume because ADEC (Alaska Department of Environmental Conservation) has agreed to do the study. ADEC is in the final stages of developing a BMP (Best Management Practices) for de-watering in the sulfolane plume.





**CITY OF NORTH POLE**

**ORDINANCE 14-17**

**AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA  
ADOPTING LEGISLATIVE GRANTS AWARDED TO THE CITY OF  
NORTH POLE IN 2014 AND APPROVING THEM IN THE 2014 CITY OF  
NORTH POLE BUDGET**

**WHEREAS**, The City of North Pole approved Resolution 13-21 requesting certain projects be funded in the legislatures upcoming capital budget; and

**WHEREAS**, the City of North Pole has received appropriations in the state budget for some of the requested projects; and

**WHEREAS**, The City of North Pole desires to finalize all agreements with the state of Alaska; and

**WHEREAS**, The City of North Pole is prepared to execute all grant agreements in accordance with the rules and regulations set forth by the State of Alaska,

**NOW, THEREFORE, BE IT ORDAINED** by the Council of the City of North Pole:

**Section 1.** This ordinance is of a special nature and shall not be included in the North Pole Code of Ordinances.

**Section 2.** The following chart is a summary of proposed amendments and the approval of legislative grants, authorizing up to the full amount of each grant:

<b>FUND-DEPT. TITLE</b>	<b>ACCT DESCRIPTION</b>	<b>ACCOUNT #</b>	<b>DEBIT</b>	<b>CREDIT</b>
<b>31</b>	<b>Revenue Re-design City Hall</b>	<b>31-18-00-5001</b>		<b>300,000</b>
<b>31</b>	<b>Expense Re-design City Hall</b>	<b>31-18-00-7001</b>	<b>300,000</b>	
<b>31</b>	<b>Revenue PW Skid Steer</b>	<b>31-19-00-5001</b>		<b>72,000</b>
<b>31</b>	<b>Expense PW Skid Steer</b>	<b>31-19-00-7001</b>	<b>72,000</b>	
<b>31</b>	<b>Revenue Strategic Planning</b>	<b>31-23-00-5001</b>		<b>151,000</b>
<b>31</b>	<b>Expense Strategic Planning</b>	<b>31-23-00-7001</b>	<b>151,000</b>	
<b>03</b>	<b>Revenue Mixing Zone Comp</b>	<b>03-73-00-5001</b>		<b>500,000</b>
<b>03</b>	<b>Expense Mixing Zone Comp</b>	<b>03-73-00-7001</b>	<b>500,000</b>	
<b>53</b>	<b>Expense PW Fleet (Match)</b>	<b>53-00-00-7001</b>	<b>6,675</b>	
<b>53</b>	<b>Transfer to Fund Balance</b>	<b>53-00-00-7901</b>		<b>6,675</b>



**Section 3.** Effective date. This ordinance shall become effective upon adoption.

**PASSED AND APPROVED** by a duly constituted quorum of the North Pole City Council this  
2<sup>nd</sup> day of September, 2014.

\_\_\_\_\_  
Bryce J. Ward, Mayor

ATTEST:

\_\_\_\_\_  
Kathryn M. Weber, MMC  
North Pole City Clerk

**PASSED/FAILED**

Yes:

No:

Absent:





# City of North Pole, Alaska

**Fiscal Note Year:** 2014

Accompanying Ordinance/Resolution #: Ordinance 14-17

Originator / Sponsor Name: Mayor Bryce Ward

Date: 8-12-14

Does the Ordinance or Resolution have a fiscal impact? ☒ yes ☐ no

Fund- Dept. Title	Account Description	Account #	Debit	Credit
31	Revenue Redesign CH	31-18-00-5001		300,000
31	Expense Redesign CH	31-18-00-7001	300,000	
31	Revenue PW Skid Steer	31-19-00-5001		72,000
31	Expense PW Skid Steer	31-19-00-7001	72,000	
31	Revenue Strategic Planning	31-23-00-5001		151,000
31	Expense Strategic Planning	31-23-00-7001	151,000	
03	Revenue Mixing Zone Comp	03-73-00-5001		500,000
03	Expense Mixing Zone Comp	03-73-00-7001	500,000	
53	Expense PW Fleet (Match)	53-00-00-7001	6,675	
53	Transfer to Fund Balance	53-00-00-7901		6,675

**Summary:** (Brief description of proposed alterations as defined by accompanying ordinance or resolution. Where did the money come from and how will it be used).  
Approval of Legislative Grants, authorizing up to the full amount of each grant.

Prepared By: Bryce Ward Date: 8-12-14

Finance Approval: La Uyl Date: 8.12.14

**NOTE-** Fiscal notes attached to an ordinance are considered amendments to the budget and do not require an additional approval for insertion into the budget document.





THE STATE  
of **ALASKA**  
GOVERNOR SEAN PARNELL

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

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

211 Cushman Street  
Fairbanks, Alaska 99701-4639  
Main: 907.451.2731  
TDD: 907.465.5437  
Fax: 907.451.2742

August 1, 2014

The Honorable Bryce Ward, Mayor  
City of North Pole  
125 Snowman Lane  
North Pole, AK 99705

RE: Designated Legislative Grant Amendment #1/Close-out

Dear Mayor Ward:

The grant listed below has been officially closed. The unexpended balance has been reappropriated per the amendment.

Grant #: **14-DC-111**

Project Title: **International Federation of Sleddog Sports World Championship Hosting Costs**

Grant Close-Out Date: **June 30, 2014**

Please place the enclosed amendment and this closeout letter in your grant file and retain your files for a period of at **least six years**. If you have any questions, please contact Caitlin Frye via phone at (907) 451-2717 or email [caitlin.frye@alaska.gov](mailto:caitlin.frye@alaska.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read "Judy Haymaker".

Judy Haymaker  
Grants Administrator

Enclosure

## DESIGNATED LEGISLATIVE GRANT AGREEMENT AMENDMENT

Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs

Grantee: <b>City of North Pole</b>	Grant Agreement Number: <b>14-DC-111</b>	AR: <b>9548</b>
Grant Project Title: <b>International Federation of Sleddog Sports World Championship Hosting Costs</b>	Effective Date: <b>June 30, 2014</b>	EN: <b>840457</b>

### Amendment # 1

Effective the date shown above this grant is hereby amended as follows:

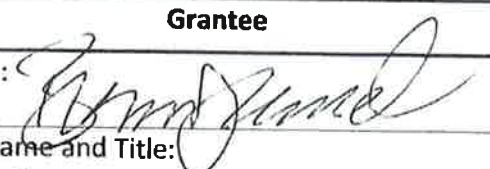
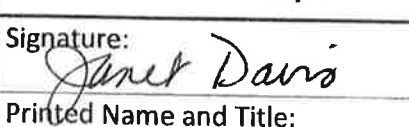
1. The unexpended and unobligated balance as reflected on the certified Financial/Progress Report ending June 30, 2014, in the amount of **\$80,000.00** has been reappropriated per SLA 2014, Senate Bill 119, Chapter 18, Section 1, Page 119 and Line 18 to the **City of North Pole** for the purpose of **preparing a comprehensive strategic community plan, for the FYs ending 6/30/15 and 6/30/16.**
2. This appropriation is reduced by **\$80,000** for a new total of **\$00.00** as reflected below:

Cost Category:	Current Budget:	Modification:	Revised Budget:
Project Funds:	\$80,000.00	\$(80,000.00)	\$0.00
Administration:	\$0.00	\$0.00	\$0.00
TOTAL:	\$80,000.00	\$(80,000.00)	\$0.00

3. The grant is closed effective June 30, 2014.

All other terms and conditions of the grant agreement remain in full force and effect.

**GRANTEE COPY**

Grantee	Department
Signature: 	Signature: 
Printed Name and Title: Bryce Ward, Mayor	Printed Name and Title: Pauletta Bourne, Grants Administrator III
Date: 7/21/14	Date: 7/31/14





DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT  
DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

Designated Legislative Grant Program  
Grant Agreement

Grant Agreement Number <b>15-DC-114</b>	Vendor Number CNP84676	Amount of State Funds <b>\$500,000.00</b>	
Encumbrance Number/AR/Lapse Date / 10013 / 06/30/2019		Project Title <b>Mixing Zone Compliance Plan</b>	
<b>Grantee</b>		<b>Department Contact Person</b>	
Name City of North Pole		Name Caitlin Fryc	
Street/PO Box 125 Snowman Lane		Title Grant Administrator I	
City/State/Zip North Pole, Alaska 99705		Street/PO Box 211 Cushman Street	
Contact Person Bryce Ward, Mayor		City/State/Zip Fairbanks, Alaska 99701	
Phone (907) 488-2281	Fax (907) 488-3002	Phone (907) 451-2717	Fax (907) 451-2742
Email bryce.ward@northpolealaska.org		Email caitlin.frye@alaska.gov	

**AGREEMENT**

The Alaska Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs (hereinafter 'Department') and the **City of North Pole** (hereinafter 'Grantee') agree as set forth herein.

**Section I.** The Department shall pay the Grantee for the performance of the project work under the terms outlined in this Agreement. The amount of the payment is based upon project expenses incurred, which are authorized under this Agreement. In no event shall the payment exceed **\$500,000.00**.

**Section II.** The Grantee shall perform all of the work required by this Agreement.

**Section III.** The work to be performed under this Agreement begins **July 1, 2014** and shall be completed no later than **June 30, 2019**.

**Section IV.** The Agreement consists of this page and the following:

ATTACHMENTS

- Attachment A: Scope of Work
1. Project Description
  2. Project Budget
  3. Project Management
  4. Reporting
- Attachment B: Payment Method
- Attachment C: Standard Provisions

AMENDMENTS

Any fully executed amendments to this Agreement

APPENDIX

Appendix A: State Laws and Regulations

<b>Grantee</b>	<b>Department</b>
Signature	Signature
Printed Name and Title Bryce Ward, Mayor	Printed Name and Title Pauletta Bourne, Grants Administrator III
Date	Date

Reviewed by: \_\_\_\_\_

## Attachment A Scope of Work

### 1. Project Description

The purpose of this FY 2015 Designated Legislative Grant in the amount of \$500,000.00 [pursuant to the provisions of AS 37.05.315, Grants to Municipalities, SLA 2014, SB 119, Chapter 18, Section 1, Page 14, and Line 27] is to provide funding to the City of North Pole for use towards the Mixing Zone Compliance Plan. The objective of this project is to identify solutions that will allow the City of North Pole to become compliant with its Alaska Pollutant Discharge Elimination System permit requirements regarding its sewer effluent discharge.

This project may include, but is not limited to:

- Engineering, wastewater, and legal consulting
- Equipment, supplies, and freight
- Program support including testing, surveying, drilling, and site preparation
- Administration

No more than five percent (5%) of the total grant award may be reimbursed for Administrative expenses for projects involving equipment purchase or repairs and no more than ten percent (10%) of the total grant award may be reimbursed for Administrative expenses for all other projects. To be reimbursed for eligible administrative costs, expenses must be reported on the Designated Legislative Grant Financial/Progress Report form.

### 2. Project Budget

Cost Category	Grant Funds
Project Funds	\$450,000.00
Administration	\$50,000.00
<b>Total Grant Funds</b>	<b>\$500,000.00</b>

### 3. Project Management

This project will be managed by the Grantee.

Signatory authority for execution of the Grant Agreement and subsequent amendments is granted to the chief administrator. For grants appropriated to a municipality, the mayor is the chief administrator unless the municipality operates a managerial form of government; then the city manager/administrator acts as the chief administrator. For named recipients and unincorporated communities, the executive director or highest ranking official will act as chief administrator.

The chief administrator may delegate authority for executing the Grant Agreement and amendments to others within the Grantee's organization via the Signatory Authority Form. The chief administrator also designates financial and performance progress reporting authority via the Signatory Authority Form. Such delegation is limited to others within the Grantee's organization unless otherwise approved by the Department.

The Grantee must establish and maintain separate accounting for the use of this Grant. The use of Grant funds in any manner contrary to the terms and conditions of this Grant Agreement may result in the subsequent

revocation of the Grant and any balance of funds under the Grant. It may also result in the Grantee being required to return such amounts to the State.

If applicable under state law, grantees must be registered and in good standing with the Department of Commerce, Community and Economic Development's Division of Corporations, Business and Professional Licensing.

#### **4. Reporting**

The Grantee shall submit a Designated Legislative Grant Financial/Progress Report Form provided by the Department each month, or quarterly, with the concurrence of the Department, during the life of the Grant Agreement. Grant Financial/Progress Report Forms are due thirty (30) days after the end of the month or quarter being reported. The report period is the first of the month through the last day of the month. If quarterly reporting is approved, the report period is the first day of the first month through the last day of the third month of the quarter. The final Financial/Progress Reports must be submitted within thirty (30) days following completion of the project.

## **Attachment B**

### **Payment Method**

#### **1. Reimbursement Payment**

Upon receiving and approving a Grantee's Financial/Progress Report, the Department will reimburse the Grantee for expenditures paid during the reporting period, in accordance with this Grant Agreement. The Department will not reimburse without approved Financial/Progress Reports, prepared and submitted by the Grantee on the form provided by the Department. Before approving the financial/progress report for payment, the Department may require the Grantee to submit documentation of the costs reported (e.g., copies of vendor billings/invoices and proof of payment, general ledger expenditure report).

#### **2. Advance Payment**

In most instances, the Department will make payment to a Grantee on a cost reimbursable basis. If cost reimbursement significantly inhibits the Grantee's ability to implement the project, the Department may advance to the Grantee an amount not to exceed a projected thirty (30) day cash need, or twenty percent (20%) of the amount in Section I, whichever is less.

Before the Department will issue an advance, the Grantee must submit a "Request for Advance Payment" form along with documentation of costs associated with the advance. The "Request for Advance Payment" form can be obtained from the Department electronically or in hard copy.

All advances will be recovered with the Grantee's next Financial/Progress Report form. Should earned payments during the terms of this Grant Agreement be insufficient to recover the full amount of the advance, the Grantee will repay the unrecovered amount to the Department when requested to do so by the Department, or at termination of the Grant Agreement.

#### **3. Withholding of Ten Percent (10%)**

The Department may withhold ten percent (10%) of the amount in Section I until the Department determines that the Grantee has satisfactorily completed the terms of this Grant Agreement, including all required reporting of the project.

## **Attachment C**

### **Standard Provisions**

#### **Article 1. Definition**

"Department" refers to the Department of Commerce, Community, and Economic Development with the State of Alaska.

#### **Article 2. Indemnification**

It is understood and agreed that this Grant Agreement is solely for the benefit of the parties to the Grant Agreement and gives no right to any other party. No joint venture or partnership is formed as a result of the Grant Agreement.

The Grantee, its successors and assigns, will protect, save, and hold harmless the Department and the State of Alaska and their authorized agents and employees, from all claims, actions, costs, damages, or expenses of any nature whatsoever by reason of the acts or omissions of the Grantee, its subcontractors, assigns, agents, contractors, licenses, invitees, employees, or any person whomever arising out of or in connection with any acts or activities authorized by this Grant Agreement. The Grantee further agrees to defend the Department and the State of Alaska and their authorized agents and employees in any litigation, including payment of any costs or attorney's fees for any claims or actions commenced thereon arising out of or in connection with acts or activities authorized by this Grant Agreement. This obligation shall not include such claims, costs, damages, or expenses which may be caused by the sole negligence of the Department of the State of Alaska or their authorized agents or employees, provided, that if the claims or damages are caused by or result from the concurrent negligence of (a) the Department and the State of Alaska and their agents or employees, and (b) the Grantee, its agents or employees, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Grantee, or Grantee's agents or employees.

#### **Article 3. Legal Authority**

The Grantee certifies that it possesses legal authority to accept grant funds under the State of Alaska and to execute the project described in this Grant Agreement by signing the Grant Agreement document. The Grantee's relation to the Department and the State of Alaska shall be at all times as an independent Grantee.

#### **Article 4. Waivers**

No conditions or provisions of this Grant Agreement can be waived unless approved by the Department in writing. The Department's failure to insist upon strict performance of any provision of the Grant Agreement, or to exercise any right based upon a breach thereof, or the acceptance of any performance during such a breach, shall not constitute a waiver of any right under this Grant Agreement.

#### **Article 5. Access to Records**

The Department and duly authorized officials of the State of Alaska shall have full access and the right to examine, excerpt, or transcribe any pertinent documents, papers, records, and books of the Grantee, and of persons or organizations with which the Grantee may contract, involving transactions related to the project and this Grant Agreement.

#### **Article 6. Reports**

The Grantee, at such times and in such forms as the Department may require, shall furnish the Department with such periodic reports as it may request pertaining to the activities undertaken pursuant to this Grant Agreement, including the final close-out report, the costs and obligations incurred in connection therewith, and any other matters covered by this Grant Agreement.

**Article 7. Retention of Records**

The Grantee shall retain financial and other records relating to the performance of this Grant Agreement for a period of six years from the date when the final financial status report is submitted to the Department, or until final resolution of any audit findings, claims, or litigation related to the grant.

**Article 8. Assignability**

The Grantee shall not assign any interest in this Grant Agreement and shall not transfer any interest in the same (whether by assignment or novation).

**Article 9. Financial Management and Accounting**

The Grantee shall establish and maintain a financial management and accounting system that conforms to generally accepted accounting principles.

**Article 10. Program Income**

Program income earned during the award period shall be retained by the Grantee and added to the funds committed to the award and used for the purpose and under the conditions applicable to the use of award funds.

**Article 11. Amendments and Modifications**

The Grantee or the Department may request an amendment or modification of this Grant Agreement. However, such amendment or modification shall not take effect until approved, in writing, by the Department and the Grantee.

**Article 12. Recordkeeping**

The Grantee agrees to keep such records as the Department may require. Such records will include information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays and income. They will also include information pertaining to project performance and efforts to comply with the provisions of the Grant Agreement.

**Article 13. Obligations Regarding Third-Party Relationships**

None of the Work specified in this Grant Agreement shall be contracted by the Grantee without prior approval of the Department. No permission for subcontracting shall create, between the Department or the State of Alaska and the subcontractor, any contract or any relationship.

The Grantee shall remain fully obligated under the provisions of this Grant Agreement notwithstanding its designation of any third party or parties of the undertaking of all or any part of the project described herein. Any subcontractor that is not the Grantee shall be required by the Grantee to comply with all the provisions of this Grant Agreement.

The Grantee shall bind all subcontractors to each and every applicable Grant Agreement provision. Each subcontract for work to be performed with funds granted under this Grant Agreement shall specifically include a provision that the Department and the State of Alaska are not liable for damages or claims from damages arising from any subcontractor's performance or activities under the terms of the subcontracts.

**Article 14. Conflict of Interest**

No officer or employee of the Department; no member, officer, or employee of the Grantee or its designees or agents; no member of the governing body of the jurisdiction in which the project is undertaken or located; and no other official of such locality or localities who exercises any functions or responsibilities with respect to the project during his or her tenure, shall have any personal or pecuniary gain or interest, direct or indirect, in any contract, subcontract, or the proceeds thereof, for work to be performed in connection with the project assisted under this Grant Agreement.

The Grantee shall incorporate, or cause to incorporate, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this provision.

**Article 15. Political Activity**

No portion of the funds provided hereinunder shall be used for any partisan political activity or to further the election or defeat of any candidate for public office or influence the approval or defeat of any ballot issue.

**Article 16. Notices**

The Grantee shall comply with all public notices or notices to individuals required by applicable state and federal laws and shall maintain a record of this compliance.

**Article 17. Prohibition Against Payment of Bonus or Commission**

The assistance provided under this Grant Agreement shall not be used in payment of any bonus or commission for the purpose of obtaining approval or concurrence under this contract provided, however, that reasonable fees of bona fide technical consultant, managerial, or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as project costs.

**Article 18. Termination by Mutual Agreement**

This Grant Agreement may be terminated, in whole or in part, prior to the completion of contract project activities when both parties agree that continuation is not feasible or would not produce beneficial results commensurate with the further expenditure of funds. The Department will determine whether an environmental review of the cancellation is required under State and/or Federal law. The parties must agree on the termination conditions, including effective date and the portion to be terminated. The Grantee shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The Department shall make funds available to the Grantee to pay for allowable expenses incurred before the effective date of termination.

**Article 19. Termination for Cause**

If the Grantee fails to comply with the terms of this Grant Agreement, or fails to use the grant for only those purposes set forth herein, the Department may take the following actions:

- A. Suspension – After notice in writing by certified mail to the Grantee, suspend the grant and withhold any further payment or prohibit the Grantee from incurring additional obligations of grant funds, pending corrective action by the Grantee or a decision to terminate. Response must be received within fifteen (15) days of receipt of the written notice.
- B. Termination – Terminate the grant in whole or in part, at any time before the final grant payment is made. The Department shall promptly notify the Grantee in writing of its determination to terminate, the reason for such termination, and the effective date of the termination. Payments made to the Grantee or recoveries by the Department shall be in accordance with the legal rights and liabilities of the parties.

**Article 20. Withdrawal of Funds**

In the event funding from the state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Grant Agreement and prior to normal completion, the Department may terminate the agreement, reduce funding, or re-negotiate subject to those new funding limitations and conditions. A termination under this article shall be implemented under the same conditions as a termination under Article 19 of this Attachment.

**Article 21. Recovery of Funds**

In the event of a default or violation of the terms of the Grant Agreement by the Grantee, the Department may institute actions to recover all or part of the project funds paid to the Grantee. Repayment by the Grantee of grant funds under this recovery provision shall occur within thirty (30) days of demand.

All remedies conferred on the Department by this agreement or any other instrument or agreement are cumulative, not exclusive, and may be exercised concurrently or consecutively at the Department's option.

**Article 22. Disputes**

Except as otherwise provided in this agreement, any dispute concerning a question of fact arising under this agreement that is not disposed of by mutual agreement shall be decided by the Department, which shall reduce its decision to writing and mail, or otherwise furnish a copy thereof, to the Grantee. The decision of the Department shall be final and conclusive.

This "Disputes" clause does not preclude the consideration of questions of law in connection with the decision provided for in the preceding paragraph provided that nothing in the Grant Agreement shall be construed as making final the decisions of any administrative official, representative, or board on a question of law.

**Article 23. Jurisdiction**

This Grant Agreement shall be governed by the laws and statutes of the State of Alaska. The venue of any suit hereunder may be in the Superior Court for the First Judicial District, Juneau, Alaska.

**Article 24. Ownership of Project/Capital Facilities**

The Department makes no claim to any capital facilities or real property improved or constructed with funds under this Grant Agreement and, by this grant of funds, does not and will not acquire any ownership interest or title to such property of the Grantee. The Grantee shall assume all liabilities arising from the ownership and operation of the project and agrees to hold the Department and the State of Alaska harmless from any and all causes of action arising from the ownership and operation of the project.

**Article 25. Site Control**

If the grant project involves the occupancy and use of real property, the Grantee assures that it has the legal right to occupy and use such real property for the purposes of the grant, and further that there is legal access to such property.

As a minimum requirement, the Grantee should obtain a "sufficient interest" that allows the Grantee the right to use and occupy the site for the expected useful life of the building, structure or other improvement. Generally, the interest obtained should be for at least 20 years. A sufficient interest depends upon the nature of the project and the land status of the site.

**Article 26. Insurance**

The Grantee is responsible for obtaining any necessary liability insurance and maintain in force at all times during the performance of this Grant Agreement the insurance policies identified below. All insurance policies shall comply with, and be issued by insurers licensed to transact the business of insurance under Alaska Statute AS 21. The Grantee shall require any contractor hired to work on the project be licensed, bonded and insured for at least the amount of the project and if appropriate provide and maintain Professional Liability Insurance.

- A. Workers' Compensation Insurance for all employees engaged in work under this Grant Agreement, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements.
- B. Commercial General Liability Insurance covering all business premises and operations used by the Grantee in the performance of this project and Grant Agreement with coverage limits not less than \$300,000 combined single limit per occurrence and annual aggregates where applicable.
- C. Comprehensive Automobile Liability Insurance covering all vehicles used by the Grantee in the performance of this project and Grant Agreement with coverage limits not less than \$100,000 per person/\$300,000 per occurrence bodily injury and \$50,000.00 property damage.



- D. Professional Liability Insurance covering all errors, omissions or negligent acts of the contractor, subcontractor or anyone directly or indirectly employed by them, made in the performance of this contract which result in financial loss to the State. Limits required are per the following schedule:

<b>Contract Amount</b>	<b>Minimum Required Limits</b>
Under \$100,000	\$100,000 per occurrence/annual aggregate

**Article 27. Subcontracts for Engineering Services**

In the event that the Grantee subcontracts for engineering services, the Grantee will require that the engineering firm certify that it is authorized to do business in the State of Alaska. In the event that the engineering firm is also the project administrator, the Grantee shall require that the bond or insurance shall be for not less than the amount of the entire project.

**Article 28. Governing law**

This Grant Agreement is governed by the laws of the State of Alaska. The Grantee shall perform all aspects of this project in compliance with the appropriate laws and regulations. It is the responsibility of the Grantee to ensure that all permits required for the construction and operation of this project by the Federal, State, or Local governments have been obtained.

**Article 29. Budget Flexibility**

Notwithstanding the provisions of Article 11, Attachment C, the Grantee may revise the project budget in Attachment A without a formal amendment to this agreement. Such revisions are limited within each line item to a maximum of ten percent (10%) of the line item or \$10,000, whichever is less, over the entire term of this agreement. Such budget revisions shall be limited to changes to existing budget line items. Budget revisions may not be used to increase any budget item for project administrative expenses. Changes to the budget beyond the limits authorized by this provision may only be made by a formal amendment to this agreement.

**Article 30. Equal Employment Opportunity (EEO)**

The Grantee may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood. The Grantee shall post in a conspicuous place, available to employees and applicants for employment, a notice setting out the provisions of this paragraph.

The Grantee shall state, in all solicitations or advertisements for employees to work on state funded projects, that it is an equal opportunity employer (EEO) and that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood.

The Grantee shall include the provisions of this EEO article in every contract relating to this Grant Agreement and shall require the inclusion of these provisions in every agreement entered into by any of its contractors, so that those provisions will be binding upon each contractor or subcontractor.

**Article 31. Public Purposes**

The Grantee agrees that the project to which this Grant Agreement relates shall be dedicated to public purposes for its useful life. The benefits of the project shall be made available without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood.

If the Grantee is a non-municipal entity and if monies appropriated under this grant constitute the sole or principal funding source for the acquisition of equipment or facilities, the Grantee agrees that in the event a municipal corporation is formed which possesses the power and jurisdiction to provide for such equipment or facilities, the Grantee shall offer, without compensation, to transfer ownership of such equipment or facilities to the municipal corporation.

If the Grantee is a non-profit corporation that dissolves, the assets and liabilities from the grant project are to be distributed according to statutory law, AS 10.20.290-10.20.452.

**Article 32. Operation and Maintenance**

Throughout the life of the project, the Grantee shall be responsible for the operation and maintenance of any facility, equipment, or other items acquired under this grant.

**Article 33. Assurance**

The Grantee shall spend monies awarded under this grant only for the purposes specified in this Grant Agreement.

**Article 34. Current Prevailing Rates of Wage**

Certain grant projects are constrained by the provisions of AS 36. PUBLIC CONTRACTS. To the extent that such provisions apply to the project which is the subject of this Grant Agreement, the Grantee shall pay the current prevailing rates of wage to employees as required by AS 36.05.010. The Grantee also shall require any contractor to pay the current prevailing rates of wage as required by AS 36.05.010.

**Article 35. Severability**

If any provision under this Grant Agreement or its application to any person or circumstance is held invalid by any court of rightful jurisdiction, this invalidity does not affect other provisions of the contract agreement which can be given effect without the invalid provision.

**Article 36. Performance**

The Department's failure to insist upon the strict performance of any provision of the Grant Agreement or to exercise any right based upon breach thereof or the acceptance of any performance during such breach shall not constitute a waiver of any rights under this Grant Agreement.

**Article 37. Sovereign Immunity**

If the Grantee is an entity which possesses sovereign immunity, it is a requirement of this grant that the Grantee irrevocably waive its sovereign immunity with respect to state enforcement of this Grant Agreement. The waiver of sovereign immunity, effected by resolution of the entity's governing body, is herein incorporated into this Grant Agreement.

**Article 38. Audit Requirements**

The grantee must comply with the audit requirements of the Alaska Administrative Code set forth in **2AAC45.010. AUDIT REQUIREMENTS**. An entity that expends a cumulative or total, equal to the state single audit threshold during the fiscal year is required to have a state single audit. A copy of the most current **2AAC45.010** adopted regulations is available at the Alaska Department of Administration's State Single Audit website: <http://doa.alaska.gov/dof/ssa/index.html>.

Current audit compliance supplements and guides specific to programs under AS 37.05.315 Grants to Municipalities, AS 37.05.316 Grants to Named Recipients, and AS 37.05.317 Grants to Unincorporated Communities can be found at <http://doa.alaska.gov/dof/ssa/2014auditsuppl.html#dept08>

**Article 39. Close-Out**

The Department will advise the Grantee to initiate close-out procedures when the Department determines, in consultation with the Grantee, that there are no impediments to close-out and that the following criteria have been met or soon will be met:

- A. All costs to be paid with grant funds have been incurred with the exception of close-out costs and any unsettled third-party claims against the Grantee. Costs are incurred when goods and services are received or contract work is performed.

- B. The last required performance report has been submitted. The Grantee's failure to submit a report will not preclude the Department from effecting close-out if it is deemed to be in the State's interest. Any excess grant amount that may be in the Grantee's possession shall be returned by the Grantee in the event of the Grantee's failure to finish or update the report.
- C. Other responsibilities of the Grantee under this Grant Agreement and any close-out agreement and applicable laws and regulations appear to have been carried out satisfactorily or there is no further State interest in keeping the grant open for the purpose of securing performance.

**Article 40. Americans with Disabilities Act**

The Americans with Disabilities Act (ADA) prohibits discrimination against persons with disabilities. Title I of the ADA prohibits discrimination against persons with disabilities in employment and provides that a reasonable accommodation be provided for applicants and employees. Title II of the Act prohibits public agencies from discriminating against individuals with disabilities in the provision of services, programs, or activities. Reasonable accommodation must be made to ensure or allow access to all services, programs, or activities. This section of the Act includes physical access to public facilities and requires that public entities must, if necessary, make modifications to their facilities to remove physical barriers to ensure access by persons with disabilities. All new construction must also be accessible to persons with disabilities. A public entity's subgrantees or contractors must also comply with the ADA provisions. Grantees are responsible for assuring their compliance with the ADA.

## **Appendix A**

### **State Laws and Regulations and Permits**

Grantees are responsible for all applicable state laws, regulations and permits; including but not limited to the following list which most commonly affects Grantees.

#### **Municipality Public Facility Operations and Maintenance—AS 37.05.315(c)**

In accepting a grant under AS 37.05.315 for construction of a public facility, a municipality covenants with the State that it will operate and maintain the facility for the practical life of the facility and that the municipality will not look to the State to operate or maintain the facility or pay for its operation or maintenance. This requirement does not apply to a grant for repair or improvement of an existing facility operated or maintained by the State at the time the grant is accepted if the repair or improvement for which the grant is made will not substantially increase the operating or maintenance costs to the State.

#### **Restriction on Use—AS 37.05.321**

A grant or earnings from a grant under AS 37.05.315 - 37.05.317 may not be used for the purpose of influencing legislative action. In this section “influencing legislative action” means promoting, advocating, supporting, modifying, opposing, or delaying or seeking to do the same with respect to any legislative action but does not include the provision or use of information, statistics, studies, or analyses in written or oral form or format. A grant or earnings from a grant made under AS 37.05.315 - 37.05.317 may not be used for purposes of travel in connection with influencing legislative action unless pursuant to a specific request from a legislator or legislative committee.

#### **Hiring Preferences—AS 36.10**

This chapter of the Alaska Statutes applies to grants for public works projects and requires compliance with the hiring preferences under AS 36.10.150 – 36.10.175 for employment generated by the grant.

#### **Historic Preservation Act—AS 41.35**

This chapter of the Alaska Statutes applies to public construction of any nature undertaken by the State, or by a governmental agency of the State, or by a private person under contract with or licensed by the State or a governmental agency of the State. The Department of Natural Resources must be notified if the construction is planned for an archaeological site. The Department of Natural Resources may stop the construction to determine the extent of the historic, prehistoric, or archaeological values.

#### **Fire Protection—AS 18.70**

This chapter of the Alaska Statutes requires the Alaska Department of Public Safety (the State Fire Marshal) to adopt regulations (currently in the form of Uniform Fire Code, as amended) establishing minimum standards for:

1. Fire detection and suppression equipment;
2. Fire and life safety criteria in commercial, industrial, business, institutional, or other public buildings used for residential purposes containing four or more dwelling units;
3. Any activity in which combustible or explosive materials are stored or handled in commercial quantities;
4. Conditions or activities carried on outside a building described in (2) or (3) likely to cause injury to persons or property.

#### **Procurement Preference for State Agricultural and Fisheries Products—AS 29.71.040**

This chapter of the Alaska Statutes applies to municipalities that use state funds to purchase agricultural and fisheries products. The law requires:

1. When agricultural products are purchased, only such products harvested in the state shall be purchased whenever priced no more than seven percent above products harvested outside the state, and of like quality compared with agricultural products harvested outside the state.
2. When fisheries products are purchased, only fisheries products harvested or processed within the jurisdiction of the state shall be purchased whenever priced no more than seven percent above products harvested or processed outside

the jurisdiction of the state, available, and of like quality compared with fisheries products harvested or processed outside the jurisdiction of the state.

### **Alaska Product Preferences—AS 36.15**

This chapter of the Alaska Statutes applies to projects financed by state money in which the use of timber, lumber, and manufactured lumber products is required, only timber, lumber and manufactured lumber projects originating in this state from local forests shall be used wherever practicable. The law requires the insertion of this clause in calls for bids and in all contracts awarded.

### **Permits and Environmental Procedures**

The Alaska Department of Environmental Conservation (ADEC) regulates all activities in Alaska that might pollute the air, water or soil. There are dozens of ADEC permits related to constructing and operating public buildings. The law requires the following permits, including others designated by the commissioner. The following list is not intended to be all-inclusive.

- Air Emissions Permit
- Anadromous Fish Protection Permit
- Authorization for Tidelands Transportation
- Brine or Other Salt Water Waste Disposal Permit
- Burning Permit during Fire Season
- Coal Development Permit
- Critical Habitat Area Permit
- Dam Construction Permit
- Driveway Permit
- Encroachment Permit
- Miscellaneous State Land Use Permit
- Mineral and Geothermal Prospecting Permits
- Occupied Tide and Submerged Land
- Open Burning Permit
- Permit for Use of Timber or Materials
- Permit to Appropriate Water
- Pesticides Permit
- Preferred Use Permit
- Right-of-Way and Easement Permits
- Solid Waste Disposal
- Special Land Use Permit
- State Game Refuge Land Permit
- State Park Incompatible Use Permit
- Surface Oiling Permit
- Surface Use Permit
- Tide and Submerged Lands Prospecting Permit
- Tidelands Permit
- Tidelands Right-of-Way or Easement Permit
- Utility Permit
- Waste Water Disposal Permit
- Water Well Permit





DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT  
DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

Designated Legislative Grant Program  
Grant Agreement

Grant Agreement Number <b>15-DC-115</b>	Vendor Number CNP84676	Amount of State Funds <b>\$72,000.00</b>	
Encumbrance Number/AR/Lapse Date / 10014 / 06/30/2019		Project Title <b>Public Works Skid Steer Loader</b>	
<b>Grantee</b>		<b>Department Contact Person</b>	
Name City of North Pole		Name Caitlin Frye	
Street/PO Box 125 Snowman Lane		Title Grant Administrator I	
City/State/Zip North Pole, Alaska 99705		Street/PO Box 211 Cushman Street	
Contact Person Bryce Ward, Mayor		City/State/Zip Fairbanks, Alaska 99701	
Phone (907) 488-2281	Fax (907) 488-3002	Phone (907) 451-2717	Fax (907) 451-2742
Email bryce.ward@northpolealaska.org		Email caitlin.frye@alaska.gov	

**AGREEMENT**

The Alaska Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs (hereinafter 'Department') and the **City of North Pole** (hereinafter 'Grantee') agree as set forth herein.

**Section I.** The Department shall pay the Grantee for the performance of the project work under the terms outlined in this Agreement. The amount of the payment is based upon project expenses incurred, which are authorized under this Agreement. In no event shall the payment exceed **\$72,000.00**.

**Section II.** The Grantee shall perform all of the work required by this Agreement.

**Section III.** The work to be performed under this Agreement begins **July 1, 2014** and shall be completed no later than **June 30, 2019**.

**Section IV.** The Agreement consists of this page and the following:

ATTACHMENTS

- Attachment A: Scope of Work
1. Project Description
  2. Project Budget
  3. Project Management
  4. Reporting
- Attachment B: Payment Method
- Attachment C: Standard Provisions

AMENDMENTS

Any fully executed amendments to this Agreement

APPENDIX

Appendix A: State Laws and Regulations

<b>Grantee</b>	<b>Department</b>
Signature	Signature
Printed Name and Title Bryce Ward, Mayor	Printed Name and Title Pauletta Bourne, Grants Administrator III
Date	Date

Reviewed by: \_\_\_\_\_

## Attachment A Scope of Work

### 1. Project Description

The purpose of this FY 2015 Designated Legislative Grant in the amount of \$72,000.00 [pursuant to the provisions of AS 37.05.315, Grants to Municipalities, SLA 2014, SB 119, Chapter 18, Section 1, Page 14, and Line 29] is to provide funding to the City of North Pole for use towards Public Works Skid Steer Loader. The objective of this project is to purchase a skid steer loader or equivalent equipment and attachments.

This project may include, but is not limited to:

- Skid steer loader or equivalent equipment
- Attachments including snow plow blades, snow blower, street sweeper, sweeper brushes, and loader forks
- Shipping and freight
- Administration

No more than five percent (5%) of the total grant award may be reimbursed for Administrative expenses for projects involving equipment purchase or repairs and no more than ten percent (10%) of the total grant award may be reimbursed for Administrative expenses for all other projects. To be reimbursed for eligible administrative costs, expenses must be reported on the Designated Legislative Grant Financial/Progress Report form.

### 2. Project Budget

Cost Category	Grant Funds
Project Funds	\$68,400.00
Administration	\$3,600.00
<b>Total Grant Funds</b>	<b>\$72,000.00</b>

### 3. Project Management

This project will be managed by the Grantee.

Signatory authority for execution of the Grant Agreement and subsequent amendments is granted to the chief administrator. For grants appropriated to a municipality, the mayor is the chief administrator unless the municipality operates a managerial form of government; then the city manager/administrator acts as the chief administrator. For named recipients and unincorporated communities, the executive director or highest ranking official will act as chief administrator.

The chief administrator may delegate authority for executing the Grant Agreement and amendments to others within the Grantee's organization via the Signatory Authority Form. The chief administrator also designates financial and performance progress reporting authority via the Signatory Authority Form. Such delegation is limited to others within the Grantee's organization unless otherwise approved by the Department.

The Grantee must establish and maintain separate accounting for the use of this Grant. The use of Grant funds in any manner contrary to the terms and conditions of this Grant Agreement may result in the subsequent



revocation of the Grant and any balance of funds under the Grant. It may also result in the Grantee being required to return such amounts to the State.

If applicable under state law, grantees must be registered and in good standing with the Department of Commerce, Community and Economic Development's Division of Corporations, Business and Professional Licensing.

#### **4. Reporting**

The Grantee shall submit a Designated Legislative Grant Financial/Progress Report Form provided by the Department each month, or quarterly, with the concurrence of the Department, during the life of the Grant Agreement. Grant Financial/Progress Report Forms are due thirty (30) days after the end of the month or quarter being reported. The report period is the first of the month through the last day of the month. If quarterly reporting is approved, the report period is the first day of the first month through the last day of the third month of the quarter. The final Financial/Progress Reports must be submitted within thirty (30) days following completion of the project.

## **Attachment B**

### **Payment Method**

#### **1. Reimbursement Payment**

Upon receiving and approving a Grantee's Financial/Progress Report, the Department will reimburse the Grantee for expenditures paid during the reporting period, in accordance with this Grant Agreement. The Department will not reimburse without approved Financial/Progress Reports, prepared and submitted by the Grantee on the form provided by the Department. Before approving the financial/progress report for payment, the Department may require the Grantee to submit documentation of the costs reported (e.g., copies of vendor billings/invoices and proof of payment, general ledger expenditure report).

#### **2. Advance Payment**

In most instances, the Department will make payment to a Grantee on a cost reimbursable basis. If cost reimbursement significantly inhibits the Grantee's ability to implement the project, the Department may advance to the Grantee an amount not to exceed a projected thirty (30) day cash need, or twenty percent (20%) of the amount in Section I, whichever is less.

Before the Department will issue an advance, the Grantee must submit a "Request for Advance Payment" form along with documentation of costs associated with the advance. The "Request for Advance Payment" form can be obtained from the Department electronically or in hard copy.

All advances will be recovered with the Grantee's next Financial/Progress Report form. Should earned payments during the terms of this Grant Agreement be insufficient to recover the full amount of the advance, the Grantee will repay the unrecovered amount to the Department when requested to do so by the Department, or at termination of the Grant Agreement.

#### **3. Withholding of Ten Percent (10%)**

The Department may withhold ten percent (10%) of the amount in Section I until the Department determines that the Grantee has satisfactorily completed the terms of this Grant Agreement, including all required reporting of the project.

## **Attachment C**

### **Standard Provisions**

#### **Article 1. Definition**

"Department" refers to the Department of Commerce, Community, and Economic Development with the State of Alaska.

#### **Article 2. Indemnification**

It is understood and agreed that this Grant Agreement is solely for the benefit of the parties to the Grant Agreement and gives no right to any other party. No joint venture or partnership is formed as a result of the Grant Agreement.

The Grantee, its successors and assigns, will protect, save, and hold harmless the Department and the State of Alaska and their authorized agents and employees, from all claims, actions, costs, damages, or expenses of any nature whatsoever by reason of the acts or omissions of the Grantee, its subcontractors, assigns, agents, contractors, licenses, invitees, employees, or any person whomever arising out of or in connection with any acts or activities authorized by this Grant Agreement. The Grantee further agrees to defend the Department and the State of Alaska and their authorized agents and employees in any litigation, including payment of any costs or attorney's fees for any claims or actions commenced thereon arising out of or in connection with acts or activities authorized by this Grant Agreement. This obligation shall not include such claims, costs, damages, or expenses which may be caused by the sole negligence of the Department of the State of Alaska or their authorized agents or employees, provided, that if the claims or damages are caused by or result from the concurrent negligence of (a) the Department and the State of Alaska and their agents or employees, and (b) the Grantee, its agents or employees, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Grantee, or Grantee's agents or employees.

#### **Article 3. Legal Authority**

The Grantee certifies that it possesses legal authority to accept grant funds under the State of Alaska and to execute the project described in this Grant Agreement by signing the Grant Agreement document. The Grantee's relation to the Department and the State of Alaska shall be at all times as an independent Grantee.

#### **Article 4. Waivers**

No conditions or provisions of this Grant Agreement can be waived unless approved by the Department in writing. The Department's failure to insist upon strict performance of any provision of the Grant Agreement, or to exercise any right based upon a breach thereof, or the acceptance of any performance during such a breach, shall not constitute a waiver of any right under this Grant Agreement.

#### **Article 5. Access to Records**

The Department and duly authorized officials of the State of Alaska shall have full access and the right to examine, excerpt, or transcribe any pertinent documents, papers, records, and books of the Grantee, and of persons or organizations with which the Grantee may contract, involving transactions related to the project and this Grant Agreement.

#### **Article 6. Reports**

The Grantee, at such times and in such forms as the Department may require, shall furnish the Department with such periodic reports as it may request pertaining to the activities undertaken pursuant to this Grant Agreement, including the final close-out report, the costs and obligations incurred in connection therewith, and any other matters covered by this Grant Agreement.

**Article 7. Retention of Records**

The Grantee shall retain financial and other records relating to the performance of this Grant Agreement for a period of six years from the date when the final financial status report is submitted to the Department, or until final resolution of any audit findings, claims, or litigation related to the grant.

**Article 8. Assignability**

The Grantee shall not assign any interest in this Grant Agreement and shall not transfer any interest in the same (whether by assignment or novation).

**Article 9. Financial Management and Accounting**

The Grantee shall establish and maintain a financial management and accounting system that conforms to generally accepted accounting principles.

**Article 10. Program Income**

Program income earned during the award period shall be retained by the Grantee and added to the funds committed to the award and used for the purpose and under the conditions applicable to the use of award funds.

**Article 11. Amendments and Modifications**

The Grantee or the Department may request an amendment or modification of this Grant Agreement. However, such amendment or modification shall not take effect until approved, in writing, by the Department and the Grantee.

**Article 12. Recordkeeping**

The Grantee agrees to keep such records as the Department may require. Such records will include information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays and income. They will also include information pertaining to project performance and efforts to comply with the provisions of the Grant Agreement.

**Article 13. Obligations Regarding Third-Party Relationships**

None of the Work specified in this Grant Agreement shall be contracted by the Grantee without prior approval of the Department. No permission for subcontracting shall create, between the Department or the State of Alaska and the subcontractor, any contract or any relationship.

The Grantee shall remain fully obligated under the provisions of this Grant Agreement notwithstanding its designation of any third party or parties of the undertaking of all or any part of the project described herein. Any subcontractor that is not the Grantee shall be required by the Grantee to comply with all the provisions of this Grant Agreement.

The Grantee shall bind all subcontractors to each and every applicable Grant Agreement provision. Each subcontract for work to be performed with funds granted under this Grant Agreement shall specifically include a provision that the Department and the State of Alaska are not liable for damages or claims from damages arising from any subcontractor's performance or activities under the terms of the subcontracts.

**Article 14. Conflict of Interest**

No officer or employee of the Department; no member, officer, or employee of the Grantee or its designees or agents; no member of the governing body of the jurisdiction in which the project is undertaken or located; and no other official of such locality or localities who exercises any functions or responsibilities with respect to the project during his or her tenure, shall have any personal or pecuniary gain or interest, direct or indirect, in any contract, subcontract, or the proceeds thereof, for work to be performed in connection with the project assisted under this Grant Agreement.

The Grantee shall incorporate, or cause to incorporate, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this provision.

**Article 15. Political Activity**

No portion of the funds provided hereinunder shall be used for any partisan political activity or to further the election or defeat of any candidate for public office or influence the approval or defeat of any ballot issue.

**Article 16. Notices**

The Grantee shall comply with all public notices or notices to individuals required by applicable state and federal laws and shall maintain a record of this compliance.

**Article 17. Prohibition Against Payment of Bonus or Commission**

The assistance provided under this Grant Agreement shall not be used in payment of any bonus or commission for the purpose of obtaining approval or concurrence under this contract provided, however, that reasonable fees of bona fide technical consultant, managerial, or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as project costs.

**Article 18. Termination by Mutual Agreement**

This Grant Agreement may be terminated, in whole or in part, prior to the completion of contract project activities when both parties agree that continuation is not feasible or would not produce beneficial results commensurate with the further expenditure of funds. The Department will determine whether an environmental review of the cancellation is required under State and/or Federal law. The parties must agree on the termination conditions, including effective date and the portion to be terminated. The Grantee shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The Department shall make funds available to the Grantee to pay for allowable expenses incurred before the effective date of termination.

**Article 19. Termination for Cause**

If the Grantee fails to comply with the terms of this Grant Agreement, or fails to use the grant for only those purposes set forth herein, the Department may take the following actions:

- A. Suspension – After notice in writing by certified mail to the Grantee, suspend the grant and withhold any further payment or prohibit the Grantee from incurring additional obligations of grant funds, pending corrective action by the Grantee or a decision to terminate. Response must be received within fifteen (15) days of receipt of the written notice.
- B. Termination – Terminate the grant in whole or in part, at any time before the final grant payment is made. The Department shall promptly notify the Grantee in writing of its determination to terminate, the reason for such termination, and the effective date of the termination. Payments made to the Grantee or recoveries by the Department shall be in accordance with the legal rights and liabilities of the parties.

**Article 20. Withdrawal of Funds**

In the event funding from the state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Grant Agreement and prior to normal completion, the Department may terminate the agreement, reduce funding, or re-negotiate subject to those new funding limitations and conditions. A termination under this article shall be implemented under the same conditions as a termination under Article 19 of this Attachment.

**Article 21. Recovery of Funds**

In the event of a default or violation of the terms of the Grant Agreement by the Grantee, the Department may institute actions to recover all or part of the project funds paid to the Grantee. Repayment by the Grantee of grant funds under this recovery provision shall occur within thirty (30) days of demand.

All remedies conferred on the Department by this agreement or any other instrument or agreement are cumulative, not exclusive, and may be exercised concurrently or consecutively at the Department's option.

**Article 22. Disputes**

Except as otherwise provided in this agreement, any dispute concerning a question of fact arising under this agreement that is not disposed of by mutual agreement shall be decided by the Department, which shall reduce its decision to writing and mail, or otherwise furnish a copy thereof, to the Grantee. The decision of the Department shall be final and conclusive.

This "Disputes" clause does not preclude the consideration of questions of law in connection with the decision provided for in the preceding paragraph provided that nothing in the Grant Agreement shall be construed as making final the decisions of any administrative official, representative, or board on a question of law.

**Article 23. Jurisdiction**

This Grant Agreement shall be governed by the laws and statutes of the State of Alaska. The venue of any suit hereunder may be in the Superior Court for the First Judicial District, Juneau, Alaska.

**Article 24. Ownership of Project/Capital Facilities**

The Department makes no claim to any capital facilities or real property improved or constructed with funds under this Grant Agreement and, by this grant of funds, does not and will not acquire any ownership interest or title to such property of the Grantee. The Grantee shall assume all liabilities arising from the ownership and operation of the project and agrees to hold the Department and the State of Alaska harmless from any and all causes of action arising from the ownership and operation of the project.

**Article 25. Site Control**

If the grant project involves the occupancy and use of real property, the Grantee assures that it has the legal right to occupy and use such real property for the purposes of the grant, and further that there is legal access to such property.

As a minimum requirement, the Grantee should obtain a "sufficient interest" that allows the Grantee the right to use and occupy the site for the expected useful life of the building, structure or other improvement. Generally, the interest obtained should be for at least 20 years. A sufficient interest depends upon the nature of the project and the land status of the site.

**Article 26. Insurance**

The Grantee is responsible for obtaining any necessary liability insurance and maintain in force at all times during the performance of this Grant Agreement the insurance policies identified below. All insurance policies shall comply with, and be issued by insurers licensed to transact the business of insurance under Alaska Statute AS 21. The Grantee shall require any contractor hired to work on the project be licensed, bonded and insured for at least the amount of the project and if appropriate provide and maintain Professional Liability Insurance.

- A. Workers' Compensation Insurance for all employees engaged in work under this Grant Agreement, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements.
- B. Commercial General Liability Insurance covering all business premises and operations used by the Grantee in the performance of this project and Grant Agreement with coverage limits not less than \$300,000 combined single limit per occurrence and annual aggregates where applicable.
- C. Comprehensive Automobile Liability Insurance covering all vehicles used by the Grantee in the performance of this project and Grant Agreement with coverage limits not less than \$100,000 per person/\$300,000 per occurrence bodily injury and \$50,000.00 property damage.

- D. Professional Liability Insurance covering all errors, omissions or negligent acts of the contractor, subcontractor or anyone directly or indirectly employed by them, made in the performance of this contract which result in financial loss to the State. Limits required are per the following schedule:

<b>Contract Amount</b>	<b>Minimum Required Limits</b>
Under \$100,000	\$100,000 per occurrence/annual aggregate

**Article 27. Subcontracts for Engineering Services**

In the event that the Grantee subcontracts for engineering services, the Grantee will require that the engineering firm certify that it is authorized to do business in the State of Alaska. In the event that the engineering firm is also the project administrator, the Grantee shall require that the bond or insurance shall be for not less than the amount of the entire project.

**Article 28. Governing law**

This Grant Agreement is governed by the laws of the State of Alaska. The Grantee shall perform all aspects of this project in compliance with the appropriate laws and regulations. It is the responsibility of the Grantee to ensure that all permits required for the construction and operation of this project by the Federal, State, or Local governments have been obtained.

**Article 29. Budget Flexibility**

Notwithstanding the provisions of Article 11, Attachment C, the Grantee may revise the project budget in Attachment A without a formal amendment to this agreement. Such revisions are limited within each line item to a maximum of ten percent (10%) of the line item or \$10,000, whichever is less, over the entire term of this agreement. Such budget revisions shall be limited to changes to existing budget line items. Budget revisions may not be used to increase any budget item for project administrative expenses. Changes to the budget beyond the limits authorized by this provision may only be made by a formal amendment to this agreement.

**Article 30. Equal Employment Opportunity (EEO)**

The Grantee may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood. The Grantee shall post in a conspicuous place, available to employees and applicants for employment, a notice setting out the provisions of this paragraph.

The Grantee shall state, in all solicitations or advertisements for employees to work on state funded projects, that it is an equal opportunity employer (EEO) and that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood.

The Grantee shall include the provisions of this EEO article in every contract relating to this Grant Agreement and shall require the inclusion of these provisions in every agreement entered into by any of its contractors, so that those provisions will be binding upon each contractor or subcontractor.

**Article 31. Public Purposes**

The Grantee agrees that the project to which this Grant Agreement relates shall be dedicated to public purposes for its useful life. The benefits of the project shall be made available without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood.

If the Grantee is a non-municipal entity and if monies appropriated under this grant constitute the sole or principal funding source for the acquisition of equipment or facilities, the Grantee agrees that in the event a municipal corporation is formed which possesses the power and jurisdiction to provide for such equipment or facilities, the Grantee shall offer, without compensation, to transfer ownership of such equipment or facilities to the municipal corporation.

If the Grantee is a non-profit corporation that dissolves, the assets and liabilities from the grant project are to be distributed according to statutory law, AS 10.20.290-10.20.452.

**Article 32. Operation and Maintenance**

Throughout the life of the project, the Grantee shall be responsible for the operation and maintenance of any facility, equipment, or other items acquired under this grant.

**Article 33. Assurance**

The Grantee shall spend monies awarded under this grant only for the purposes specified in this Grant Agreement.

**Article 34. Current Prevailing Rates of Wage**

Certain grant projects are constrained by the provisions of AS 36. PUBLIC CONTRACTS. To the extent that such provisions apply to the project which is the subject of this Grant Agreement, the Grantee shall pay the current prevailing rates of wage to employees as required by AS 36.05.010. The Grantee also shall require any contractor to pay the current prevailing rates of wage as required by AS 36.05.010.

**Article 35. Severability**

If any provision under this Grant Agreement or its application to any person or circumstance is held invalid by any court of rightful jurisdiction, this invalidity does not affect other provisions of the contract agreement which can be given effect without the invalid provision.

**Article 36. Performance**

The Department's failure to insist upon the strict performance of any provision of the Grant Agreement or to exercise any right based upon breach thereof or the acceptance of any performance during such breach shall not constitute a waiver of any rights under this Grant Agreement.

**Article 37. Sovereign Immunity**

If the Grantee is an entity which possesses sovereign immunity, it is a requirement of this grant that the Grantee irrevocably waive its sovereign immunity with respect to state enforcement of this Grant Agreement. The waiver of sovereign immunity, effected by resolution of the entity's governing body, is herein incorporated into this Grant Agreement.

**Article 38. Audit Requirements**

The grantee must comply with the audit requirements of the Alaska Administrative Code set forth in **2AAC45.010. AUDIT REQUIREMENTS**. An entity that expends a cumulative or total, equal to the state single audit threshold during the fiscal year is required to have a state single audit. A copy of the most current **2AAC45.010** adopted regulations is available at the Alaska Department of Administration's State Single Audit website: <http://doa.alaska.gov/dof/ssa/index.html>.

Current audit compliance supplements and guides specific to programs under AS 37.05.315 Grants to Municipalities, AS 37.05.316 Grants to Named Recipients, and AS 37.05.317 Grants to Unincorporated Communities can be found at <http://doa.alaska.gov/dof/ssa/2014auditsuppl.html#dept08>

**Article 39. Close-Out**

The Department will advise the Grantee to initiate close-out procedures when the Department determines, in consultation with the Grantee, that there are no impediments to close-out and that the following criteria have been met or soon will be met:

- A. All costs to be paid with grant funds have been incurred with the exception of close-out costs and any unsettled third-party claims against the Grantee. Costs are incurred when goods and services are received or contract work is performed.



- B. The last required performance report has been submitted. The Grantee's failure to submit a report will not preclude the Department from effecting close-out if it is deemed to be in the State's interest. Any excess grant amount that may be in the Grantee's possession shall be returned by the Grantee in the event of the Grantee's failure to finish or update the report.
- C. Other responsibilities of the Grantee under this Grant Agreement and any close-out agreement and applicable laws and regulations appear to have been carried out satisfactorily or there is no further State interest in keeping the grant open for the purpose of securing performance.

**Article 40. Americans with Disabilities Act**

The Americans with Disabilities Act (ADA) prohibits discrimination against persons with disabilities. Title I of the ADA prohibits discrimination against persons with disabilities in employment and provides that a reasonable accommodation be provided for applicants and employees. Title II of the Act prohibits public agencies from discriminating against individuals with disabilities in the provision of services, programs, or activities. Reasonable accommodation must be made to ensure or allow access to all services, programs, or activities. This section of the Act includes physical access to public facilities and requires that public entities must, if necessary, make modifications to their facilities to remove physical barriers to ensure access by persons with disabilities. All new construction must also be accessible to persons with disabilities. A public entity's subgrantees or contractors must also comply with the ADA provisions. Grantees are responsible for assuring their compliance with the ADA.

## **Appendix A**

### **State Laws and Regulations and Permits**

Grantees are responsible for all applicable state laws, regulations and permits; including but not limited to the following list which most commonly affects Grantees.

#### **Municipality Public Facility Operations and Maintenance—AS 37.05.315(c)**

In accepting a grant under AS 37.05.315 for construction of a public facility, a municipality covenants with the State that it will operate and maintain the facility for the practical life of the facility and that the municipality will not look to the State to operate or maintain the facility or pay for its operation or maintenance. This requirement does not apply to a grant for repair or improvement of an existing facility operated or maintained by the State at the time the grant is accepted if the repair or improvement for which the grant is made will not substantially increase the operating or maintenance costs to the State.

#### **Restriction on Use—AS 37.05.321**

A grant or earnings from a grant under AS 37.05.315 - 37.05.317 may not be used for the purpose of influencing legislative action. In this section "influencing legislative action" means promoting, advocating, supporting, modifying, opposing, or delaying or seeking to do the same with respect to any legislative action but does not include the provision or use of information, statistics, studies, or analyses in written or oral form or format. A grant or earnings from a grant made under AS 37.05.315 - 37.05.317 may not be used for purposes of travel in connection with influencing legislative action unless pursuant to a specific request from a legislator or legislative committee.

#### **Hiring Preferences—AS 36.10**

This chapter of the Alaska Statutes applies to grants for public works projects and requires compliance with the hiring preferences under AS 36.10.150 – 36.10.175 for employment generated by the grant.

#### **Historic Preservation Act—AS 41.35**

This chapter of the Alaska Statutes applies to public construction of any nature undertaken by the State, or by a governmental agency of the State, or by a private person under contract with or licensed by the State or a governmental agency of the State. The Department of Natural Resources must be notified if the construction is planned for an archaeological site. The Department of Natural Resources may stop the construction to determine the extent of the historic, prehistoric, or archaeological values.

#### **Fire Protection—AS 18.70**

This chapter of the Alaska Statutes requires the Alaska Department of Public Safety (the State Fire Marshal) to adopt regulations (currently in the form of Uniform Fire Code, as amended) establishing minimum standards for:

1. Fire detection and suppression equipment;
2. Fire and life safety criteria in commercial, industrial, business, institutional, or other public buildings used for residential purposes containing four or more dwelling units;
3. Any activity in which combustible or explosive materials are stored or handled in commercial quantities;
4. Conditions or activities carried on outside a building described in (2) or (3) likely to cause injury to persons or property.

#### **Procurement Preference for State Agricultural and Fisheries Products—AS 29.71.040**

This chapter of the Alaska Statutes applies to municipalities that use state funds to purchase agricultural and fisheries products. The law requires:

1. When agricultural products are purchased, only such products harvested in the state shall be purchased whenever priced no more than seven percent above products harvested outside the state, and of like quality compared with agricultural products harvested outside the state.
2. When fisheries products are purchased, only fisheries products harvested or processed within the jurisdiction of the state shall be purchased whenever priced no more than seven percent above products harvested or processed outside

the jurisdiction of the state, available, and of like quality compared with fisheries products harvested or processed outside the jurisdiction of the state.

### **Alaska Product Preferences—AS 36.15**

This chapter of the Alaska Statutes applies to projects financed by state money in which the use of timber, lumber, and manufactured lumber products is required, only timber, lumber and manufactured lumber projects originating in this state from local forests shall be used wherever practicable. The law requires the insertion of this clause in calls for bids and in all contracts awarded.

### **Permits and Environmental Procedures**

The Alaska Department of Environmental Conservation (ADEC) regulates all activities in Alaska that might pollute the air, water or soil. There are dozens of ADEC permits related to constructing and operating public buildings. The law requires the following permits, including others designated by the commissioner. The following list is not intended to be all-inclusive.

- Air Emissions Permit
- Anadromous Fish Protection Permit
- Authorization for Tidelands Transportation
- Brine or Other Salt Water Waste Disposal Permit
- Burning Permit during Fire Season
- Coal Development Permit
- Critical Habitat Area Permit
- Dam Construction Permit
- Driveway Permit
- Encroachment Permit
- Miscellaneous State Land Use Permit
- Mineral and Geothermal Prospecting Permits
- Occupied Tide and Submerged Land
- Open Burning Permit
- Permit for Use of Timber or Materials
- Permit to Appropriate Water
- Pesticides Permit
- Preferred Use Permit
- Right-of-Way and Easement Permits
- Solid Waste Disposal
- Special Land Use Permit
- State Game Refuge Land Permit
- State Park Incompatible Use Permit
- Surface Oiling Permit
- Surface Use Permit
- Tide and Submerged Lands Prospecting Permit
- Tidelands Permit
- Tidelands Right-of-Way or Easement Permit
- Utility Permit
- Waste Water Disposal Permit
- Water Well Permit





DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT  
DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

Designated Legislative Grant Program  
Grant Agreement

Grant Agreement Number <b>15-DC-116</b>	Vendor Number CNP84676	Amount of State Funds <b>\$300,000.00</b>	
Encumbrance Number/AR/Lapse Date / 10015 / 06/30/2019		Project Title <b>Redesign of City Hall and Police Station</b>	
<b>Grantee</b>		<b>Department Contact Person</b>	
Name City of North Pole		Name Caitlin Frye	
Street/PO Box 125 Snowman Lane		Title Grant Administrator I	
City/State/Zip North Pole, Alaska 99705		Street/PO Box 211 Cushman Street	
Contact Person Bryce Ward, Mayor		City/State/Zip Fairbanks, Alaska 99701	
Phone (907) 488-2281	Fax (907) 488-3002	Phone (907) 451-2717	Fax (907) 451-2742
Email bryce.ward@northpolealaska.org		Email caitlin.frye@alaska.gov	

**AGREEMENT**

The Alaska Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs (hereinafter 'Department') and the **City of North Pole** (hereinafter 'Grantee') agree as set forth herein.

**Section I.** The Department shall pay the Grantee for the performance of the project work under the terms outlined in this Agreement. The amount of the payment is based upon project expenses incurred, which are authorized under this Agreement. In no event shall the payment exceed **\$300,000.00**.

**Section II.** The Grantee shall perform all of the work required by this Agreement.

**Section III.** The work to be performed under this Agreement begins **July 1, 2014** and shall be completed no later than **June 30, 2019**.

**Section IV.** The Agreement consists of this page and the following:

ATTACHMENTS

- Attachment A: Scope of Work
1. Project Description
  2. Project Budget
  3. Project Management
  4. Reporting
- Attachment B: Payment Method
- Attachment C: Standard Provisions

AMENDMENTS

Any fully executed amendments to this Agreement

APPENDIX

Appendix A: State Laws and Regulations

<b>Grantee</b>	<b>Department</b>
Signature	Signature
Printed Name and Title Bryce Ward, Mayor	Printed Name and Title Pauletta Bourne, Grants Administrator III
Date	Date

Reviewed by: \_\_\_\_\_



## Attachment A Scope of Work

### 1. Project Description

The purpose of this FY 2015 Designated Legislative Grant in the amount of \$300,000.00 [pursuant to the provisions of AS 37.05.315, Grants to Municipalities, SLA 2014, SB 119, Chapter 18, Section 1, Page 14, and Line 31] is to provide funding to the City of North Pole for use towards Redesign of City Hall and Police Station. The objective of this project is to develop a complete architectural plan for the redesign of the City Hall and Police Station.

This project may include, but is not limited to:

- Design and engineering services
- Administration

No more than five percent (5%) of the total grant award may be reimbursed for Administrative expenses for projects involving equipment purchase or repairs and no more than ten percent (10%) of the total grant award may be reimbursed for Administrative expenses for all other projects. To be reimbursed for eligible administrative costs, expenses must be reported on the Designated Legislative Grant Financial/Progress Report form.

### 2. Project Budget

Cost Category	Grant Funds
Project Funds	\$270,000.00
Administration	\$30,000.00
<b>Total Grant Funds</b>	<b>\$300,000.00</b>

### 3. Project Management

This project will be managed by the Grantee.

Signatory authority for execution of the Grant Agreement and subsequent amendments is granted to the chief administrator. For grants appropriated to a municipality, the mayor is the chief administrator unless the municipality operates a managerial form of government; then the city manager/administrator acts as the chief administrator. For named recipients and unincorporated communities, the executive director or highest ranking official will act as chief administrator.

The chief administrator may delegate authority for executing the Grant Agreement and amendments to others within the Grantee's organization via the Signatory Authority Form. The chief administrator also designates financial and performance progress reporting authority via the Signatory Authority Form. Such delegation is limited to others within the Grantee's organization unless otherwise approved by the Department.

The Grantee must establish and maintain separate accounting for the use of this Grant. The use of Grant funds in any manner contrary to the terms and conditions of this Grant Agreement may result in the subsequent revocation of the Grant and any balance of funds under the Grant. It may also result in the Grantee being required to return such amounts to the State.





If applicable under state law, grantees must be registered and in good standing with the Department of Commerce, Community and Economic Development's Division of Corporations, Business and Professional Licensing.

#### **4. Reporting**

The Grantee shall submit a Designated Legislative Grant Financial/Progress Report Form provided by the Department each month, or quarterly, with the concurrence of the Department, during the life of the Grant Agreement. Grant Financial/Progress Report Forms are due thirty (30) days after the end of the month or quarter being reported. The report period is the first of the month through the last day of the month. If quarterly reporting is approved, the report period is the first day of the first month through the last day of the third month of the quarter. The final Financial/Progress Reports must be submitted within thirty (30) days following completion of the project.



## **Attachment B**

### **Payment Method**

#### **1. Reimbursement Payment**

Upon receiving and approving a Grantee's Financial/Progress Report, the Department will reimburse the Grantee for expenditures paid during the reporting period, in accordance with this Grant Agreement. The Department will not reimburse without approved Financial/Progress Reports, prepared and submitted by the Grantee on the form provided by the Department. Before approving the financial/progress report for payment, the Department may require the Grantee to submit documentation of the costs reported (e.g., copies of vendor billings/invoices and proof of payment, general ledger expenditure report).

#### **2. Advance Payment**

In most instances, the Department will make payment to a Grantee on a cost reimbursable basis. If cost reimbursement significantly inhibits the Grantee's ability to implement the project, the Department may advance to the Grantee an amount not to exceed a projected thirty (30) day cash need, or twenty percent (20%) of the amount in Section I, whichever is less.

Before the Department will issue an advance, the Grantee must submit a "Request for Advance Payment" form along with documentation of costs associated with the advance. The "Request for Advance Payment" form can be obtained from the Department electronically or in hard copy.

All advances will be recovered with the Grantee's next Financial/Progress Report form. Should earned payments during the terms of this Grant Agreement be insufficient to recover the full amount of the advance, the Grantee will repay the unrecovered amount to the Department when requested to do so by the Department, or at termination of the Grant Agreement.

#### **3. Withholding of Ten Percent (10%)**

The Department may withhold ten percent (10%) of the amount in Section I until the Department determines that the Grantee has satisfactorily completed the terms of this Grant Agreement, including all required reporting of the project.



## **Attachment C**

### **Standard Provisions**

#### **Article 1. Definition**

"Department" refers to the Department of Commerce, Community, and Economic Development with the State of Alaska.

#### **Article 2. Indemnification**

It is understood and agreed that this Grant Agreement is solely for the benefit of the parties to the Grant Agreement and gives no right to any other party. No joint venture or partnership is formed as a result of the Grant Agreement.

The Grantee, its successors and assigns, will protect, save, and hold harmless the Department and the State of Alaska and their authorized agents and employees, from all claims, actions, costs, damages, or expenses of any nature whatsoever by reason of the acts or omissions of the Grantee, its subcontractors, assigns, agents, contractors, licenses, invitees, employees, or any person whomever arising out of or in connection with any acts or activities authorized by this Grant Agreement. The Grantee further agrees to defend the Department and the State of Alaska and their authorized agents and employees in any litigation, including payment of any costs or attorney's fees for any claims or actions commenced thereon arising out of or in connection with acts or activities authorized by this Grant Agreement. This obligation shall not include such claims, costs, damages, or expenses which may be caused by the sole negligence of the Department of the State of Alaska or their authorized agents or employees, provided, that if the claims or damages are caused by or result from the concurrent negligence of (a) the Department and the State of Alaska and their agents or employees, and (b) the Grantee, its agents or employees, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Grantee, or Grantee's agents or employees.

#### **Article 3. Legal Authority**

The Grantee certifies that it possesses legal authority to accept grant funds under the State of Alaska and to execute the project described in this Grant Agreement by signing the Grant Agreement document. The Grantee's relation to the Department and the State of Alaska shall be at all times as an independent Grantee.

#### **Article 4. Waivers**

No conditions or provisions of this Grant Agreement can be waived unless approved by the Department in writing. The Department's failure to insist upon strict performance of any provision of the Grant Agreement, or to exercise any right based upon a breach thereof, or the acceptance of any performance during such a breach, shall not constitute a waiver of any right under this Grant Agreement.

#### **Article 5. Access to Records**

The Department and duly authorized officials of the State of Alaska shall have full access and the right to examine, excerpt, or transcribe any pertinent documents, papers, records, and books of the Grantee, and of persons or organizations with which the Grantee may contract, involving transactions related to the project and this Grant Agreement.

#### **Article 6. Reports**

The Grantee, at such times and in such forms as the Department may require, shall furnish the Department with such periodic reports as it may request pertaining to the activities undertaken pursuant to this Grant Agreement, including the final close-out report, the costs and obligations incurred in connection therewith, and any other matters covered by this Grant Agreement.



**Article 7. Retention of Records**

The Grantee shall retain financial and other records relating to the performance of this Grant Agreement for a period of six years from the date when the final financial status report is submitted to the Department, or until final resolution of any audit findings, claims, or litigation related to the grant.

**Article 8. Assignability**

The Grantee shall not assign any interest in this Grant Agreement and shall not transfer any interest in the same (whether by assignment or novation).

**Article 9. Financial Management and Accounting**

The Grantee shall establish and maintain a financial management and accounting system that conforms to generally accepted accounting principles.

**Article 10. Program Income**

Program income earned during the award period shall be retained by the Grantee and added to the funds committed to the award and used for the purpose and under the conditions applicable to the use of award funds.

**Article 11. Amendments and Modifications**

The Grantee or the Department may request an amendment or modification of this Grant Agreement. However, such amendment or modification shall not take effect until approved, in writing, by the Department and the Grantee.

**Article 12. Recordkeeping**

The Grantee agrees to keep such records as the Department may require. Such records will include information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays and income. They will also include information pertaining to project performance and efforts to comply with the provisions of the Grant Agreement.

**Article 13. Obligations Regarding Third-Party Relationships**

None of the Work specified in this Grant Agreement shall be contracted by the Grantee without prior approval of the Department. No permission for subcontracting shall create, between the Department or the State of Alaska and the subcontractor, any contract or any relationship.

The Grantee shall remain fully obligated under the provisions of this Grant Agreement notwithstanding its designation of any third party or parties of the undertaking of all or any part of the project described herein. Any subcontractor that is not the Grantee shall be required by the Grantee to comply with all the provisions of this Grant Agreement.

The Grantee shall bind all subcontractors to each and every applicable Grant Agreement provision. Each subcontract for work to be performed with funds granted under this Grant Agreement shall specifically include a provision that the Department and the State of Alaska are not liable for damages or claims from damages arising from any subcontractor's performance or activities under the terms of the subcontracts.

**Article 14. Conflict of Interest**

No officer or employee of the Department; no member, officer, or employee of the Grantee or its designees or agents; no member of the governing body of the jurisdiction in which the project is undertaken or located; and no other official of such locality or localities who exercises any functions or responsibilities with respect to the project during his or her tenure, shall have any personal or pecuniary gain or interest, direct or indirect, in any contract, subcontract, or the proceeds thereof, for work to be performed in connection with the project assisted under this Grant Agreement.





The Grantee shall incorporate, or cause to incorporate, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this provision.

**Article 15. Political Activity**

No portion of the funds provided hereinunder shall be used for any partisan political activity or to further the election or defeat of any candidate for public office or influence the approval or defeat of any ballot issue.

**Article 16. Notices**

The Grantee shall comply with all public notices or notices to individuals required by applicable state and federal laws and shall maintain a record of this compliance.

**Article 17. Prohibition Against Payment of Bonus or Commission**

The assistance provided under this Grant Agreement shall not be used in payment of any bonus or commission for the purpose of obtaining approval or concurrence under this contract provided, however, that reasonable fees of bona fide technical consultant, managerial, or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as project costs.

**Article 18. Termination by Mutual Agreement**

This Grant Agreement may be terminated, in whole or in part, prior to the completion of contract project activities when both parties agree that continuation is not feasible or would not produce beneficial results commensurate with the further expenditure of funds. The Department will determine whether an environmental review of the cancellation is required under State and/or Federal law. The parties must agree on the termination conditions, including effective date and the portion to be terminated. The Grantee shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The Department shall make funds available to the Grantee to pay for allowable expenses incurred before the effective date of termination.

**Article 19. Termination for Cause**

If the Grantee fails to comply with the terms of this Grant Agreement, or fails to use the grant for only those purposes set forth herein, the Department may take the following actions:

- A. Suspension – After notice in writing by certified mail to the Grantee, suspend the grant and withhold any further payment or prohibit the Grantee from incurring additional obligations of grant funds, pending corrective action by the Grantee or a decision to terminate. Response must be received within fifteen (15) days of receipt of the written notice.
- B. Termination – Terminate the grant in whole or in part, at any time before the final grant payment is made. The Department shall promptly notify the Grantee in writing of its determination to terminate, the reason for such termination, and the effective date of the termination. Payments made to the Grantee or recoveries by the Department shall be in accordance with the legal rights and liabilities of the parties.

**Article 20. Withdrawal of Funds**

In the event funding from the state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Grant Agreement and prior to normal completion, the Department may terminate the agreement, reduce funding, or re-negotiate subject to those new funding limitations and conditions. A termination under this article shall be implemented under the same conditions as a termination under Article 19 of this Attachment.

**Article 21. Recovery of Funds**

In the event of a default or violation of the terms of the Grant Agreement by the Grantee, the Department may institute actions to recover all or part of the project funds paid to the Grantee. Repayment by the Grantee of grant funds under this recovery provision shall occur within thirty (30) days of demand.



All remedies conferred on the Department by this agreement or any other instrument or agreement are cumulative, not exclusive, and may be exercised concurrently or consecutively at the Department's option.

**Article 22. Disputes**

Except as otherwise provided in this agreement, any dispute concerning a question of fact arising under this agreement that is not disposed of by mutual agreement shall be decided by the Department, which shall reduce its decision to writing and mail, or otherwise furnish a copy thereof, to the Grantee. The decision of the Department shall be final and conclusive.

This "Disputes" clause does not preclude the consideration of questions of law in connection with the decision provided for in the preceding paragraph provided that nothing in the Grant Agreement shall be construed as making final the decisions of any administrative official, representative, or board on a question of law.

**Article 23. Jurisdiction**

This Grant Agreement shall be governed by the laws and statutes of the State of Alaska. The venue of any suit hereunder may be in the Superior Court for the First Judicial District, Juneau, Alaska.

**Article 24. Ownership of Project/Capital Facilities**

The Department makes no claim to any capital facilities or real property improved or constructed with funds under this Grant Agreement and, by this grant of funds, does not and will not acquire any ownership interest or title to such property of the Grantee. The Grantee shall assume all liabilities arising from the ownership and operation of the project and agrees to hold the Department and the State of Alaska harmless from any and all causes of action arising from the ownership and operation of the project.

**Article 25. Site Control**

If the grant project involves the occupancy and use of real property, the Grantee assures that it has the legal right to occupy and use such real property for the purposes of the grant, and further that there is legal access to such property.

As a minimum requirement, the Grantee should obtain a "sufficient interest" that allows the Grantee the right to use and occupy the site for the expected useful life of the building, structure or other improvement. Generally, the interest obtained should be for at least 20 years. A sufficient interest depends upon the nature of the project and the land status of the site.

**Article 26. Insurance**

The Grantee is responsible for obtaining any necessary liability insurance and maintain in force at all times during the performance of this Grant Agreement the insurance policies identified below. All insurance policies shall comply with, and be issued by insurers licensed to transact the business of insurance under Alaska Statute AS 21. The Grantee shall require any contractor hired to work on the project be licensed, bonded and insured for at least the amount of the project and if appropriate provide and maintain Professional Liability Insurance.

- A. Workers' Compensation Insurance for all employees engaged in work under this Grant Agreement, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements.
- B. Commercial General Liability Insurance covering all business premises and operations used by the Grantee in the performance of this project and Grant Agreement with coverage limits not less than \$300,000 combined single limit per occurrence and annual aggregates where applicable.
- C. Comprehensive Automobile Liability Insurance covering all vehicles used by the Grantee in the performance of this project and Grant Agreement with coverage limits not less than \$100,000 per person/\$300,000 per occurrence bodily injury and \$50,000.00 property damage.



- D. Professional Liability Insurance covering all errors, omissions or negligent acts of the contractor, subcontractor or anyone directly or indirectly employed by them, made in the performance of this contract which result in financial loss to the State. Limits required are per the following schedule:

<b>Contract Amount</b>	<b>Minimum Required Limits</b>
Under \$100,000	\$100,000 per occurrence/annual aggregate

**Article 27. Subcontracts for Engineering Services**

In the event that the Grantee subcontracts for engineering services, the Grantee will require that the engineering firm certify that it is authorized to do business in the State of Alaska. In the event that the engineering firm is also the project administrator, the Grantee shall require that the bond or insurance shall be for not less than the amount of the entire project.

**Article 28. Governing law**

This Grant Agreement is governed by the laws of the State of Alaska. The Grantee shall perform all aspects of this project in compliance with the appropriate laws and regulations. It is the responsibility of the Grantee to ensure that all permits required for the construction and operation of this project by the Federal, State, or Local governments have been obtained.

**Article 29. Budget Flexibility**

Notwithstanding the provisions of Article 11, Attachment C, the Grantee may revise the project budget in Attachment A without a formal amendment to this agreement. Such revisions are limited within each line item to a maximum of ten percent (10%) of the line item or \$10,000, whichever is less, over the entire term of this agreement. Such budget revisions shall be limited to changes to existing budget line items. Budget revisions may not be used to increase any budget item for project administrative expenses. Changes to the budget beyond the limits authorized by this provision may only be made by a formal amendment to this agreement.

**Article 30. Equal Employment Opportunity (EEO)**

The Grantee may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood. The Grantee shall post in a conspicuous place, available to employees and applicants for employment, a notice setting out the provisions of this paragraph.

The Grantee shall state, in all solicitations or advertisements for employees to work on state funded projects, that it is an equal opportunity employer (EEO) and that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood.

The Grantee shall include the provisions of this EEO article in every contract relating to this Grant Agreement and shall require the inclusion of these provisions in every agreement entered into by any of its contractors, so that those provisions will be binding upon each contractor or subcontractor.

**Article 31. Public Purposes**

The Grantee agrees that the project to which this Grant Agreement relates shall be dedicated to public purposes for its useful life. The benefits of the project shall be made available without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood.

If the Grantee is a non-municipal entity and if monies appropriated under this grant constitute the sole or principal funding source for the acquisition of equipment or facilities, the Grantee agrees that in the event a municipal corporation is formed which possesses the power and jurisdiction to provide for such equipment or facilities, the Grantee shall offer, without compensation, to transfer ownership of such equipment or facilities to the municipal corporation.



If the Grantee is a non-profit corporation that dissolves, the assets and liabilities from the grant project are to be distributed according to statutory law, AS 10.20.290-10.20.452.

**Article 32. Operation and Maintenance**

Throughout the life of the project, the Grantee shall be responsible for the operation and maintenance of any facility, equipment, or other items acquired under this grant.

**Article 33. Assurance**

The Grantee shall spend monies awarded under this grant only for the purposes specified in this Grant Agreement.

**Article 34. Current Prevailing Rates of Wage**

Certain grant projects are constrained by the provisions of AS 36. PUBLIC CONTRACTS. To the extent that such provisions apply to the project which is the subject of this Grant Agreement, the Grantee shall pay the current prevailing rates of wage to employees as required by AS 36.05.010. The Grantee also shall require any contractor to pay the current prevailing rates of wage as required by AS 36.05.010.

**Article 35. Severability**

If any provision under this Grant Agreement or its application to any person or circumstance is held invalid by any court of rightful jurisdiction, this invalidity does not affect other provisions of the contract agreement which can be given effect without the invalid provision.

**Article 36. Performance**

The Department's failure to insist upon the strict performance of any provision of the Grant Agreement or to exercise any right based upon breach thereof or the acceptance of any performance during such breach shall not constitute a waiver of any rights under this Grant Agreement.

**Article 37. Sovereign Immunity**

If the Grantee is an entity which possesses sovereign immunity, it is a requirement of this grant that the Grantee irrevocably waive its sovereign immunity with respect to state enforcement of this Grant Agreement. The waiver of sovereign immunity, effected by resolution of the entity's governing body, is herein incorporated into this Grant Agreement.

**Article 38. Audit Requirements**

The grantee must comply with the audit requirements of the Alaska Administrative Code set forth in **2AAC45.010. AUDIT REQUIREMENTS**. An entity that expends a cumulative or total, equal to the state single audit threshold during the fiscal year is required to have a state single audit. A copy of the most current **2AAC45.010** adopted regulations is available at the Alaska Department of Administration's State Single Audit website: <http://doa.alaska.gov/dof/ssa/index.html>.

Current audit compliance supplements and guides specific to programs under AS 37.05.315 Grants to Municipalities, AS 37.05.316 Grants to Named Recipients, and AS 37.05.317 Grants to Unincorporated Communities can be found at <http://doa.alaska.gov/dof/ssa/2014auditsuppl.html#dept08>

**Article 39. Close-Out**

The Department will advise the Grantee to initiate close-out procedures when the Department determines, in consultation with the Grantee, that there are no impediments to close-out and that the following criteria have been met or soon will be met:

- A. All costs to be paid with grant funds have been incurred with the exception of close-out costs and any unsettled third-party claims against the Grantee. Costs are incurred when goods and services are received or contract work is performed.





- B. The last required performance report has been submitted. The Grantee's failure to submit a report will not preclude the Department from effecting close-out if it is deemed to be in the State's interest. Any excess grant amount that may be in the Grantee's possession shall be returned by the Grantee in the event of the Grantee's failure to finish or update the report.
- C. Other responsibilities of the Grantee under this Grant Agreement and any close-out agreement and applicable laws and regulations appear to have been carried out satisfactorily or there is no further State interest in keeping the grant open for the purpose of securing performance.

**Article 40. Americans with Disabilities Act**

The Americans with Disabilities Act (ADA) prohibits discrimination against persons with disabilities. Title I of the ADA prohibits discrimination against persons with disabilities in employment and provides that a reasonable accommodation be provided for applicants and employees. Title II of the Act prohibits public agencies from discriminating against individuals with disabilities in the provision of services, programs, or activities. Reasonable accommodation must be made to ensure or allow access to all services, programs, or activities. This section of the Act includes physical access to public facilities and requires that public entities must, if necessary, make modifications to their facilities to remove physical barriers to ensure access by persons with disabilities. All new construction must also be accessible to persons with disabilities. A public entity's subgrantees or contractors must also comply with the ADA provisions. Grantees are responsible for assuring their compliance with the ADA.



## **Appendix A**

### **State Laws and Regulations and Permits**

Grantees are responsible for all applicable state laws, regulations and permits; including but not limited to the following list which most commonly affects Grantees.

#### **Municipality Public Facility Operations and Maintenance—AS 37.05.315(c)**

In accepting a grant under AS 37.05.315 for construction of a public facility, a municipality covenants with the State that it will operate and maintain the facility for the practical life of the facility and that the municipality will not look to the State to operate or maintain the facility or pay for its operation or maintenance. This requirement does not apply to a grant for repair or improvement of an existing facility operated or maintained by the State at the time the grant is accepted if the repair or improvement for which the grant is made will not substantially increase the operating or maintenance costs to the State.

#### **Restriction on Use—AS 37.05.321**

A grant or earnings from a grant under AS 37.05.315 - 37.05.317 may not be used for the purpose of influencing legislative action. In this section "influencing legislative action" means promoting, advocating, supporting, modifying, opposing, or delaying or seeking to do the same with respect to any legislative action but does not include the provision or use of information, statistics, studies, or analyses in written or oral form or format. A grant or earnings from a grant made under AS 37.05.315 - 37.05.317 may not be used for purposes of travel in connection with influencing legislative action unless pursuant to a specific request from a legislator or legislative committee.

#### **Hiring Preferences—AS 36.10**

This chapter of the Alaska Statutes applies to grants for public works projects and requires compliance with the hiring preferences under AS 36.10.150 - 36.10.175 for employment generated by the grant.

#### **Historic Preservation Act—AS 41.35**

This chapter of the Alaska Statutes applies to public construction of any nature undertaken by the State, or by a governmental agency of the State, or by a private person under contract with or licensed by the State or a governmental agency of the State. The Department of Natural Resources must be notified if the construction is planned for an archaeological site. The Department of Natural Resources may stop the construction to determine the extent of the historic, prehistoric, or archaeological values.

#### **Fire Protection—AS 18.70**

This chapter of the Alaska Statutes requires the Alaska Department of Public Safety (the State Fire Marshal) to adopt regulations (currently in the form of Uniform Fire Code, as amended) establishing minimum standards for:

1. Fire detection and suppression equipment;
2. Fire and life safety criteria in commercial, industrial, business, institutional, or other public buildings used for residential purposes containing four or more dwelling units;
3. Any activity in which combustible or explosive materials are stored or handled in commercial quantities;
4. Conditions or activities carried on outside a building described in (2) or (3) likely to cause injury to persons or property.

#### **Procurement Preference for State Agricultural and Fisheries Products—AS 29.71.040**

This chapter of the Alaska Statutes applies to municipalities that use state funds to purchase agricultural and fisheries products. The law requires:

1. When agricultural products are purchased, only such products harvested in the state shall be purchased whenever priced no more than seven percent above products harvested outside the state, and of like quality compared with agricultural products harvested outside the state.
2. When fisheries products are purchased, only fisheries products harvested or processed within the jurisdiction of the state shall be purchased whenever priced no more than seven percent above products harvested or processed outside



the jurisdiction of the state, available, and of like quality compared with fisheries products harvested or processed outside the jurisdiction of the state.

### **Alaska Product Preferences—AS 36.15**

This chapter of the Alaska Statutes applies to projects financed by state money in which the use of timber, lumber, and manufactured lumber products is required, only timber, lumber and manufactured lumber projects originating in this state from local forests shall be used wherever practicable. The law requires the insertion of this clause in calls for bids and in all contracts awarded.

### **Permits and Environmental Procedures**

The Alaska Department of Environmental Conservation (ADEC) regulates all activities in Alaska that might pollute the air, water or soil. There are dozens of ADEC permits related to constructing and operating public buildings. The law requires the following permits, including others designated by the commissioner. The following list is not intended to be all-inclusive.

- Air Emissions Permit
- Anadromous Fish Protection Permit
- Authorization for Tidelands Transportation
- Brine or Other Salt Water Waste Disposal Permit
- Burning Permit during Fire Season
- Coal Development Permit
- Critical Habitat Area Permit
- Dam Construction Permit
- Driveway Permit
- Encroachment Permit
- Miscellaneous State Land Use Permit
- Mineral and Geothermal Prospecting Permits
- Occupied Tide and Submerged Land
- Open Burning Permit
- Permit for Use of Timber or Materials
- Permit to Appropriate Water
- Pesticides Permit
- Preferred Use Permit
- Right-of-Way and Easement Permits
- Solid Waste Disposal
- Special Land Use Permit
- State Game Refuge Land Permit
- State Park Incompatible Use Permit
- Surface Oiling Permit
- Surface Use Permit
- Tide and Submerged Lands Prospecting Permit
- Tidelands Permit
- Tidelands Right-of-Way or Easement Permit
- Utility Permit
- Waste Water Disposal Permit
- Water Well Permit





DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT  
DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

Designated Legislative Grant Program  
Grant Agreement

Grant Agreement Number <b>15-DC-117</b>	Vendor Number CNP84676	Amount of State Funds <b>\$71,000.00</b>	
Encumbrance Number/AR/Lapse Date / 10016 / 06/30/2019		Project Title <b>Strategic Community Plan</b>	
<b>Grantee</b>		<b>Department Contact Person</b>	
Name City of North Pole		Name Caitlin Fryc	
Street/PO Box 125 Snowman Lane		Title Grant Administrator I	
City/State/Zip North Pole, Alaska 99705		Street/PO Box 211 Cushman Street	
Contact Person Bryce Ward, Mayor		City/State/Zip Fairbanks, Alaska 99701	
Phone (907) 488-2281	Fax (907) 488-3002	Phone (907) 451-2717	Fax (907) 451-2742
Email bryce.ward@northpolealaska.org		Email caitlin.fryc@alaska.gov	

**AGREEMENT**

The Alaska Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs (hereinafter 'Department') and the **City of North Pole** (hereinafter 'Grantee') agree as set forth herein.

**Section I.** The Department shall pay the Grantee for the performance of the project work under the terms outlined in this Agreement. The amount of the payment is based upon project expenses incurred, which are authorized under this Agreement. In no event shall the payment exceed **\$71,000.00**.

**Section II.** The Grantee shall perform all of the work required by this Agreement.

**Section III.** The work to be performed under this Agreement begins **July 1, 2014** and shall be completed no later than **June 30, 2019**.

**Section IV.** The Agreement consists of this page and the following:

**ATTACHMENTS**

- Attachment A: Scope of Work
1. Project Description
  2. Project Budget
  3. Project Management
  4. Reporting
- Attachment B: Payment Method
- Attachment C: Standard Provisions

**AMENDMENTS**

Any fully executed amendments to this Agreement

**APPENDIX**

Appendix A: State Laws and Regulations

<b>Grantee</b>	<b>Department</b>
Signature	Signature
Printed Name and Title Bryce Ward, Mayor	Printed Name and Title Pauletta Bourne, Grants Administrator III
Date	Date

Reviewed by: \_\_\_\_\_

## Attachment A Scope of Work

### 1. Project Description

The purpose of this FY 2015 Designated Legislative Grant in the amount of \$71,000.00 [pursuant to the provisions of AS 37.05.315, Grants to Municipalities, SLA 2014, SB 119, Chapter 18, Section 1, Page 14, and Line 33] is to provide funding to the City of North Pole for use towards Strategic Community Plan. The objective of this project is to engage in a community-wide strategic planning initiative to identify goals for the development of the City of North Pole.

This project may include, but is not limited to:

- Contractual third-party facilitator services
- Marketing and promotion
- Administration

No more than five percent (5%) of the total grant award may be reimbursed for Administrative expenses for projects involving equipment purchase or repairs and no more than ten percent (10%) of the total grant award may be reimbursed for Administrative expenses for all other projects. To be reimbursed for eligible administrative costs, expenses must be reported on the Designated Legislative Grant Financial/Progress Report form.

### 2. Project Budget

Cost Category	Grant Funds
Project Funds	\$63,900.00
Administration	\$7,100.00
<b>Total Grant Funds</b>	<b>\$71,000.00</b>

### 3. Project Management

This project will be managed by the Grantee.

Signatory authority for execution of the Grant Agreement and subsequent amendments is granted to the chief administrator. For grants appropriated to a municipality, the mayor is the chief administrator unless the municipality operates a managerial form of government; then the city manager/administrator acts as the chief administrator. For named recipients and unincorporated communities, the executive director or highest ranking official will act as chief administrator.

The chief administrator may delegate authority for executing the Grant Agreement and amendments to others within the Grantee's organization via the Signatory Authority Form. The chief administrator also designates financial and performance progress reporting authority via the Signatory Authority Form. Such delegation is limited to others within the Grantee's organization unless otherwise approved by the Department.

The Grantee must establish and maintain separate accounting for the use of this Grant. The use of Grant funds in any manner contrary to the terms and conditions of this Grant Agreement may result in the subsequent



revocation of the Grant and any balance of funds under the Grant. It may also result in the Grantee being required to return such amounts to the State.

If applicable under state law, grantees must be registered and in good standing with the Department of Commerce, Community and Economic Development's Division of Corporations, Business and Professional Licensing.

#### **4. Reporting**

The Grantee shall submit a Designated Legislative Grant Financial/Progress Report Form provided by the Department each month, or quarterly, with the concurrence of the Department, during the life of the Grant Agreement. Grant Financial/Progress Report Forms are due thirty (30) days after the end of the month or quarter being reported. The report period is the first of the month through the last day of the month. If quarterly reporting is approved, the report period is the first day of the first month through the last day of the third month of the quarter. The final Financial/Progress Reports must be submitted within thirty (30) days following completion of the project.

## **Attachment B**

### **Payment Method**

#### **1. Reimbursement Payment**

Upon receiving and approving a Grantee's Financial/Progress Report, the Department will reimburse the Grantee for expenditures paid during the reporting period, in accordance with this Grant Agreement. The Department will not reimburse without approved Financial/Progress Reports, prepared and submitted by the Grantee on the form provided by the Department. Before approving the financial/progress report for payment, the Department may require the Grantee to submit documentation of the costs reported (e.g., copies of vendor billings/invoices and proof of payment, general ledger expenditure report).

#### **2. Advance Payment**

In most instances, the Department will make payment to a Grantee on a cost reimbursable basis. If cost reimbursement significantly inhibits the Grantee's ability to implement the project, the Department may advance to the Grantee an amount not to exceed a projected thirty (30) day cash need, or twenty percent (20%) of the amount in Section I, whichever is less.

Before the Department will issue an advance, the Grantee must submit a "Request for Advance Payment" form along with documentation of costs associated with the advance. The "Request for Advance Payment" form can be obtained from the Department electronically or in hard copy.

All advances will be recovered with the Grantee's next Financial/Progress Report form. Should earned payments during the terms of this Grant Agreement be insufficient to recover the full amount of the advance, the Grantee will repay the unrecovered amount to the Department when requested to do so by the Department, or at termination of the Grant Agreement.

#### **3. Withholding of Ten Percent (10%)**

The Department may withhold ten percent (10%) of the amount in Section I until the Department determines that the Grantee has satisfactorily completed the terms of this Grant Agreement, including all required reporting of the project.

## **Attachment C**

### **Standard Provisions**

#### **Article 1. Definition**

"Department" refers to the Department of Commerce, Community, and Economic Development with the State of Alaska.

#### **Article 2. Indemnification**

It is understood and agreed that this Grant Agreement is solely for the benefit of the parties to the Grant Agreement and gives no right to any other party. No joint venture or partnership is formed as a result of the Grant Agreement.

The Grantee, its successors and assigns, will protect, save, and hold harmless the Department and the State of Alaska and their authorized agents and employees, from all claims, actions, costs, damages, or expenses of any nature whatsoever by reason of the acts or omissions of the Grantee, its subcontractors, assigns, agents, contractors, licenses, invitees, employees, or any person whomever arising out of or in connection with any acts or activities authorized by this Grant Agreement. The Grantee further agrees to defend the Department and the State of Alaska and their authorized agents and employees in any litigation, including payment of any costs or attorney's fees for any claims or actions commenced thereon arising out of or in connection with acts or activities authorized by this Grant Agreement. This obligation shall not include such claims, costs, damages, or expenses which may be caused by the sole negligence of the Department of the State of Alaska or their authorized agents or employees, provided, that if the claims or damages are caused by or result from the concurrent negligence of (a) the Department and the State of Alaska and their agents or employees, and (b) the Grantee, its agents or employees, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Grantee, or Grantee's agents or employees.

#### **Article 3. Legal Authority**

The Grantee certifies that it possesses legal authority to accept grant funds under the State of Alaska and to execute the project described in this Grant Agreement by signing the Grant Agreement document. The Grantee's relation to the Department and the State of Alaska shall be at all times as an independent Grantee.

#### **Article 4. Waivers**

No conditions or provisions of this Grant Agreement can be waived unless approved by the Department in writing. The Department's failure to insist upon strict performance of any provision of the Grant Agreement, or to exercise any right based upon a breach thereof, or the acceptance of any performance during such a breach, shall not constitute a waiver of any right under this Grant Agreement.

#### **Article 5. Access to Records**

The Department and duly authorized officials of the State of Alaska shall have full access and the right to examine, excerpt, or transcribe any pertinent documents, papers, records, and books of the Grantee, and of persons or organizations with which the Grantee may contract, involving transactions related to the project and this Grant Agreement.

#### **Article 6. Reports**

The Grantee, at such times and in such forms as the Department may require, shall furnish the Department with such periodic reports as it may request pertaining to the activities undertaken pursuant to this Grant Agreement, including the final close-out report, the costs and obligations incurred in connection therewith, and any other matters covered by this Grant Agreement.

**Article 7. Retention of Records**

The Grantee shall retain financial and other records relating to the performance of this Grant Agreement for a period of six years from the date when the final financial status report is submitted to the Department, or until final resolution of any audit findings, claims, or litigation related to the grant.

**Article 8. Assignability**

The Grantee shall not assign any interest in this Grant Agreement and shall not transfer any interest in the same (whether by assignment or novation).

**Article 9. Financial Management and Accounting**

The Grantee shall establish and maintain a financial management and accounting system that conforms to generally accepted accounting principles.

**Article 10. Program Income**

Program income earned during the award period shall be retained by the Grantee and added to the funds committed to the award and used for the purpose and under the conditions applicable to the use of award funds.

**Article 11. Amendments and Modifications**

The Grantee or the Department may request an amendment or modification of this Grant Agreement. However, such amendment or modification shall not take effect until approved, in writing, by the Department and the Grantee.

**Article 12. Recordkeeping**

The Grantee agrees to keep such records as the Department may require. Such records will include information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays and income. They will also include information pertaining to project performance and efforts to comply with the provisions of the Grant Agreement.

**Article 13. Obligations Regarding Third-Party Relationships**

None of the Work specified in this Grant Agreement shall be contracted by the Grantee without prior approval of the Department. No permission for subcontracting shall create, between the Department or the State of Alaska and the subcontractor, any contract or any relationship.

The Grantee shall remain fully obligated under the provisions of this Grant Agreement notwithstanding its designation of any third party or parties of the undertaking of all or any part of the project described herein. Any subcontractor that is not the Grantee shall be required by the Grantee to comply with all the provisions of this Grant Agreement.

The Grantee shall bind all subcontractors to each and every applicable Grant Agreement provision. Each subcontract for work to be performed with funds granted under this Grant Agreement shall specifically include a provision that the Department and the State of Alaska are not liable for damages or claims from damages arising from any subcontractor's performance or activities under the terms of the subcontracts.

**Article 14. Conflict of Interest**

No officer or employee of the Department; no member, officer, or employee of the Grantee or its designees or agents; no member of the governing body of the jurisdiction in which the project is undertaken or located; and no other official of such locality or localities who exercises any functions or responsibilities with respect to the project during his or her tenure, shall have any personal or pecuniary gain or interest, direct or indirect, in any contract, subcontract, or the proceeds thereof, for work to be performed in connection with the project assisted under this Grant Agreement.

The Grantee shall incorporate, or cause to incorporate, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this provision.

**Article 15. Political Activity**

No portion of the funds provided hereinunder shall be used for any partisan political activity or to further the election or defeat of any candidate for public office or influence the approval or defeat of any ballot issue.

**Article 16. Notices**

The Grantee shall comply with all public notices or notices to individuals required by applicable state and federal laws and shall maintain a record of this compliance.

**Article 17. Prohibition Against Payment of Bonus or Commission**

The assistance provided under this Grant Agreement shall not be used in payment of any bonus or commission for the purpose of obtaining approval or concurrence under this contract provided, however, that reasonable fees of bona fide technical consultant, managerial, or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as project costs.

**Article 18. Termination by Mutual Agreement**

This Grant Agreement may be terminated, in whole or in part, prior to the completion of contract project activities when both parties agree that continuation is not feasible or would not produce beneficial results commensurate with the further expenditure of funds. The Department will determine whether an environmental review of the cancellation is required under State and/or Federal law. The parties must agree on the termination conditions, including effective date and the portion to be terminated. The Grantee shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The Department shall make funds available to the Grantee to pay for allowable expenses incurred before the effective date of termination.

**Article 19. Termination for Cause**

If the Grantee fails to comply with the terms of this Grant Agreement, or fails to use the grant for only those purposes set forth herein, the Department may take the following actions:

- A. Suspension – After notice in writing by certified mail to the Grantee, suspend the grant and withhold any further payment or prohibit the Grantee from incurring additional obligations of grant funds, pending corrective action by the Grantee or a decision to terminate. Response must be received within fifteen (15) days of receipt of the written notice.
- B. Termination – Terminate the grant in whole or in part, at any time before the final grant payment is made. The Department shall promptly notify the Grantee in writing of its determination to terminate, the reason for such termination, and the effective date of the termination. Payments made to the Grantee or recoveries by the Department shall be in accordance with the legal rights and liabilities of the parties.

**Article 20. Withdrawal of Funds**

In the event funding from the state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Grant Agreement and prior to normal completion, the Department may terminate the agreement, reduce funding, or re-negotiate subject to those new funding limitations and conditions. A termination under this article shall be implemented under the same conditions as a termination under Article 19 of this Attachment.

**Article 21. Recovery of Funds**

In the event of a default or violation of the terms of the Grant Agreement by the Grantee, the Department may institute actions to recover all or part of the project funds paid to the Grantee. Repayment by the Grantee of grant funds under this recovery provision shall occur within thirty (30) days of demand.

All remedies conferred on the Department by this agreement or any other instrument or agreement are cumulative, not exclusive, and may be exercised concurrently or consecutively at the Department's option.

**Article 22. Disputes**

Except as otherwise provided in this agreement, any dispute concerning a question of fact arising under this agreement that is not disposed of by mutual agreement shall be decided by the Department, which shall reduce its decision to writing and mail, or otherwise furnish a copy thereof, to the Grantee. The decision of the Department shall be final and conclusive.

This "Disputes" clause does not preclude the consideration of questions of law in connection with the decision provided for in the preceding paragraph provided that nothing in the Grant Agreement shall be construed as making final the decisions of any administrative official, representative, or board on a question of law.

**Article 23. Jurisdiction**

This Grant Agreement shall be governed by the laws and statutes of the State of Alaska. The venue of any suit hereunder may be in the Superior Court for the First Judicial District, Juneau, Alaska.

**Article 24. Ownership of Project/Capital Facilities**

The Department makes no claim to any capital facilities or real property improved or constructed with funds under this Grant Agreement and, by this grant of funds, does not and will not acquire any ownership interest or title to such property of the Grantee. The Grantee shall assume all liabilities arising from the ownership and operation of the project and agrees to hold the Department and the State of Alaska harmless from any and all causes of action arising from the ownership and operation of the project.

**Article 25. Site Control**

If the grant project involves the occupancy and use of real property, the Grantee assures that it has the legal right to occupy and use such real property for the purposes of the grant, and further that there is legal access to such property.

As a minimum requirement, the Grantee should obtain a "sufficient interest" that allows the Grantee the right to use and occupy the site for the expected useful life of the building, structure or other improvement. Generally, the interest obtained should be for at least 20 years. A sufficient interest depends upon the nature of the project and the land status of the site.

**Article 26. Insurance**

The Grantee is responsible for obtaining any necessary liability insurance and maintain in force at all times during the performance of this Grant Agreement the insurance policies identified below. All insurance policies shall comply with, and be issued by insurers licensed to transact the business of insurance under Alaska Statute AS 21. The Grantee shall require any contractor hired to work on the project be licensed, bonded and insured for at least the amount of the project and if appropriate provide and maintain Professional Liability Insurance.

- A. Workers' Compensation Insurance for all employees engaged in work under this Grant Agreement, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements.
- B. Commercial General Liability Insurance covering all business premises and operations used by the Grantee in the performance of this project and Grant Agreement with coverage limits not less than \$300,000 combined single limit per occurrence and annual aggregates where applicable.
- C. Comprehensive Automobile Liability Insurance covering all vehicles used by the Grantee in the performance of this project and Grant Agreement with coverage limits not less than \$100,000 per person/\$300,000 per occurrence bodily injury and \$50,000.00 property damage.

- D. Professional Liability Insurance covering all errors, omissions or negligent acts of the contractor, subcontractor or anyone directly or indirectly employed by them, made in the performance of this contract which result in financial loss to the State. Limits required are per the following schedule:

<b>Contract Amount</b>	<b>Minimum Required Limits</b>
Under \$100,000	\$100,000 per occurrence/annual aggregate

**Article 27. Subcontracts for Engineering Services**

In the event that the Grantee subcontracts for engineering services, the Grantee will require that the engineering firm certify that it is authorized to do business in the State of Alaska. In the event that the engineering firm is also the project administrator, the Grantee shall require that the bond or insurance shall be for not less than the amount of the entire project.

**Article 28. Governing law**

This Grant Agreement is governed by the laws of the State of Alaska. The Grantee shall perform all aspects of this project in compliance with the appropriate laws and regulations. It is the responsibility of the Grantee to ensure that all permits required for the construction and operation of this project by the Federal, State, or Local governments have been obtained.

**Article 29. Budget Flexibility**

Notwithstanding the provisions of Article 11, Attachment C, the Grantee may revise the project budget in Attachment A without a formal amendment to this agreement. Such revisions are limited within each line item to a maximum of ten percent (10%) of the line item or \$10,000, whichever is less, over the entire term of this agreement. Such budget revisions shall be limited to changes to existing budget line items. Budget revisions may not be used to increase any budget item for project administrative expenses. Changes to the budget beyond the limits authorized by this provision may only be made by a formal amendment to this agreement.

**Article 30. Equal Employment Opportunity (EEO)**

The Grantee may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood. The Grantee shall post in a conspicuous place, available to employees and applicants for employment, a notice setting out the provisions of this paragraph.

The Grantee shall state, in all solicitations or advertisements for employees to work on state funded projects, that it is an equal opportunity employer (EEO) and that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood.

The Grantee shall include the provisions of this EEO article in every contract relating to this Grant Agreement and shall require the inclusion of these provisions in every agreement entered into by any of its contractors, so that those provisions will be binding upon each contractor or subcontractor.

**Article 31. Public Purposes**

The Grantee agrees that the project to which this Grant Agreement relates shall be dedicated to public purposes for its useful life. The benefits of the project shall be made available without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood.

If the Grantee is a non-municipal entity and if monies appropriated under this grant constitute the sole or principal funding source for the acquisition of equipment or facilities, the Grantee agrees that in the event a municipal corporation is formed which possesses the power and jurisdiction to provide for such equipment or facilities, the Grantee shall offer, without compensation, to transfer ownership of such equipment or facilities to the municipal corporation.

If the Grantee is a non-profit corporation that dissolves, the assets and liabilities from the grant project are to be distributed according to statutory law, AS 10.20.290-10.20.452.

**Article 32. Operation and Maintenance**

Throughout the life of the project, the Grantee shall be responsible for the operation and maintenance of any facility, equipment, or other items acquired under this grant.

**Article 33. Assurance**

The Grantee shall spend monies awarded under this grant only for the purposes specified in this Grant Agreement.

**Article 34. Current Prevailing Rates of Wage**

Certain grant projects are constrained by the provisions of AS 36. PUBLIC CONTRACTS. To the extent that such provisions apply to the project which is the subject of this Grant Agreement, the Grantee shall pay the current prevailing rates of wage to employees as required by AS 36.05.010. The Grantee also shall require any contractor to pay the current prevailing rates of wage as required by AS 36.05.010.

**Article 35. Severability**

If any provision under this Grant Agreement or its application to any person or circumstance is held invalid by any court of rightful jurisdiction, this invalidity does not affect other provisions of the contract agreement which can be given effect without the invalid provision.

**Article 36. Performance**

The Department's failure to insist upon the strict performance of any provision of the Grant Agreement or to exercise any right based upon breach thereof or the acceptance of any performance during such breach shall not constitute a waiver of any rights under this Grant Agreement.

**Article 37. Sovereign Immunity**

If the Grantee is an entity which possesses sovereign immunity, it is a requirement of this grant that the Grantee irrevocably waive its sovereign immunity with respect to state enforcement of this Grant Agreement. The waiver of sovereign immunity, effected by resolution of the entity's governing body, is herein incorporated into this Grant Agreement.

**Article 38. Audit Requirements**

The grantee must comply with the audit requirements of the Alaska Administrative Code set forth in **2AAC45.010. AUDIT REQUIREMENTS**. An entity that expends a cumulative or total, equal to the state single audit threshold during the fiscal year is required to have a state single audit. A copy of the most current **2AAC45.010** adopted regulations is available at the Alaska Department of Administration's State Single Audit website: <http://doa.alaska.gov/dof/ssa/index.html>.

Current audit compliance supplements and guides specific to programs under AS 37.05.315 Grants to Municipalities, AS 37.05.316 Grants to Named Recipients, and AS 37.05.317 Grants to Unincorporated Communities can be found at <http://doa.alaska.gov/dof/ssa/2014auditsuppl.html#dept08>

**Article 39. Close-Out**

The Department will advise the Grantee to initiate close-out procedures when the Department determines, in consultation with the Grantee, that there are no impediments to close-out and that the following criteria have been met or soon will be met:

- A. All costs to be paid with grant funds have been incurred with the exception of close-out costs and any unsettled third-party claims against the Grantee. Costs are incurred when goods and services are received or contract work is performed.



- B. The last required performance report has been submitted. The Grantee's failure to submit a report will not preclude the Department from effecting close-out if it is deemed to be in the State's interest. Any excess grant amount that may be in the Grantee's possession shall be returned by the Grantee in the event of the Grantee's failure to finish or update the report.
- C. Other responsibilities of the Grantee under this Grant Agreement and any close-out agreement and applicable laws and regulations appear to have been carried out satisfactorily or there is no further State interest in keeping the grant open for the purpose of securing performance.

**Article 40. Americans with Disabilities Act**

The Americans with Disabilities Act (ADA) prohibits discrimination against persons with disabilities. Title I of the ADA prohibits discrimination against persons with disabilities in employment and provides that a reasonable accommodation be provided for applicants and employees. Title II of the Act prohibits public agencies from discriminating against individuals with disabilities in the provision of services, programs, or activities. Reasonable accommodation must be made to ensure or allow access to all services, programs, or activities. This section of the Act includes physical access to public facilities and requires that public entities must, if necessary, make modifications to their facilities to remove physical barriers to ensure access by persons with disabilities. All new construction must also be accessible to persons with disabilities. A public entity's subgrantees or contractors must also comply with the ADA provisions. Grantees are responsible for assuring their compliance with the ADA.

## **Appendix A**

### **State Laws and Regulations and Permits**

Grantees are responsible for all applicable state laws, regulations and permits; including but not limited to the following list which most commonly affects Grantees.

#### **Municipality Public Facility Operations and Maintenance—AS 37.05.315(c)**

In accepting a grant under AS 37.05.315 for construction of a public facility, a municipality covenants with the State that it will operate and maintain the facility for the practical life of the facility and that the municipality will not look to the State to operate or maintain the facility or pay for its operation or maintenance. This requirement does not apply to a grant for repair or improvement of an existing facility operated or maintained by the State at the time the grant is accepted if the repair or improvement for which the grant is made will not substantially increase the operating or maintenance costs to the State.

#### **Restriction on Use—AS 37.05.321**

A grant or earnings from a grant under AS 37.05.315 - 37.05.317 may not be used for the purpose of influencing legislative action. In this section “influencing legislative action” means promoting, advocating, supporting, modifying, opposing, or delaying or seeking to do the same with respect to any legislative action but does not include the provision or use of information, statistics, studies, or analyses in written or oral form or format. A grant or earnings from a grant made under AS 37.05.315 - 37.05.317 may not be used for purposes of travel in connection with influencing legislative action unless pursuant to a specific request from a legislator or legislative committee.

#### **Hiring Preferences—AS 36.10**

This chapter of the Alaska Statutes applies to grants for public works projects and requires compliance with the hiring preferences under AS 36.10.150 – 36.10.175 for employment generated by the grant.

#### **Historic Preservation Act—AS 41.35**

This chapter of the Alaska Statutes applies to public construction of any nature undertaken by the State, or by a governmental agency of the State, or by a private person under contract with or licensed by the State or a governmental agency of the State. The Department of Natural Resources must be notified if the construction is planned for an archaeological site. The Department of Natural Resources may stop the construction to determine the extent of the historic, prehistoric, or archaeological values.

#### **Fire Protection—AS 18.70**

This chapter of the Alaska Statutes requires the Alaska Department of Public Safety (the State Fire Marshal) to adopt regulations (currently in the form of Uniform Fire Code, as amended) establishing minimum standards for:

1. Fire detection and suppression equipment;
2. Fire and life safety criteria in commercial, industrial, business, institutional, or other public buildings used for residential purposes containing four or more dwelling units;
3. Any activity in which combustible or explosive materials are stored or handled in commercial quantities;
4. Conditions or activities carried on outside a building described in (2) or (3) likely to cause injury to persons or property.

#### **Procurement Preference for State Agricultural and Fisheries Products—AS 29.71.040**

This chapter of the Alaska Statutes applies to municipalities that use state funds to purchase agricultural and fisheries products. The law requires:

1. When agricultural products are purchased, only such products harvested in the state shall be purchased whenever priced no more than seven percent above products harvested outside the state, and of like quality compared with agricultural products harvested outside the state.
2. When fisheries products are purchased, only fisheries products harvested or processed within the jurisdiction of the state shall be purchased whenever priced no more than seven percent above products harvested or processed outside

the jurisdiction of the state, available, and of like quality compared with fisheries products harvested or processed outside the jurisdiction of the state.

#### **Alaska Product Preferences—AS 36.15**

This chapter of the Alaska Statutes applies to projects financed by state money in which the use of timber, lumber, and manufactured lumber products is required, only timber, lumber and manufactured lumber projects originating in this state from local forests shall be used wherever practicable. The law requires the insertion of this clause in calls for bids and in all contracts awarded.

#### **Permits and Environmental Procedures**

The Alaska Department of Environmental Conservation (ADEC) regulates all activities in Alaska that might pollute the air, water or soil. There are dozens of ADEC permits related to constructing and operating public buildings. The law requires the following permits, including others designated by the commissioner. The following list is not intended to be all-inclusive.

- Air Emissions Permit
- Anadromous Fish Protection Permit
- Authorization for Tidelands Transportation
- Brine or Other Salt Water Waste Disposal Permit
- Burning Permit during Fire Season
- Coal Development Permit
- Critical Habitat Area Permit
- Dam Construction Permit
- Driveway Permit
- Encroachment Permit
- Miscellaneous State Land Use Permit
- Mineral and Geothermal Prospecting Permits
- Occupied Tide and Submerged Land
- Open Burning Permit
- Permit for Use of Timber or Materials
- Permit to Appropriate Water
- Pesticides Permit
- Preferred Use Permit
- Right-of-Way and Easement Permits
- Solid Waste Disposal
- Special Land Use Permit
- State Game Refuge Land Permit
- State Park Incompatible Use Permit
- Surface Oiling Permit
- Surface Use Permit
- Tide and Submerged Lands Prospecting Permit
- Tidelands Permit
- Tidelands Right-of-Way or Easement Permit
- Utility Permit
- Waste Water Disposal Permit
- Water Well Permit



THE STATE  
of **ALASKA**  
GOVERNOR SEAN PARNELL

Department of Commerce, Community,  
and Economic Development

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

211 Cushman Street  
Fairbanks, Alaska 99701-4639  
Main: 907.451.2717  
TDD: 907.465.5437  
Fax: 907.451.2742

July 23, 2014

Bryce Ward, Mayor  
City of North Pole  
125 Snowman Lane  
North Pole, AK 99705

**RE: 2015 Designated Legislative Grant Agreements**

Dear Mayor Ward:

Enclosed you will find four grant agreements between the City of North Pole and the Department of Commerce, Community and Economic Development. Listed below are the projects and award amounts:

Grant Number	Project Name	Award Amount
15-DC-114	Mixing Zone Compliance Plan	\$500,000.00
15-DC-115	Public Works Skid Steer Loader	\$72,000.00
15-DC-116	Redesign of City Hall and Police Station	\$300,000.00
15-DC-117	Strategic Community Plan	\$71,000.00

In order to receive grant funds, a grant agreement must be executed for each award. Please carefully review the agreements, sign, date, and return. Faxed or emailed copies will not be accepted. Upon receipt and approval, fully executed copies will be sent to you for your files.

If you have any additional questions, please contact me via phone at (907) 451-2717 or email [caitlin.frye@alaska.gov](mailto:caitlin.frye@alaska.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read "C. Frye".

Caitlin Frye  
Grant Administrator I

Enclosures



# City of North Pole

125 Snowman Lane • North Pole, Alaska 99705 • Tel. 907.488.2281 • Fax 907.488.3002

## Application for Street Excavation and Work within the Public Rights-of-Way and Easements Security Bond Required

See reverse side for Notes and Security requirements

### Official Use Only

Permit # \_\_\_\_\_

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

Official receiving: \_\_\_\_\_

#### 1. Job location (if multiple locations, attach comprehensive list and map indicating excavation locations)

Street address: \_\_\_\_\_

#### 2. Work

##### A. Purpose

- ☐ Natural Gas
- ☐ Electric
- ☐ Telephone
- ☐ Fiber Optic
- ☐ Cable TV
- ☐ Water system extension
- ☐ Sewer system extension
- ☐ Other: \_\_\_\_\_

##### B. Work location(s)

- ☐ Street
- ☐ Driveway
- ☐ Sidewalk
- ☐ City Right-of-Way
- ☐ Alley
- ☐ Private property\*
- ☐ City easement
- ☐ Other: \_\_\_\_\_

##### C. Method of Installation

- ☐ Trench
- ☐ Open Cut
- ☐ Plow
- ☐ Directional Bore
- ☐ Jack & Bore
- ☐ Tunnel
- ☐ Other: \_\_\_\_\_

#### 3. Description of Work and/or Special Circumstances (attach additional sheets if necessary)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

#### 4. Contractor Information

Name: _____		Address (city, state & ZIP) _____
Email: _____		
Phone: _____		
Cell: _____		
Email: _____		
Professional License # _____	State Business License # _____	North Pole Business License # _____

#### 5. Authorized Representative Information (if different than contractor)

Name: _____		Address (city, state & ZIP) _____
Email: _____		
Phone: _____		
Cell: _____		
Email: _____		

\* If work will spillover on to private property, must provide documentation of authorization from private property owner with application.

6. Security Bond: Due before permit is issued or excavation can begin		
Type of Work	Square feet of project	Total
Road, unpaved; \$75/square foot (\$1,000 minimum)	sq. ft.	\$
Road, paved; \$150/square foot (\$5,000 minimum)	sq. ft.	\$
Sidewalk, unpaved: \$25/square foot (\$500 minimum)	sq. ft.	\$
Sidewalk, paved: \$75/square foot (\$2,000 minimum)	sq. ft.	\$
Alley; \$50/square foot (\$1,000 minimum)	sq. ft.	\$
Right-of-Way or Easement: \$50/square foot (\$1,000 minimum)	sq. ft.	\$
Total		\$

7. Schedule: If work will occur over an extended period and/or at multiple locations, attached work schedule that identifies schedule by site	
Proposed date to begin work	
Proposed date work will end	
Proposed date site restoration will be completed	

### Notification

All street excavations and subsequent restoration of a public facility must conform to the appropriate City regulation(s) *Service Line Requirements for Water and Wastewater, Utility Standards of Construction, Design Guidelines for Streets and Drainage, Right-of Way Permit Application and Specifications Manual*, City of North Pole Municipal Code and the Alaska Department of Transportation and Public Facilities highway construction standards and OSHA requirements.

### Storm Water Permits

Private projects disturbing a combined one acre or more must also obtain a Storm Water Permit. Public projects occurring within the City limits that disturb a combined one acre or more must also obtain a Storm Water Permit from the Alaska Department of Environmental Conservation.

### Certification

By signing the permit application below, I hereby certify that I have read and examined this application, the appropriate City regulation(s)--*Service Line Requirements for Water and Wastewater, Utility Standards of Construction, Design Guidelines for Streets and Drainage, Right-of Way Permit Application and Specifications Manual*. In addition, the work to be performed shall meet the requirements of these guidelines and specifications as applicable. Further, I certify that all information provided in the permit application and attachments to the application to be true and correct to the best of my knowledge. All provisions of laws and ordinances governing this type of work will be complied with, whether specified herein or not.

\_\_\_\_\_  
Name of authorized agent (please print)

\_\_\_\_\_  
Signature of authorized agent

\_\_\_\_\_  
Date

125 Snowman Lane  
North Pole, Alaska 99705  
(907) 488-8593  
(907) 488-3002 (fax)  
bill.butler@northpolealaska.org

City of North Pole  
Director of City Services

# Memo

To: North Pole City Council  
From: Bill Butler  
Date: August 28 2014  
Subject: Request to sell a 1994 Ford F150 pickup truck

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In spring 2014, the Utility Department purchased a new pickup truck to replace its aging 1994 Ford F150 pickup truck. The Utility is requesting to sell the 1994 pickup truck. The vehicle has a number of mechanical issues that make the value to the Utility less than the repair cost; e.g., difficulty in starting and operating the vehicle during cold weather and problems with the transmission. Any money earned from the sale will be deposited in the Utility's Fleet Fund.




## **North Pole Fire Department**

**125 Snowman Lane - North Pole, Alaska 99705**

**Phone: 907.488.2232 Fax: 907.488.3747**

**To:** Mayor Ward

**From:** Chief Lane 

**Date:** 8/26/2014

**Re:** New Hires

---

Mayor,

With the departure of Dave Daniell, Dan Kuhnert and Justin Williams and promotions to fill their vacancies, we have three firefighters positions open. We have tested and interviewed a total of six candidates so far. Out of those six we have made conditional job offers to two of them, with a third offer to go out later this week. Because of the age requirement and others not meeting the minimal requirements we are still accepting applications. We received a few more applications and have conducted another test and should have the results to make the third offer in the next couple of days.

I am requesting that I be able to bring in the three new hires at the range six on the firefighter pay scale (\$14.52). As you may remember for the last ten years we have been bringing in the new firefighters at the range six. It is very difficult to hire and keep personnel at the range one (12.52 an hour). Can we please have this placed on the agenda for the next city council meeting? The difference between range one and range six is two dollars and hour.

Please let me know if you have any questions.



August 27, 2014

City of North Pole  
125 Snowman Lane  
North Pole AK 99705

Dear Mayor Ward and City Council Members:

This letter is in regards to Fairbanks Convention and Visitors Bureau (FCVB) requesting the 4<sup>th</sup> Quarter 2013, and 1<sup>st</sup> and 2<sup>nd</sup> Quarter 2014 allotment of the North Pole City bed tax. The total request is for \$1,300.88. Please find attached the Year-to-Date Bed Tax Summary Report for the FNSB region as well as the North Pole specific data. FNSB is still completing their Fiscal Year-End Adjustments so June figures have not been included.

You have been receiving our President and CEO Reports which highlight's our activities but I would like to touch on a few of those items. Japan Airlines (JAL) charters, 10<sup>th</sup> anniversary started with three flights in Winter 2004/05, culminating this year, 2013/14, with 18 winter flights and six summer charter flights. The first summer charter flight is scheduled to arrive August 27th and ending September 18th. The return of the JAL summer charters signifies the start of the "aurora season", which runs from August 21st to April 21st in Interior Alaska. Local tourism industry leaders identified those dates as being the best opportunity for visitors to enjoy the northern lights. Local businesses who specialize in aurora tourism are already reporting strong numbers, with solid bookings through the month of September.

When considered in conjunction with the July 23<sup>rd</sup> article published in the Fairbanks Daily News Miner regarding the 25 percent increase in the fall and winter months, this information gives validity to what we have labeled as the opportunity season. One of Explore Fairbanks long-term strategic priorities has been and still continues to focus efforts on stimulating year round visitor spending. In the attached graph, FNSB including Fairbanks and North Pole City limits shows that since 2008 our efforts including "Ask Me About Winter", Winter Product Familiarization tours and the Winter Tourism Summits have seen noticeable improvements with the Hotel/Motel Tax growing from \$1,171,806 in the 2008 winter season to \$1,674,430 in 2013. These numbers do not include Arctic Winter Games, which happened in the early part of 2014. The 2013 winter season, which consists of January through April and October through December, Hotel/Motel Tax increase of \$502,624 equates to an additional \$6,282,800 of Hotel/Motel Revenue over 2008 within the FNSB which funds are used to pay for employment, services and product used by those hotels.

I would also like to mention that Explore Fairbanks achieved accreditation with Destination Marketing Association International (DMAI) in July. The Destination Marketing Accreditation Program (DMAP) Jack Wart Board Chair said "By applying for and receiving accreditation Explore Fairbanks has demonstrated a commitment to quality programs and services." DMAP accreditation standards cover a wide variety of topics including governance, finance, management, human resources, technology, visitor services, group services, sales, communication, membership, brand management, destination development, research/marketing intelligence, innovation, and stakeholder relationships. "DMAP

accreditation communicates to community stakeholders and potential visitors that Explore Fairbanks has attained a measure of excellence assuring that their trust is well placed and their business is in good hands.” DMAI has over 600 members in 16 countries; the Destination Marketing Organizations that recently received accreditation brought the total of accredited DMO’s to 197. Explore Fairbanks is the first DMO in Alaska to achieve accreditation.

Thank you again for reinvesting Hotel/Motel Tax dollars into destination marketing which has shown a proven ability to help generate revenue for your community members. If there are questions, please contact me at my direct line 459-3774 or at [dmurphy@exploreairbanks.com](mailto:dmurphy@exploreairbanks.com).

Sincerely,

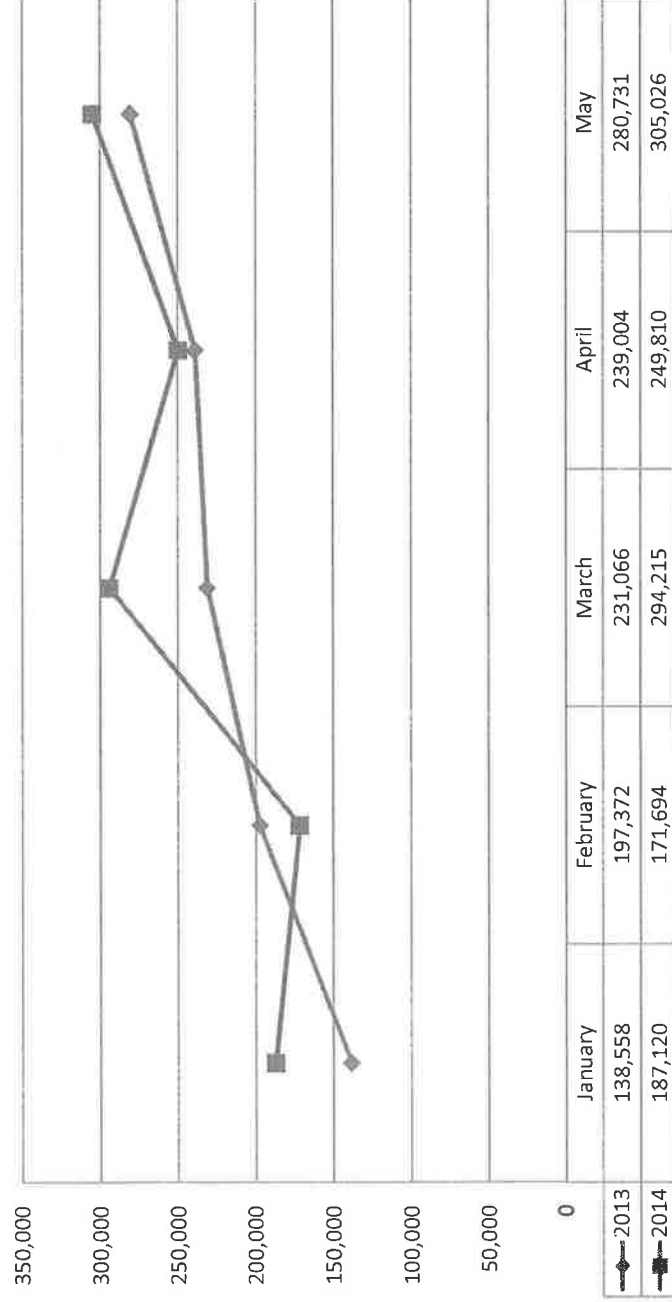
A handwritten signature in black ink that reads "Dawn Murphy". The signature is written in a cursive, flowing style.

Dawn Murphy  
Finance and Administrative Director  
Fairbanks Convention and Visitors Bureau

Bed Tax Year To Date Dollar Change through May 2014									
Government Bed Tax Collections	Month			Year-to-Date (YTD)					
	Month 2013	Month 2014	Month Net Gain/Loss	Month % +/-	YTD 2013	YTD 2014	YTD Net Gain/Loss	Year % +/-	
*FNSB (other than cities)	63,240	27,009	-36,230	-57.29%	415,365	377,318	-38,047	-9.16%	
City of Fairbanks	213,758	268,795	55,037	25.75%	659,483	811,841	152,358	23.1%	
City North Pole	3,733	9,222	5,489	147.03%	11,882	18,706	6,824	57.4%	
<b>Totals</b>	<b>280,731</b>	<b>305,026</b>			<b>1,086,731</b>	<b>1,207,865</b>			
		<b>Month Net Gain/Loss</b>	<b>24,295.25</b>	<b>8.65%</b>	<b>YTD Net Gain/Loss</b>	<b>121,135</b>		<b>11.15%</b>	

\*FNSB figures subject to change due to fiscal year-end adjustments

**Cumulative Monthly Bed Tax Comparative 2013/2014**



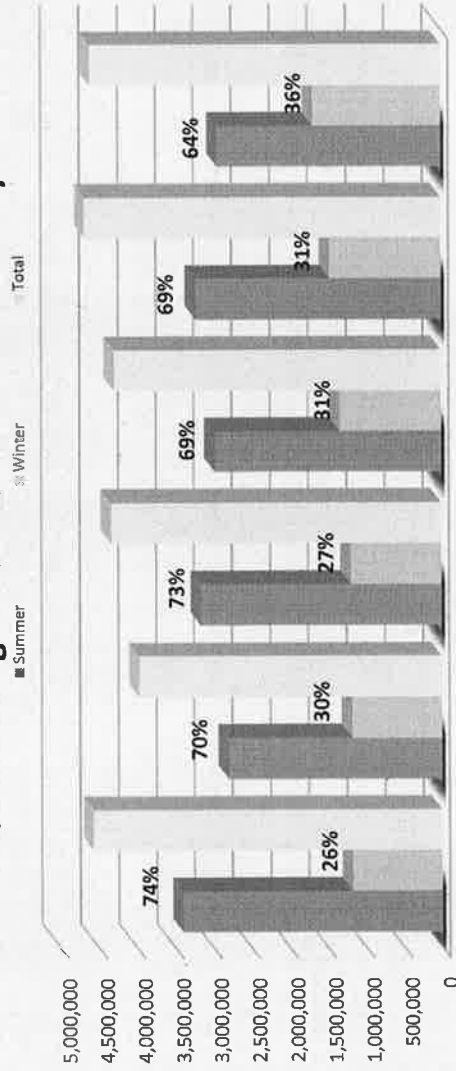
# NORTH POLE CITY HOTEL/MOTEL BED TAX COLLECTION

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	5 year comparison 2010-2014
JAN		1,970.59	1,313.34 -33.35%	1,566.91 19.31%	3,873.71 147.22%	1,840.58 -52.49%							20.17%
FEB		1,263.64	2,291.49 81.34%	2,279.70 -0.51%	1,556.06 -31.74%	1,029.96 -33.81%							3.82%
MAR		2,998.96	2,927.86 -2.37%	2,096.83 -28.38%	1,531.38 -26.97%	4,839.01 215.99%							39.57%
APR		2,870.45	4,762.92 65.93%	2,797.83 -41.26%	1,188.13 -57.53%	1,774.93 49.39%							4.13%
MAY		11,754.14	7,446.07 -36.65%	8,619.01 15.75%	3,733.12 -56.69%	9,221.77 147.03%							17.36%
JUN	7,566.02	17,553.31	11,802.77 -32.76%	16,056.34 36.04%	7,222.81 -55.02%	18,647.27 158.17%							26.61%
JUL	11,036.93	12,369.02	17,884.72 42.98%	14,518.28 -17.90%	8,827.79 -39.20%								-0.51%
AUG	6,487.05	15,567.30	19,220.83 23.47%	16,300.60 -15.19%	12,196.38 -25.18%								30.77%
SEP	6,849.40	7,386.97	7,795.32 5.53%	8,358.29 7.22%	3,775.57 -54.83%								-7.75%
OCT	4,478.60	7,050.50	4,886.37 -30.69%	8,446.94 72.87%	3,781.43 -55.23%								11.09%
NOV	2,517.26	2,266.56	1,970.34 -13.07%	2,769.59 40.56%	2,181.27 -21.24%								-0.93%
DEC	1,941.41	886.35	1,070.68 -20.80%	2,083.75 94.62%	2,164.28 3.86%								16.23%
TOTAL	40,676.67	83,937.79	83,172.71	85,894.07	52,031.93	37,353.52	0.00	0.00	0.00	0.00	0.00	0.00	

Annual % of Change

106.35%      -0.91%      3.27%

# FNSB including Fairbanks and North Pole City limits



	2008	2009	2010	2011	2012	2013
Summer	\$3,393,909	\$2,791,395	\$3,151,673	\$2,964,125	\$3,215,865	\$2,928,769
Winter	\$1,171,806	\$1,174,265	\$1,186,687	\$1,327,840	\$1,458,246	\$1,674,430
Total	\$4,565,715	\$3,965,660	\$4,338,360	\$4,291,966	\$4,674,111	\$4,603,200