



City of Bethel Joint Committee Meeting
Special Meeting - Friday, February 28, 2020 6:30 pm
City Hall Council Chambers, Bethel, AK
Finance Committee and
Parks, Recreation, Aquatic Health & Safety Center Committee

Finance Committee

Joni Beckham
Robert Rey
Cecilia Franko
David Trantham, Jr
Jason Brown
Mary Beth Whalen
Jim Chevigny
Christine Blake
Ken Fay
Teddi Worrock

Parks and Recreation Committee

Brian Lefferts
Judy Wasierski
Kathy Hanson
Beverly Hoffman
Peter Evon
Garrett Hussion
Kathryn Baldwin
Michelle DeWitt
Stacey Reardon
Corbin Ford

- I. CALL TO ORDER
- II. ROLL CALL
- III. PEOPLE TO BE HEARD – Three minutes per person
- IV. APPROVAL OF AGENDA
- V. SPECIAL ORDER OF BUSINESS
 - A. Discussion of YK Fitness Center Finances with Christina Trent
- VI. COMMITTEE MEMBER COMMENTS
- VII. ADJOURNMENT

Posted February 25, 2020 at City Hall, AC Co., Swanson's, and the Post Office.

Charlie Dan, Public Works Assistant

City of Bethel Action Memorandum

Action memorandum No.	19-72		
Date action introduced:	November 12, 2019	Introduced by:	Council Member DeWitt
Date action taken:	November 12, 2019	<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Denied
Confirmed by:	KM		

Request the Finance Committee and the Parks, Recreation, Aquatic Health, and Safety Center Committee to, through joint meetings:

1. Evaluate the profit loss totals from July 2014 through year to date actuals provided by Administration.
2. Evaluate transfer dates and amounts from the YK Fitness Center's dedicated fund provided by Administration
3. Identify potential revenue opportunities for the facility with the goal to reduce or eliminate the need for transfers from the dedicated fund.

Attachment(s): None

Amount of fiscal impact:		Account information:
X	No fiscal impact at this time.	

The City Council wishes to engage the two committees through joint meetings, in an evaluation of financial operations and determination future revenue concepts to help reduce or eliminate the facilities use of the designated funds.

The City of Bethel has been funding the operation of the YK Fitness Center since 2014. Through a number of ordinances, the City had allocated a percentage of sales tax to be allocated to an interest bearing account to help fund the continued operations and maintenance of the facility. The Council also directed that funds be transferred monthly to the interest bearing account. The Council wishes to have the Committees review the collections, allocations, and transfers of the designated fund and operations of the facility and confirm accuracy.

As the City begins the preparation of the next fiscal year operations, and the negotiation of the contract for pool operations, the Council finds it necessary to evaluate the operations to determine if there is an opportunity for additional revenue that would reduce the dependence on the interest bearing account.

Ideally, Administration would have the details of the finance related material available to both Committees by December 1st. Once provided the members with support from the City's Ex Officio members, can begin collaborating on meeting dates and times. It is the Council's hope that the findings of the joint committee meetings would be available to council by February 1st to help ensure and adjustments to the next fiscal year budget and the contract for the facility operations.

City of Bethel, Alaska

Multi-Use Recreation Center Enterprise Fund

Statement of Net Position

June 30, 2015

Assets

Current assets:

Cash and investments	\$ 4,104,568
Accounts receivable, net of allowance	54,847
Prepaid expenses	11,683
Inventory	32,427
Total current assets	<u>4,203,525</u>

Capital assets:

Depreciable assets	23,061,119
Less accumulated depreciation	(559,649)
Net capital assets:	<u>22,501,470</u>

Total assets	<u><u>\$ 26,704,995</u></u>
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Liabilities and Net Position

Liabilities -

Current liabilities -	
Accounts payable	\$ <u>64,841</u>

Net position:

Net investment in capital assets	22,501,470
Unrestricted	4,138,684
Total net position	<u>26,640,154</u>

Total Liabilities and Net Position	<u><u>\$ 26,704,995</u></u>
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City of Bethel, Alaska

Multi-Use Recreation Center Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2015

Operating Revenues:

Charges for services:	
Pro-shop and concession revenue	\$ 76,864
Facility rental income	11,980
Permits, licenses and fees	283,101
Total operating revenues	<u>371,945</u>

Operating expenses:

Capital outlay:	
Other purchased services	2,894,030
Depreciation	559,649
Insurance	21,289
Utilities and fuel	371,652
Other expenses	53
Total operating expenses	<u>3,846,673</u>

Loss from operations (3,474,728)

Nonoperating revenues:

Sales tax	601,805
State capital grant	2,065,508
Investment income	399
Total nonoperating revenues	<u>2,667,712</u>

Loss before contributions (807,016)

Capital contributions 23,061,119

Change in net position 22,254,103

Net position, beginning of year 4,386,051

Net position, end of year \$ 26,640,154

City of Bethel, Alaska

Multi-Use Recreation Center Enterprise Fund

Statement of Cash Flows

Year Ended June 30, 2015

Cash flows from (for) operating activities:	
Receipts from customers	\$ 120,129
Payment to suppliers	(4,312,399)
Net cash flows (for) operating activities	<u>(4,192,270)</u>
Cash flows from noncapital financing activities:	
Capital grants	2,065,508
Transfers in-sales tax	601,805
Decrease in grants receivable	4,665,660
Net cash flows from noncapital financing activities	<u>7,332,973</u>
Cash flows from (for) capital and related financing activities:	
Acquisition of capital assets	(23,061,119)
Capital contributions received	23,061,119
Net cash flows from (for) capital and related financing activities	<u>-</u>
Cash flows from investing activities -	
Investment income received	<u>399</u>
Net increase in cash and cash equivalents	3,141,102
Cash and cash equivalents, beginning of year	<u>963,466</u>
Cash and cash equivalents, end of year	<u>\$ 4,104,568</u>
Reconciliation of loss from (for) operations to net cash flows for operating activities:	
Loss from operations	\$ (3,474,728)
Adjustments to reconcile loss from operations to net cash flows from operating activities:	
Depreciation and amortization	559,649
(Increase) decrease in assets:	
Accounts receivable	(54,847)
Inventory	(32,427)
Prepaid expenses	(11,683)
Increase (decrease) in liabilities:	
Accounts payable	(981,265)
Unearned revenue	(196,969)
Net cash flows (for) operating activities	<u>\$ (4,192,270)</u>

City of Bethel, Alaska
Multi-Use Recreation Center Enterprise Fund
Statement of Net Position
June 30, 2016

Assets**Current assets:**

Cash and investments	\$ 3,780,414
Inventory	26,929
Prepaid expenses	20,520
Total current assets	<u>3,827,863</u>

Capital assets:

Depreciable assets	23,061,119
Less accumulated depreciation	<u>(1,363,942)</u>
Net capital assets:	<u>21,697,177</u>

Total assets	\$ <u>25,525,040</u>
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Liabilities and Net Position**Liabilities -**

Current liabilities -	
Accounts payable	\$ <u>23,231</u>

Net position:

Net investment in capital assets	21,697,177
Unrestricted	<u>3,804,632</u>
Total net position	<u>25,501,809</u>

Total liabilities and net position	\$ <u>25,525,040</u>
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City of Bethel, Alaska

Multi-Use Recreation Center Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2016

Operating Revenues:

Charges for services:	
Pro-shop and concession revenue	\$ 75,145
Facility rental income	7,763
Permits, licenses and fees	332,012
Total operating revenues	<u>414,920</u>

Operating expenses:

Capital outlay:	
Repairs and maintenance	1,667
Other purchased services	909,396
Depreciation	804,293
Insurance	25,237
Utilities and fuel	298,912
Minor equipment and tools	4,430
Indirect costs	52,046
Other expenses	72
Total operating expenses	<u>2,096,053</u>

Loss from operations	(1,681,133)
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Nonoperating revenues:

Sales tax	539,359
State capital grant	3,000
Investment income	429
Total nonoperating revenues	<u>542,788</u>

Change in net position	(1,138,345)
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Net position , beginning of year	<u>26,640,154</u>
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Net position , end of year	<u>\$ 25,501,809</u>
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City of Bethel, Alaska

Multi-Use Recreation Center Enterprise Fund

Statement of Cash Flows

Year Ended June 30, 2016

Cash flows from (for) operating activities:

Receipts from customers	\$ 469,767
Payment to suppliers	(1,336,709)
Net cash flows (for) operating activities	<u>(866,942)</u>

Cash flows from noncapital financing activities:

Capital grants	3,000
Transfers in-sales tax	539,359
Net cash flows from noncapital financing activities	<u>542,359</u>

Cash flows from investing activities -

Investment income received	<u>429</u>
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Net increase in cash and cash equivalents	(324,154)
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Cash and cash equivalents, beginning of year	<u>4,104,568</u>
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Cash and cash equivalents, end of year	<u>\$ 3,780,414</u>
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Reconciliation of loss from (for) operations to net cash flows for operating activities:

Loss from operations	\$ (1,681,133)
Adjustments to reconcile loss from operations to net cash flows from operating activities:	
Depreciation	804,293
(Increase) decrease in assets:	
Accounts receivable	54,847
Inventory	5,498
Prepaid expenses	(8,837)
Increase (decrease) in liabilities:	
Accounts payable	<u>(41,610)</u>
Net cash flows (for) operating activities	<u>\$ (866,942)</u>

City of Bethel, Alaska

Multi-Use Recreation Center Enterprise Fund

Statement of Net Position

June 30, 2017

Assets**Current assets:**

Cash and cash equivalents	\$ 3,566,476
Accounts Receivable	80,287
Inventory	23,179
Total current assets	<u>3,669,942</u>

Capital assets:

Depreciable assets	23,297,167
Less accumulated depreciation	<u>(2,175,723)</u>
Net capital assets	<u>21,121,444</u>

Total assets	\$ <u><u>24,791,386</u></u>
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Liabilities and Net Position**Liabilities -**

Current liabilities -	
Accounts payable	<u>29,888</u>

Net position:

Net investment in capital assets	21,121,444
Unrestricted	<u>3,640,054</u>
Total net position	<u>24,761,498</u>

Total liabilities and net position	\$ <u><u>24,791,386</u></u>
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City of Bethel, Alaska

Multi-Use Recreation Center Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2017

Operating Revenues:

Charges for services:

Pro-shop and concession revenue	\$ 79,320
Facility rental income	12,098
Permits, licenses and fees	309,059
Total operating revenues	<u>400,477</u>

Operating expenses:

Repairs and maintenance	2,704
Other purchased services	802,643
Depreciation	811,781
Insurance	27,035
Utilities and fuel	314,578
Minor equipment and tools	11,007
Other expenses	39
Total operating expenses	<u>1,969,787</u>

Loss from operations	(1,569,310)
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Nonoperating revenues:

State capital grant	9,123
Investment income	390
Total nonoperating revenues	<u>9,513</u>

Loss before contributions and transfers	(1,559,797)
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Transfers in - General fund	<u>583,438</u>
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Capital contributions	<u>236,048</u>
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Change in net position	(740,311)
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Net position, beginning of year	<u>25,501,809</u>
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Net position, end of year	<u>\$ 24,761,498</u>
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City of Bethel, Alaska

Multi-Use Recreation Center Enterprise Fund

Statement of Cash Flows

Year Ended June 30, 2017

Cash flows from (for) operating activities:	
Receipts from customers	\$ 320,190
Payment to suppliers	(1,127,079)
Net cash flows (for) operating activities	<u>(806,889)</u>
Cash flows from noncapital financing activities:	
Capital grants	9,123
Transfers in - General Fund	583,438
Net cash flows from noncapital financing activities	<u>592,561</u>
Cash flows from investing activities -	
Investment income received	<u>390</u>
Net (decrease) in cash and cash equivalents	(213,938)
Cash and cash equivalents, beginning of year	<u>3,780,414</u>
Cash and cash equivalents, end of year	<u>\$ 3,566,476</u>
Reconciliation of loss from (for) operations to net cash flows for operating activities:	
Loss from operations	\$ (1,569,310)
Adjustments to reconcile loss from operations to net cash flows from (for) operating activities:	
Depreciation	811,781
(Increase) decrease in assets:	
Accounts receivable	(80,287)
Inventory	3,750
Prepaid expenses	20,520
Increase (decrease) in liabilities:	
Accounts payable	<u>6,657</u>
Net cash flows (for) operating activities	<u>\$ (806,889)</u>
Noncash items:	
Capital assets transferred from governmental activities	<u>\$ 236,048</u>

City of Bethel, Alaska
Multi-Use Recreation Center Enterprise Fund
Statement of Net Position
June 30, 2018

Assets**Current assets:**

Cash and cash equivalents	\$ 3,599,780
Inventory	23,179
Total current assets	<u>3,622,959</u>

Capital assets:

Depreciable assets	23,297,167
Less accumulated depreciation	<u>(2,990,940)</u>
Net capital assets	<u>20,306,227</u>

Total assets	\$ <u><u>23,929,186</u></u>
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Liabilities and Net Position**Liabilities -**

Current liabilities -	
Accounts payable	<u>106,670</u>

Net position:

Net investment in capital assets	20,306,227
Unrestricted	<u>3,516,289</u>
Total net position	<u>23,822,516</u>

Total liabilities and net position	\$ <u><u>23,929,186</u></u>
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City of Bethel, Alaska

Multi-Use Recreation Center Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2018

Operating Revenues:

Charges for services:	
Pro-shop and concession revenue	\$ 113,941
Facility rental income	11,897
Public donations	5,000
Permits, licenses and fees	364,358
Total operating revenues	<u>495,196</u>

Operating expenses:

Repairs and maintenance	7,787
Other purchased services	821,606
Depreciation	815,218
Insurance	31,773
Utilities and fuel	307,003
Other expenses	3,393
Indirect cost	37,600
Total operating expenses	<u>2,024,380</u>

Loss from operations (1,529,184)

Nonoperating revenues:

Investment income	55,413
Total nonoperating revenues	<u>55,413</u>

Loss before contributions and transfers (1,473,771)

Transfers in - General fund 534,789

Change in net position (938,982)

Net position, beginning of year 24,761,498

Net position, end of year \$ 23,822,516

City of Bethel, Alaska
Multi-Use Recreation Center Enterprise Fund
Statement of Cash Flows
Year Ended June 30, 2018

Cash flows from (for) operating activities:	
Receipts from customers	\$ 575,483
Payment to suppliers	(1,132,381)
Net cash flows (for) operating activities	<u>(556,898)</u>
Cash flows from noncapital financing activities:	
Transfers in - General Fund	<u>534,789</u>
Cash flows from investing activities -	
Investment income received	<u>55,413</u>
Net in cash and cash equivalents	33,304
Cash and cash equivalents, beginning of year	<u>3,566,476</u>
Cash and cash equivalents, end of year	<u>\$ 3,599,780</u>
Reconciliation of loss from (for) operations to net cash flows for operating activities:	
Loss from operations	\$ (1,529,184)
Adjustments to reconcile loss from operations to net cash flows from (for) operating activities:	
Depreciation	815,218
(Increase) decrease in assets:	
Accounts receivable	80,287
Increase (decrease) in liabilities:	
Accounts payable	76,781
Net cash flows (for) operating activities	<u>\$ (556,898)</u>

City of Bethel
 YK Regional Aquatic Health & Safety Center
 Designated fund activity by fiscal year
 Wells Fargo Investment/ AMLIP Investment
 GL accts: 40-12200, 01-12501, 40-12501

	Beg Bal	Cash Transfer In Sales/Alcohol Tax	Cash Transfer In Other	Interest	Cash Transfer Out GF	Other	End Bal	Acct	Pool Sales/Alcohol Tax Revenue
FY10	-	616,189	200,100	124	-	(454,250)	362,163	Wells Fargo	943,657
FY11	362,163	485,641		389	(90,247)	454,250	1,212,196	Wells Fargo	621,450
FY12	1,212,196	647,661	1,065,952	374	-	-	2,926,183	Wells Fargo	683,471
FY13	2,926,183	675,692	-	291	-	8	3,602,174	Wells Fargo	682,658
FY14	3,602,174	675,576	-	351	-	-	4,278,100	Wells Fargo	649,179
FY15	4,278,100	402,709	-	399	-	-	4,681,208	Wells Fargo	601,805
FY16	4,681,208	576,190	-	429	(280,193)	-	4,977,634	Wells Fargo	539,359
FY17	4,977,634	902,699		3,438	(604,756)		5,279,014	Wells Fargo/AMLIP	583,438
FY18	5,279,014	232,222		53,253	(1,719,569)	22	3,844,899	AMLIP	534,788
FY19	3,844,899	-	-	82,561	-	-	3,927,459	AMLIP	547,544
		5,214,578	1,266,052	141,608	(2,694,765)	30			6,387,348

City of Bethel
 YK Regional Aquatic Health & Safety Center
 Sales/Alcohol Tax Revenues
 Cash transfers to Designated Fund

Sales/ Alcohol Tax Revenue			WELLS FARGO/AMLIP 40-12200			Difference
Posting period	Date	40-46-412 40-46-413	Posting period	Date	JE/CD 40-12501	
FY10	9/15/2009	(5,451.52)				
FY10	9/15/2009	(76,188.23)				
FY10	10/21/2009	(123,411.80)				
FY10	11/7/2009	(119,267.54)	FY10	02/09/10 178	119,267.54	-
FY10	12/12/2009	(123,196.00)	FY10	02/09/10 178	123,196.00	-
FY10	1/18/2010	(102,571.74)	FY10	02/06/10 178	102,571.74	-
FY10	6/13/2010	(64,166.40)	FY10	06/24/10 6/8	64,166.40	-
FY10	5/31/2010	(46,882.65)	FY10	06/24/10 6/8	46,882.65	-
FY10	7/22/2010	(47,381.71)	FY11	11/15/10 23	47,381.71	-
FY10	6/30/2010	(160,106.33)	FY10	06/24/10 6/8	160,104.45	(1.88)
FY10	9/22/2010	(75,032.87)	FY11	11/15/10 23	75,032.95	0.08
FY11	9/22/2010	(1,589.65)	FY11	10/22/10 5	1,589.65	-
FY11	9/22/2010	(35,770.33)	FY11	10/22/10 5	35,770.33	-
FY11	9/30/2010	(58,769.07)	FY11	10/22/10 5	58,769.07	-
FY11	1/4/2011	(108,998.99)				(108,998.99)
FY11	1/19/2011	(48,421.21)				(48,421.21)
FY11	2/15/2011	(59,355.29)	FY11	03/02/11 53	59,355.29	-
FY11	3/15/2011	(48,764.44)	FY11	04/18/11 347	48,764.44	-
FY11	4/19/2011	(49,126.25)	FY11	05/10/11 17	49,126.25	-
FY11	5/20/2011	(56,857.81)	FY11	05/24/11 34	56,857.81	-
FY11	6/16/2011	(52,993.60)	FY11	07/09/11 237	52,993.60	-
FY11	7/20/2011	(40,807.17)	FY12	07/21/11 5	40,807.17	-
FY11	8/16/2011	(50,817.46)	FY12	09/10/11 89	50,817.46	-
FY11	10/6/2011	(9,178.71)				(9,178.71)
FY12	9/21/2011	(48,808.84)	FY12	09/26/11 9	48,808.84	-
FY12	11/1/2011	(53,229.33)	FY12	11/06/11 43	53,229.33	-
FY12	11/17/2011	(44,688.86)	FY12	11/17/11 21	44,688.86	-
FY12	12/7/2011	(10,104.98)	FY12	01/01/12 272	10,104.98	-
FY12	12/23/2011	(60,792.90)	FY12	01/01/12 272	60,748.75	(44.15)
FY12	1/24/2012	(45,079.09)	FY12	01/27/12 15	45,079.09	-
FY12	3/4/2012	(62,111.55)	FY12	03/05/12 3	62,111.55	-
FY12	3/4/2012	(7,314.89)	FY12	03/06/12 3	7,314.89	-
FY12	2/29/2012	(48,916.92)	FY12	03/26/12 15	48,916.92	-
FY12	4/14/2012	(45,427.48)	FY12	04/24/12 10	45,427.48	-
FY12	5/26/2012	(57,597.96)	FY12	05/26/12 38	57,597.96	-
FY12	6/14/2012	(72,007.75)	FY12	06/16/12 15	72,007.75	-
FY12	8/1/2012	(49,913.66)	FY13	08/01/12 19	49,913.66	-
FY12	8/29/2012	(60,523.84)	FY13	08/30/12 11	60,523.84	-
FY12	9/17/2012	(21,754.34)	FY13	09/24/12 3	21,754.34	-
FY12	9/17/2012	4,801.54	FY13	09/24/12 3	(4,801.54)	-
FY13	9/20/2012	(35,178.93)	FY13	09/24/12 3	34,551.22	(627.71)
FY13	10/31/2012	(52,194.65)	FY13	12/02/12 39	52,194.65	-
FY13	12/2/2012	(58,180.67)	FY13	11/30/12 10	58,180.67	-
FY13	2/2/2013	(52,917.36)	FY13	02/02/13 2	52,917.36	-
FY13	3/6/2013	(63,531.11)	FY13	03/08/13 1	63,531.11	-
FY13	4/2/2013	(56,198.48)	FY13	04/02/13 1	56,198.48	-
FY13	4/30/2013	(60,105.18)	FY13	12/31/12 7	60,105.18	-

FY13	4/30/2013	(56,687.93)	FY13	05/16/13 18	56,687.93	-
FY13	4/30/2013	(52,122.55)	FY13	05/31/13 20	52,122.55	-
FY13	6/22/2013	(61,812.41)	FY13	06/30/13 7	61,812.41	-
FY13	7/16/2013	(58,745.65)	FY14	07/16/13 3	58,745.65	-
FY13	9/19/2013	(75,206.46)				(75,206.46)
FY13	10/5/2013	223.43				223.43
FY14	12/13/2013	(92,360.37)	FY14	01/15/14 24	92,360.37	-
FY14	4/25/2014	(76,298.70)	FY14	04/21/14 14	76,298.70	-
FY14	4/25/2014	(41,264.60)	FY14	04/21/14 14	41,264.60	-
FY14	4/25/2014	(69,614.19)	FY14	04/21/14 14	69,614.19	-
FY14	4/25/2014	(48,980.70)	FY14	04/21/14 14	48,980.70	-
FY14	4/25/2014	(60,389.08)	FY14	05/15/14 40	60,389.08	-
FY14	5/2/2014	(58,745.65)	FY14	11/14/13 29	57,922.27	(823.38)
FY14	5/2/2014	(61,688.56)	FY14	09/18/13 23	61,688.56	-
FY14	5/15/2014	(46,148.29)	FY14	06/17/14 15	46,148.29	-
FY14	7/11/2014	(62,163.46)	FY14	07/11/14 14	62,163.46	-
FY14	6/30/2014	(24,603.99)				(24,603.99)
FY14	6/30/2014	(6,921.34)				(6,921.34)
FY15	6/30/2015	(601,805.00)	FY15	07/31/14 8	43,353.11	
			FY15	02/28/15 1	28,874.68	
			FY15	02/28/15 2	59,689.75	
			FY15	02/28/15 3	44,697.06	
			FY15	02/28/15 4	48,691.14	
			FY15	02/28/15 5	58,452.38	
			FY15	03/31/15 18	37,547.39	
			FY15	03/31/15 19	43,375.10	
			FY15	05/31/15 8	38,028.31	
			FY16	07/31/15 6	72,118.84	
			FY16	07/31/15 7	50,119.03	
			FY16	10/31/15 16	74,055.60	
			FY16	10/31/15 16	46,155.72	43,353.11
FY16	6/30/2016	(539,358.88)	FY16	06/30/16 5	15,422.53	-
			FY16	06/30/16 5	47,217.00	-
			FY16	06/30/16 5	41,708.90	-
			FY16	06/30/16 5	54,693.12	-
			FY16	06/30/16 5	41,880.60	-
			FY16	06/30/16 5	48,741.94	-
			FY16	06/30/16 5	38,325.73	-
			FY16	06/30/16 5	45,750.67	-
			FY17	02/28/17 18	539,358.88	333,740.49
FY17	8/31/2016	(31,566.62)	FY17	05/31/17 7	31,556.62	(10.00)
FY17	9/30/2016	(47,097.29)	FY17	05/31/17 7	47,097.29	-
FY17	10/31/2016	(45,804.26)	FY17	05/31/17 7	45,804.26	-
FY17	11/30/2016	(54,832.72)	FY17	05/31/17 7	54,832.72	-
FY17	12/31/2016	(57,607.65)	FY17	05/31/17 7	57,607.65	-
FY17	1/31/2017	(48,488.32)	FY17	05/31/17 7	48,488.32	-
FY17	2/28/2017	(38,549.88)	FY17	05/31/17 7	38,549.88	-
FY17	3/31/2017	(39,403.26)	FY17	05/31/17 7	39,403.26	-
FY17	6/30/2017	(220,087.73)				(220,087.73)
FY18	7/31/2017	(50,793.00)	FY18	01/31/18 2	50,456.00	(337.00)
FY18	8/31/2017	(39,965.00)	FY18	01/31/18 2	39,965.00	-
FY18	9/30/2017	(43,996.00)	FY18	01/31/18 2	43,996.00	-
FY18	10/31/2017	(52,329.00)	FY18	01/31/18 2	52,329.00	-
FY18	11/30/2017	(47,616.00)	FY18	01/31/18 2	45,476.00	(2,140.00)
FY18	12/31/2017	(39,197.00)				(39,197.00)
FY18	1/31/2018	(49,229.00)				(49,229.00)
FY18	2/28/2018	(41,335.00)				(41,335.00)
FY18	3/31/2018	(39,384.00)				(39,384.00)

FY18	6/30/2018	(130,943.73)		(130,943.73)
FY19	7/31/2018	(63,398.00)		(63,398.00)
FY19	8/31/2018	(56,682.00)		(56,682.00)
FY19	9/30/2018	(22,555.00)		(22,555.00)
FY19	10/31/2018	(36,683.00)		(36,683.00)
FY19	11/30/2018	(49,357.00)		(49,357.00)
FY19	12/31/2018	(39,246.00)		(39,246.00)
FY19	1/31/2019	(48,976.00)		(48,976.00)
FY19	2/28/2019	(47,771.00)		(47,771.00)
FY19	3/31/2019	(42,681.00)		(42,681.00)
FY19	4/30/2019	(44,737.00)		(44,737.00)
FY19	5/31/2019	(57,787.00)		(57,787.00)
FY19	6/30/2019	(37,671.00)		(37,671.00)
		(6,387,347.84)	5,214,578.12	(967,718.17)

(6,387,347.84)	Total Pool sales/alcohol tax FY10-FY19
205,051.55	Less FY10 not transferred to dedicated account
<u>5,214,578.12</u>	Transfers to Dedicated account
(967,718.17)	Difference

Yukon Kuskokwim Regional Health and Aquatic Safey Training Center (40-50)		Actual FY15	Actual FY16	Actual FY17	Actual FY18	FY19	Budget FY20
REVENUE							
46-414	Membership/ Wellness Program	-	-	-	217,014	295,543	394,655
43-460	Entry Fees	244,693	272,516	268,709	95,235	105,901	115,730
43-465	Program Fees	38,408	59,496	40,350	52,110	56,034	83,318
43-435	Concessions	40,891	40,669	43,174	70,150	68,100	44,100
43-430	Pro shop	35,973	34,476	36,146	43,791	41,667	64,900
43-463	Facility Rental	11,980	7,763	12,098	11,897	49,874	42,075
	Total Operating Revenues	371,946	414,920	400,477	490,197	617,119	744,778
46-412	Transfer from GF: Retail Sales Tax	601,805	539,359	583,438	500,794	532,507	534,979
46-413	Transfer from GF: Alcohol Sales Tax	-	-	-	33,994	15,037	6,000
49-487	Investment Income	399	429	390	55,413	83,932	50,000
990/485/411	Other Income, Public Donations	-	3,000	9,123	1,607	(1,443)	-
	Total Non Operating Revenue	602,204	542,788	592,950	591,808	630,033	590,979
	Total Revenue	974,149	957,708	993,427	1,082,005	1,247,152	1,335,757
EXPENSE							
	Operating Expenses						
646	Health Fit- Contractor pass thru expense	691,336	760,403	658,922	673,302	749,495	1,046,135
649	Health Fit- Management fees	137,185	145,110	140,001	140,004	144,200	148,526
623	Utilities: Heating Fuel	193,220	157,914	163,382	162,728	161,531	170,000
621	Utilites: Electric	134,303	58,006	86,314	87,114	113,542	85,000
624	Utilities: Water/ Sewer/ Garbage	44,129	82,992	64,882	54,993	51,638	55,000
662	Property maint/ ICR Property Maint 5%	-	1,667	2,704	7,787	37,359	45,110
721	Insurance	21,289	25,237	27,035	31,773	39,105	-
996	ICR- IT	-	35,686	-	9,122	38,240	42,174
997	ICR- Administration	-	16,360	-	28,478	23,653	31,792
	Other ***	55	5,383	14,765	10,468	23,187	28,660
	Total Operating Expense	1,221,517	1,288,760	1,158,004	1,205,769	1,381,951	1,652,397
	Net Operating Profit/ (Deficit)	(247,368)	(331,052)	(164,577)	(123,764)	(134,799)	(316,640)
OTHER REVENUE & EXPENSE							
42-411	Grant revenue	2,065,508			-	-	
702/704	Depreciation- Buildings and Equipment	(559,649)	(804,293)	(811,780)	(815,218)	(815,218)	
646/647/669	Capital Expense- Contractor/ Project Fees/ Other	(2,065,508)	(3,000)				
	Total OTHER Revneue and Expense	(559,649)	(807,293)	(811,780)	(815,218)	(815,218)	
	Net Profit / (Deficit)	(807,016)	(1,138,345)	(976,357)	(938,982)	(950,017)	

=TB

=TB

=TB

=TB

=TB

Financial Stmt- Change in Net Position

(1,138,345)

(740,311)

(938,982)

Capital Contributions

(236,046)

CASH						
	Cash & Cash Equivalent, beginning of year	963,466	4,104,568	3,780,414	3,566,476	3,599,780
	Cash & Cash Equivalent, end of year	4,104,568	3,780,414	3,566,476	3,599,780	3,457,045
	Net Increase in Cash & Equivalents	3,141,102	(324,153)	(213,938)	33,304	(142,735)

Cash & Cash Equivalent accounts		FY15	FY16	FY17	FY18	FY19
40-10100	Cash In Combined Fund	(576,640)	(1,197,219)	3,485,754	3,599,780	(470,414)
40-12200	Investment- Wells Fargo	4,681,208	4,977,634	80,722	-	-
40-12501	Investment- AMLIP YKHF	-	-	-	-	3,927,459
		4,104,568	3,780,414	3,566,476	3,599,780	3,457,045

01-12501 INVESTMENT-AMLIP YKH & F 5,198,292 3,844,899

***Other Expense

40-50-602 Gasoline/Oil/Diesel
40-50-622 TELEPHONE
40-50-669 OTHER PURCHASED SERVICES
40-50-683 MINOR EQUIPMENT
40-50-699 Capital Exp-Server Domain
40-50-727 Advertising/Marketing
40-51-683 MINOR EQUIPMENT

City of Bethel - Fund 40 Pool
Comparative Trial Balance FY15-FY19

	6.30.15	6.30.16	6.30.17	6.30.18	6.30.19
40-10100 CASH IN COMBINED FUND	(576,640.40)	(1,197,219.17)	3,485,753.96	3,599,779.99	(470,413.96)
40-12200 INVESTMENT-WELLS FARGO	4,681,207.97	4,977,633.52	80,722.03	-	-
40-12501 INVESTMENT-AMLIP YKHF	-	-	-	-	3,927,459.22
40-13200 ACCOUNTS RECEIVABLE	54,846.57	-	6,799.53	-	-
40-14200 INVENTORY-HEATING FUEL	32,426.55	26,928.75	23,178.75	23,178.75	24,982.50
40-14300 INVENTORY- GRAVEL					
40-14900 PREPAID	11,683.34	20,519.52	-	-	-
40-16300 BUILDINGS	21,641,345.31	21,641,345.31	21,831,540.08	21,831,540.08	21,831,540.08
40-16500 MACHINERY & EQUIPMENT	1,419,774.00	1,419,774.00	1,465,627.00	1,465,627.00	1,465,627.00
40-16800 ACCUM DEPR BUILDING	(494,094.64)	(1,215,472.82)	(1,941,662.32)	(2,669,380.32)	(3,397,098.32)
40-17000 ACCUM DEPR - M & E	(65,553.86)	(148,468.76)	(234,059.47)	(321,559.67)	(409,059.87)
40-20100 VOUCHERS PAYABLE	(64,840.20)	(23,230.69)	(29,887.88)	(41,434.82)	(129,520.59)
40-23600 DEFERRED REVENUE	-	-	-	-	-
40-25950 Due TO/FROM Pool Mgmt Co.	-	-	73,488.50	(65,232.62)	28,985.09
40-30100 CONTRIBUTED CAPITAL-STATE	(23,061,119.31)	(23,061,119.31)	(23,061,119.31)	(23,061,119.31)	(23,061,119.31)
40-30200 Contributed Capital- Other	-	-	(236,047.77)	(236,047.77)	(236,047.77)
40-39900 FUND BALANCE	(4,386,051.34)	(3,579,035.33)	(2,440,690.35)	(1,464,333.10)	(525,351.31)
40-42-411 SFY13 DESIGNATED LEGIS GRANT	(2,065,508.12)	(3,000.00)	(9,123.09)	-	-
40-42-410 PERS ON BEHALF Revenue	-	-	-	-	-
40-42-414 Delta Women's Group Grant	-	-	-	2,860.00	(3,901.00)
40-42-415 CAG	-	-	-	533.00	344.00
40-43-430 PRO-SHOP REVENUE	(35,973.44)	(34,475.95)	(36,146.00)	(43,791.00)	(41,667.00)
40-43-435 CONCESSION REVENUE	(40,891.28)	(40,669.24)	(43,174.00)	(70,150.00)	(68,100.00)
40-43-460 ENTRY FEE	(244,693.03)	(272,515.53)	(268,709.00)	(95,235.00)	(105,901.00)
40-43-463 FACILITY RENTAL	(11,980.30)	(7,763.00)	(12,098.00)	(11,897.00)	(49,874.00)
40-43-465 PROGRAM FEES	(38,407.55)	(59,496.22)	(40,350.00)	(52,110.00)	(56,034.00)
40-46-412 LOCAL SOURCES-SALES TAX REV	(601,805.00)	(539,358.88)	(583,437.73)	(500,793.55)	(532,507.00)
40-46-413 LOCAL SOURCES-ALCOHOLTAX REV	-	-	-	(33,994.18)	(15,037.00)
40-46-414 WELLNESS PROGRAM	-	-	-	(217,014.00)	(295,543.00)
40-46-990 OPERATING TRANSFER OUT	-	-	-	-	5,000.00
40-49-485 Public Donations	-	-	-	(5,000.00)	-
40-49-487 INVESTMENT INCOME	(398.87)	(428.80)	(389.63)	(55,413.29)	(83,931.53)
PAYROLL RELATED ACCTS					
40-50-602 Gasoline/Oil/Diesel	-	-	-	919.98	1,458.92
40-50-621 ELECTRICITY	134,303.42	58,006.20	86,313.62	87,113.58	113,541.86

40-50-622	TELEPHONE	-	-	-	1,247.76	1,228.44
40-50-623	HEATING FUEL	193,219.73	157,914.13	163,381.92	162,728.10	161,530.80
40-50-624	WATER/SEWER/GARBAGE	44,129.03	82,992.34	64,882.32	54,992.55	51,638.19
40-50-643	PLANNING/ENGINEERING					
40-50-646	CONTRACTOR'S FEES	691,336.19	760,403.03	658,921.68	673,302.47	749,495.10
40-50-649	PROFESSIONAL SVS	137,185.02	145,110.02	140,000.54	140,004.00	144,200.04
40-50-661	Vehicle Maint/Repair	-	-	-	-	16.79
40-50-662	PROP MAINT	-	1,667.17	2,704.00	7,787.25	37,359.31
40-50-669	OTHER PURCHASED SERVICES	-	883.33	3,718.44	8,300.00	5,759.93
40-50-683	MINOR EQUIPMENT	-	4,430.32	109.88	-	845.07
40-50-699	Capital Exp-Server Domain	-	-	-	-	13,878.02
40-50-702	DEPRECIATION - BUILDING	494,094.64	721,378.18	726,189.50	727,718.00	727,718.00
40-50-704	DEPRECIATION - M&E	65,553.86	82,914.90	85,590.71	87,500.20	87,500.20
40-50-721	INSURANCE	21,288.81	25,237.34	27,035.44	31,772.70	39,105.16
40-50-727	Advertising/Marketing	54.78	69.72	39.84	-	-
40-50-771	GRAVEL					
40-50-996	ADMIN OVERHEAD-IT SVCS	-	35,685.96	-	9,122.13	38,239.94
40-50-998	ADMINISTRATIVE OVERHEAD-GF	-	16,359.96	-	28,478.09	23,653.00
40-51-562	MATERIALS					
40-51-643	ENGINEERING FEES					
40-51-646	CONTRACTOR FEES	1,700,714.76	3,000.00	-	-	-
40-51-647	PROJECT MGR FEES	328,913.67	-	-	-	-
40-51-648	ADMINISTRATIVE COSTS					
40-51-669	OTHER PURCHASED SERVICES	35,879.69	-	-	-	-
40-51-683	MINOR EQUIPMENT	-	-	10,896.81	-	-
40-51-721	INSURANCE	-	-	-	-	-
		(0.00)	(0.00)	0.00	(0.00)	0.00

	6.30.15	6.30.16	6.30.17	6.30.18	6.30.19
Total Revenue	(3,039,657.59)	(957,707.62)	(993,427.45)	(1,082,005.02)	(1,247,151.53)
Total Expense	3,846,673.60	2,096,052.60	1,969,784.70	2,020,986.81	2,197,168.77
	807,016.01	1,138,344.98	976,357.25	938,981.79	950,017.24

	6.30.15	6.30.16	6.30.17	6.30.18	6.30.19
Grant Revenue	(2,065,508.12)	(3,000.00)	(9,123.09)	-	-
Pool Revenue	(371,945.60)	(414,919.94)	(400,477.00)	(486,804.00)	(620,676.00)
Transfer from GF/ Tax transfer	(601,805.00)	(539,358.88)	(583,437.73)	(534,787.73)	(547,544.00)
Investment/ Other Revenue	(398.87)	(428.80)	(389.63)	(60,413.29)	(78,931.53)
	(3,039,657.59)	(957,707.62)	(993,427.45)	(1,082,005.02)	(1,247,151.53)

Expenses					
Health Fit- Management Fees	137,185.02	145,110.02	140,000.54	140,004.00	144,200.04
Health Fit- Operating Expenses	691,336.19	760,403.03	658,921.68	673,302.47	749,495.10
Facility- Utilities	371,652.18	298,912.67	314,577.86	306,081.99	327,939.29
Facility- Property maintenance	-	1,667.17	2,704.00	7,787.25	37,359.31
Insurance	21,288.81	25,237.34	27,035.44	31,772.70	39,105.16
IT/Admin Overhead	-	52,045.92	-	37,600.22	61,892.94
Other exp	35,934.47	5,383.37	3,868.16	9,219.98	8,080.71
Capital Exp	2,029,628.43	3,000.00	10,896.81	-	13,878.02
	3,287,025.10	1,291,759.52	1,158,004.49	1,205,768.61	1,381,950.57
Net (Income)/Loss before Deprecia	247,367.51	334,051.90	164,577.04	123,763.59	134,799.04
Depreciation	559,648.50	804,293.08	811,780.21	815,218.20	815,218.20
Net (Income)/Loss	807,016.01	1,138,344.98	976,357.25	938,981.79	950,017.24
Operating Profit %	(0.08)	(0.35)	(0.17)	(0.11)	(0.11)

City of Bethel - Fund 40 Pool
Comparative Trial Balance FY08-FY19

	6.30.08	6.30.09	6.30.10	6.30.11	6.30.12	6.30.13	6.30.14	6.30.15	6.30.16	6.30.17	6.30.18	6.30.19
40-10100 CASH IN COMBINED FUND	584,361.54	1,827,978.91	1,699,422.72	1,157,532.80	127,390.30	95,015.14	(3,314,634.29)	(576,640.40)	(1,197,219.17)	3,485,753.96	3,599,779.99	(470,413.96)
40-12200 INVESTMENT-WELLS FARGO	-	-	362,163.03	1,212,195.78	2,926,182.95	3,602,173.77	4,278,100.18	4,681,207.97	4,977,633.52	80,722.03	-	-
40-12501 INVESTMENT-AMLIP YKHF	-	-	-	-	-	-	-	-	-	-	-	3,927,459.22
40-13200 ACCOUNTS RECEIVABLE	-	-	-	-	-	4,681,280.42	4,665,659.80	54,846.57	-	6,799.53	-	-
40-14200 INVENTORY-HEATING FUEL	-	-	-	-	-	-	-	32,426.55	26,928.75	23,178.75	23,178.75	24,982.50
40-14300 INVENTORY- GRAVEL	-	-	-	199,951.88	199,951.88	-	-	-	-	-	-	-
40-14900 PREPAID	-	-	-	-	-	-	-	11,683.34	20,519.52	-	-	-
40-16300 BUILDINGS	-	-	-	-	-	-	-	21,641,345.31	21,641,345.31	21,831,540.08	21,831,540.08	21,831,540.08
40-16500 MACHINERY & EQUIPMENT	-	-	-	-	-	-	-	1,419,774.00	1,419,774.00	1,465,627.00	1,465,627.00	1,465,627.00
40-16800 ACCUM DEPR BUILDING	-	-	-	-	-	-	-	(494,094.64)	(1,215,472.82)	(1,941,662.32)	(2,669,380.32)	(3,397,098.32)
40-17000 ACCUM DEPR - M & E	-	-	-	-	-	-	-	(65,553.86)	(148,468.76)	(234,059.47)	(321,559.67)	(409,059.87)
40-20100 VOUCHERS PAYABLE	(281.00)	(163,168.98)	(44.00)	-	-	(4,641,947.46)	(1,046,105.35)	(64,840.20)	(23,230.69)	(29,887.88)	(41,434.82)	(129,520.59)
40-23600 DEFERRED REVENUE	-	-	-	-	-	-	(196,969.00)	-	-	-	-	-
40-25950 Due TO/FROM Pool Mgmt Co.	-	-	-	-	-	-	-	-	-	73,488.50	(65,232.62)	28,985.09
40-30100 CONTRIBUTED CAPITAL-STATE	-	-	-	-	-	-	-	(23,061,119.31)	(23,061,119.31)	(23,061,119.31)	(23,061,119.31)	(23,061,119.31)
40-30200 Contributed Capital- Other	-	-	-	-	-	-	-	-	-	(236,047.77)	(236,047.77)	(236,047.77)
40-39900 FUND BALANCE	-	(584,080.54)	(1,664,809.93)	(2,061,541.75)	(2,569,680.46)	(3,253,525.13)	(3,736,521.87)	(4,386,051.34)	(3,579,035.33)	(2,440,690.35)	(1,464,333.10)	(525,351.31)
40-42-411 SFY13 DESIGNATED LEGIS GRANT	-	-	-	-	-	(8,965,143.41)	(12,032,225.38)	(2,065,508.12)	(3,000.00)	(9,123.09)	-	-
40-42-410 PERS ON BEHALF Revenue	-	-	(3,022.15)	-	-	-	-	-	-	-	-	-
40-42-414 Delta Women's Group Grant	-	-	-	-	-	-	-	-	-	-	2,860.00	(3,901.00)
40-42-415 CAG	-	-	-	-	-	-	-	-	-	-	533.00	344.00
40-43-430 PRO-SHOP REVENUE	-	-	-	-	-	-	-	(35,973.44)	(34,475.95)	(36,146.00)	(43,791.00)	(41,667.00)
40-43-435 CONCESSION REVENUE	-	-	-	-	-	-	-	(40,891.28)	(40,669.24)	(43,174.00)	(70,150.00)	(68,100.00)
40-43-460 ENTRY FEE	-	-	-	-	-	-	-	(244,693.03)	(272,515.53)	(268,709.00)	(95,235.00)	(105,901.00)
40-43-463 FACILITY RENTAL	-	-	-	-	-	-	-	(11,980.30)	(7,763.00)	(12,098.00)	(11,897.00)	(49,874.00)
40-43-465 PROGRAM FEES	-	-	-	-	-	-	-	(38,407.55)	(59,496.22)	(40,350.00)	(52,110.00)	(56,034.00)
40-46-412 LOCAL SOURCES-SALES TAX REV	(584,361.54)	(1,460,458.65)	(943,656.79)	(621,449.98)	(683,470.85)	(682,657.95)	(649,178.93)	(601,805.00)	(539,358.88)	(583,437.73)	(500,793.55)	(532,507.00)
40-46-413 LOCAL SOURCES-ALCOHOLTAX REV ***	-	(57,431.62)	-	-	-	-	-	-	-	-	(33,994.18)	(15,037.00)
40-46-414 WELLNESS PROGRAM	-	-	-	-	-	-	-	-	-	-	(217,014.00)	(295,543.00)
40-46-990 OPERATING TRANSFER OUT	-	-	-	-	-	-	-	-	-	-	-	5,000.00
40-49-485 Public Donations	-	-	-	-	-	-	-	-	-	-	(5,000.00)	-
40-49-487 INVESTMENT INCOME	-	-	(124.05)	(348.22)	(373.82)	(290.67)	(350.54)	(398.87)	(428.80)	(389.63)	(55,413.29)	(83,931.53)
40-50-602 PAYROLL RELATED ACCTS	-	63,105.38	80,878.75	79,931.78	-	-	-	-	-	-	919.98	1,458.92
40-50-621 Gasoline/Oil/Diesel	-	-	-	-	-	-	-	-	-	-	87,113.58	113,541.86
40-50-622 ELECTRICITY	-	-	-	-	-	-	-	134,303.42	58,006.20	86,313.62	87,113.58	113,541.86
40-50-623 TELEPHONE	-	-	-	-	-	-	-	-	-	-	1,247.76	1,228.44
40-50-624 HEATING FUEL	-	-	-	-	-	-	-	193,219.73	157,914.13	163,381.92	162,728.10	161,530.80
40-50-624 WATER/SEWER/GARBAGE	-	-	-	-	-	-	-	44,129.03	82,992.34	64,882.32	54,992.55	51,638.19
40-50-643 PLANNING/ENGINEERING	-	374,055.50	466,632.45	13,894.29	-	-	-	-	-	-	-	-
40-50-646 CONTRACTOR'S FEES	-	-	-	-	-	-	-	691,336.19	760,403.03	658,921.68	673,302.47	749,495.10
40-50-649 PROFESSIONAL SVS	-	-	-	19,296.32	-	-	-	137,185.02	145,110.02	140,000.54	140,004.00	144,200.04
40-50-661 Vehicl Maint/Repair	-	-	-	-	-	-	-	-	-	-	-	16.79
40-50-662 PROP MAINT	-	-	-	-	-	-	-	-	1,667.17	2,704.00	7,787.25	37,359.31
40-50-669 OTHER PURCHASED SERVICES	-	-	329.00	(329.00)	-	-	-	-	883.33	3,718.44	8,300.00	5,759.93
40-50-683 MINOR EQUIPMENT	281.00	-	-	-	-	-	-	-	4,430.32	109.88	-	845.07
40-50-699 Capital Exp-Server Domain	-	-	-	-	-	-	-	-	-	-	-	13,878.02
40-50-702 DEPRECIATION - BUILDING	-	-	-	-	-	-	-	494,094.64	721,378.18	726,189.50	727,718.00	727,718.00
40-50-704 DEPRECIATION - M&E	-	-	-	-	-	-	-	65,553.86	82,914.90	85,590.71	87,500.20	87,500.20
40-50-721 INSURANCE	-	-	1,236.57	866.10	-	-	-	21,288.81	25,237.34	27,035.44	31,772.70	39,105.16
40-50-727 Advertising/Marketing	-	-	994.40	-	-	-	-	54.78	69.72	39.84	-	-
40-50-771 GRAVEL	-	-	-	-	-	199,951.88	-	-	-	-	-	-
40-50-996 ADMIN OVERHEAD-IT SVCS	-	-	-	-	-	-	-	-	35,685.96	-	9,122.13	38,239.94
40-50-998 ADMINISTRATIVE OVERHEAD-GF	-	-	-	-	-	-	-	-	16,359.96	-	28,478.09	23,653.00
40-51-562 MATERIALS	-	-	-	-	-	1,059,095.15	-	-	-	-	-	-
40-51-643 ENGINEERING FEES	-	-	-	-	-	60,800.36	91,635.18	-	-	-	-	-
40-51-646 CONTRACTOR FEES	-	-	-	-	-	7,578,022.57	11,424,094.00	1,700,714.76	3,000.00	-	-	-
40-51-647 PROJECT MGR FEES	-	-	-	-	-	265,794.19	513,169.74	328,913.67	-	-	-	-
40-51-648 ADMINISTRATIVE COSTS	-	-	-	-	-	-	2,357.23	-	-	-	-	-
40-51-669 OTHER PURCHASED SERVICES	-	-	-	-	-	1,431.14	838.41	35,879.69	-	-	-	-
40-51-683 MINOR EQUIPMENT	-	-	-	-	-	-	-	-	-	10,896.81	-	-
40-51-721 INSURANCE	-	-	-	-	-	-	130.82	-	-	-	-	-
	-	-	(0.00)	(0.00)	(0.00)	0.00	0.00	(0.00)	(0.00)	0.00	(0.00)	0.00
Net (Income)/ Loss	(584,080.54)	(1,080,729.39)	(396,731.82)	(508,138.71)	(683,844.67)	(482,996.74)	(649,529.47)	807,016.01	1,138,344.98	976,357.25	938,981.79	950,017.24
Add Back Depreciation	-	-	-	-	-	-	-	559,648.50	804,293.08	811,780.21	815,218.20	815,218.20
(Income)/Loss before Depreciation	(584,080.54)	(1,080,729.39)	(396,731.82)	(508,138.71)	(683,844.67)	(482,996.74)	(649,529.47)	247,367.51	334,051.90	164,577.04	123,763.59	134,799.04

Schedule, Events and Programs

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❖ Regularly Sponsored Discounts for pool admissions:

- Free Teen Night: Every Wednesday from 4-8pm the Drew Foundation Sponsors Free pool admissions for teens age 13-17.
- Half Price Saturdays: Every Saturday the Lifesavers Foundation sponsors half price pool admissions for all ages.
- Free Saturdays: The last Saturday of every month Angstman Law Offices Sponsors free pool admissions from 12pm-8pm for youth under the age of 12.

December 2019

- ❖ December Group Fitness Classes start December 1st.
- ❖ December 13th: Registration opens for Winter Swim Lessons and Instructional Programs
- ❖ December 15th: 26th Annual Christmas Cookie Extravaganza to support the Lifesavers Foundation.



January 2020

- ❖ Due to the extended facility closure, start dates for classes and programs were pushed back.
- ❖ Group Fitness Classes started January 13th
- ❖ Instructional Classes and Swim lessons started January 18th

Staffing

Operational Staff: View all our open positions at Healthfitness.com

Now Hiring:

- Certified Lifeguards, Full Time and Part Time
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- Facility Attendants
- Front Desk
- Full Time Custodian
- Full Time Lifeguard and Swim Instructor

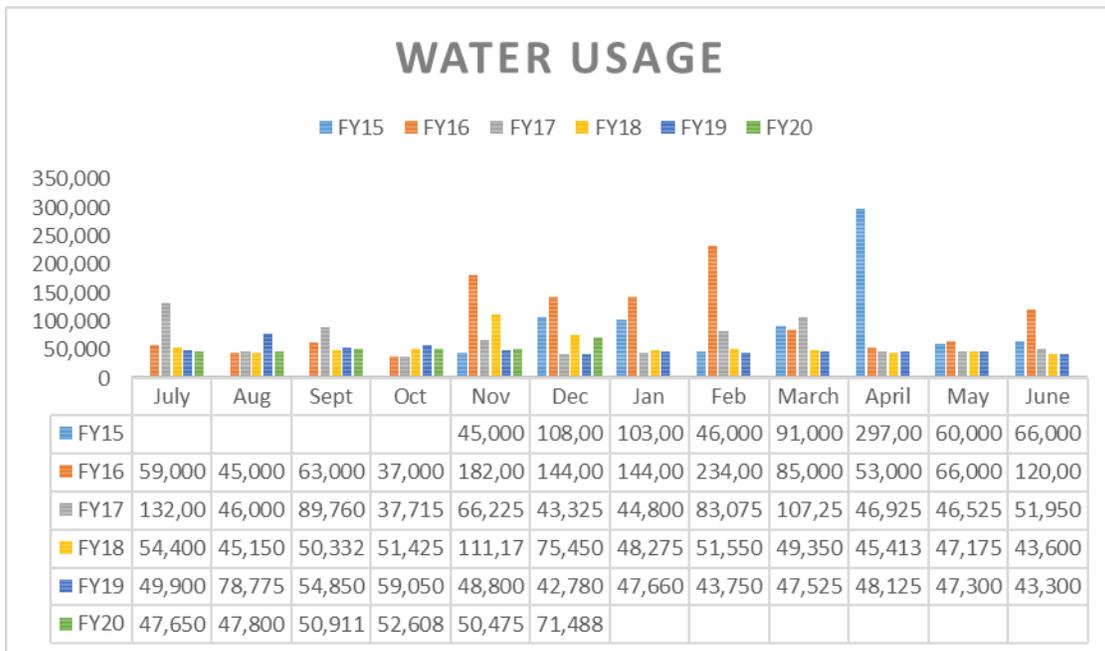
Programming Staff: We are looking for programming staff to fill the below roles:

- Swim Instructors
- Instructors for youth classes, particularly dance and tumbling
- Fitness Instructors and Certified Personal Trainers
- Instructors for any activity, craft or music patrons might be interested in learning.

Anyone interested in working at the YK Fitness Center can call 543-0390 or visit ykfitness.org for information and links to our applications.

Maintenance

The Fitness Center experienced several maintenance issues due to the extended sub-zero weather at the end of December and into January. As a result, the facility was closed from Dec 27th – Jan 12th. See Property Maintenance Report for details on the facility issues. All Memberships were extended to account for the days the facility was closed.



*Note: Facility opened in November of 2014 (FY15)

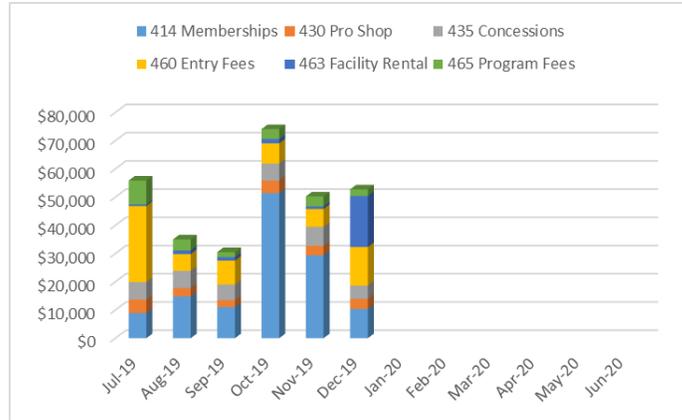
During maintenance closure in Dec 2019/Jan 2020 hot water was used to keep pipes from freezing.

Revenue

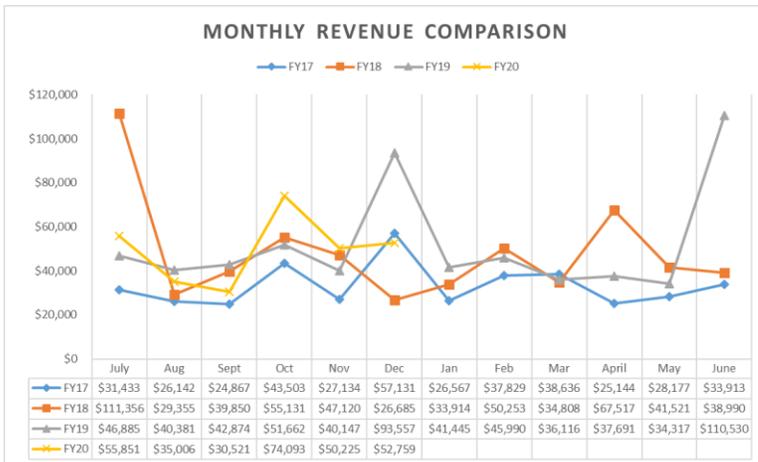
FY19 Revenue

Code	Facility Revenue	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Total	FY20 Budgeted	%attained
414	Memberships	\$8,919	\$14,808	\$11,032	\$51,405	\$29,362	\$10,341							\$125,867	\$394,655	31.89%
430	Pro Shop	\$4,772	\$2,976	\$2,432	\$4,454	\$3,347	\$3,596							\$21,576	\$44,100	48.93%
435	Concessions	\$6,173	\$6,091	\$5,523	\$6,023	\$6,795	\$4,717							\$35,322	\$64,900	54.43%
460	Entry Fees	\$26,964	\$5,934	\$8,521	\$7,164	\$6,298	\$13,652							\$68,533	\$115,730	59.22%
463	Facility Rental	\$576	\$1,306	\$1,210	\$1,562	\$916	\$18,069							\$23,639	\$42,075	56.18%
465	Program Fees	\$8,447	\$3,891	\$1,803	\$3,485	\$3,508	\$2,384							\$23,518	\$83,318	28.23%
Facility Revenue Total		\$55,851	\$35,006	\$30,521	\$74,093	\$50,225	\$52,759	\$0	\$0	\$0	\$0	\$0	\$0	\$298,455	\$744,778	40.07%

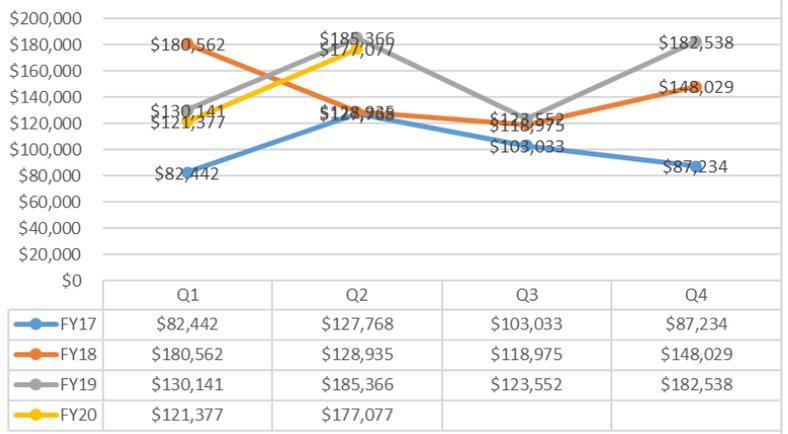
The below chart represents the portion of the total revenue that each revenue category represents.



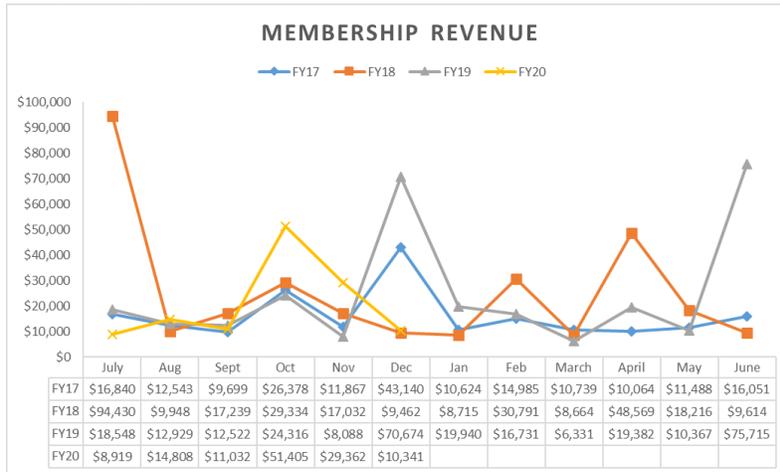
Revenue Comparisons: Monthly Totals



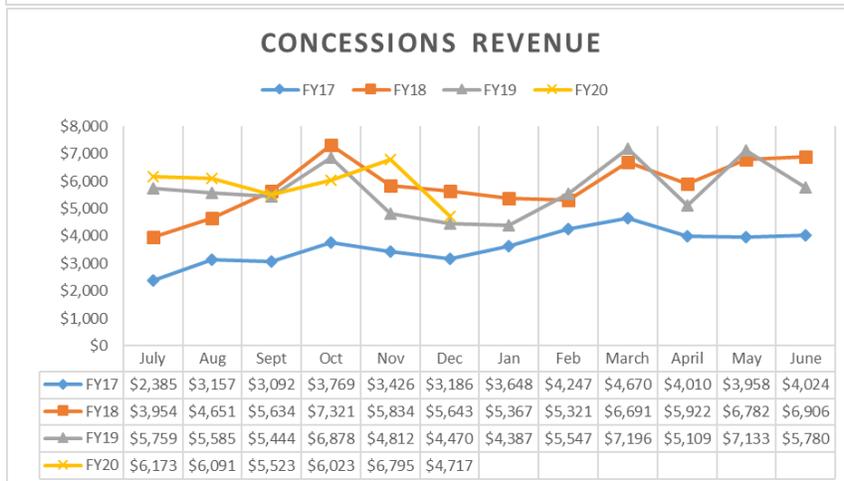
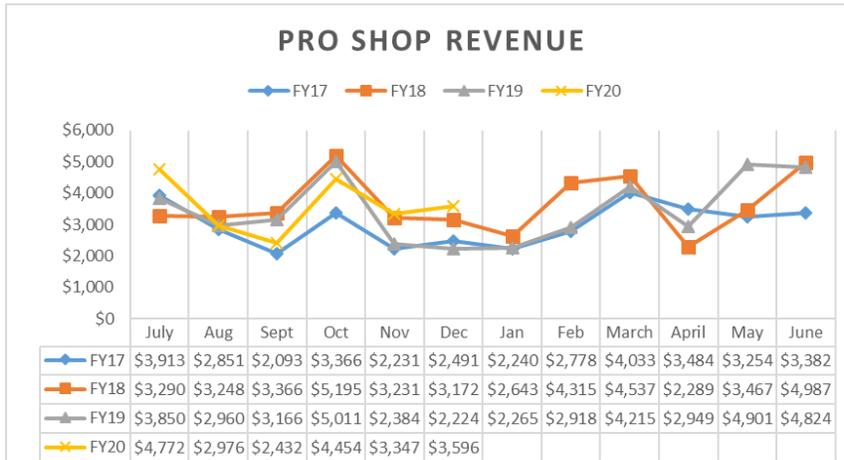
Quarterly Comparison total Revenue

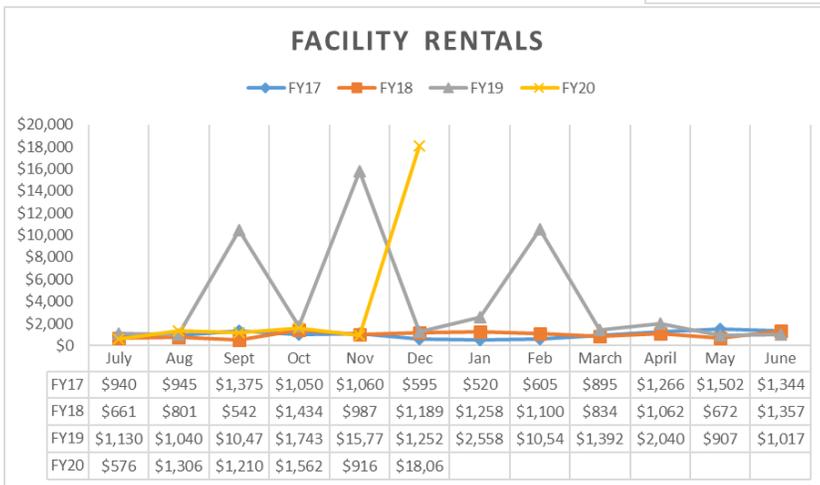
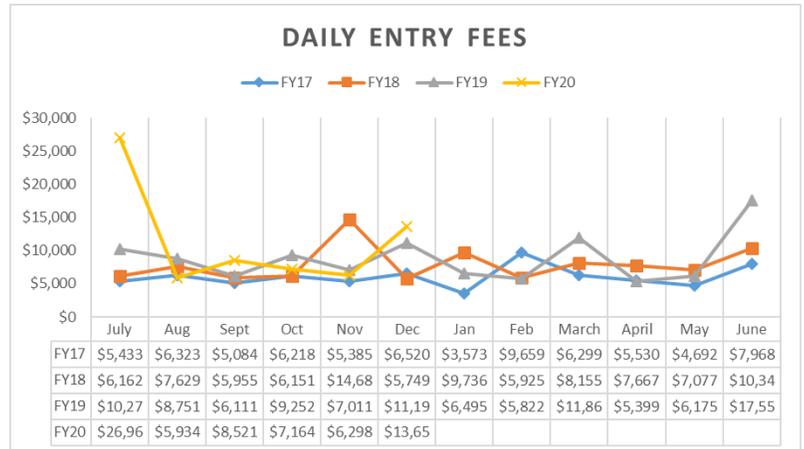


Revenue Comparisons: Monthly Categories

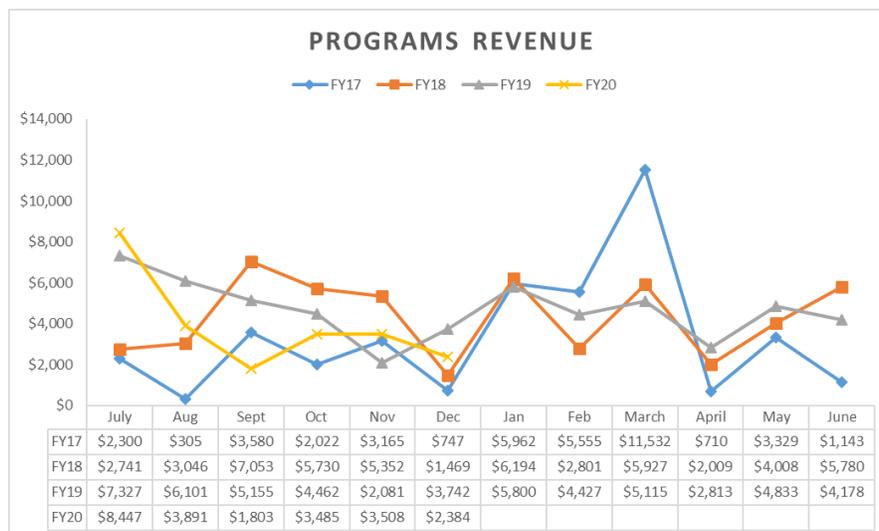


Variations in membership revenue are due primarily to inconsistencies in when payments are received from corporate membership partners.





Variation in Rental Fees are a reflection of the FY19 change to school district fees being recorded as part of facility rental contracts instead of as part of the single contract fee for membership and rental services combined.

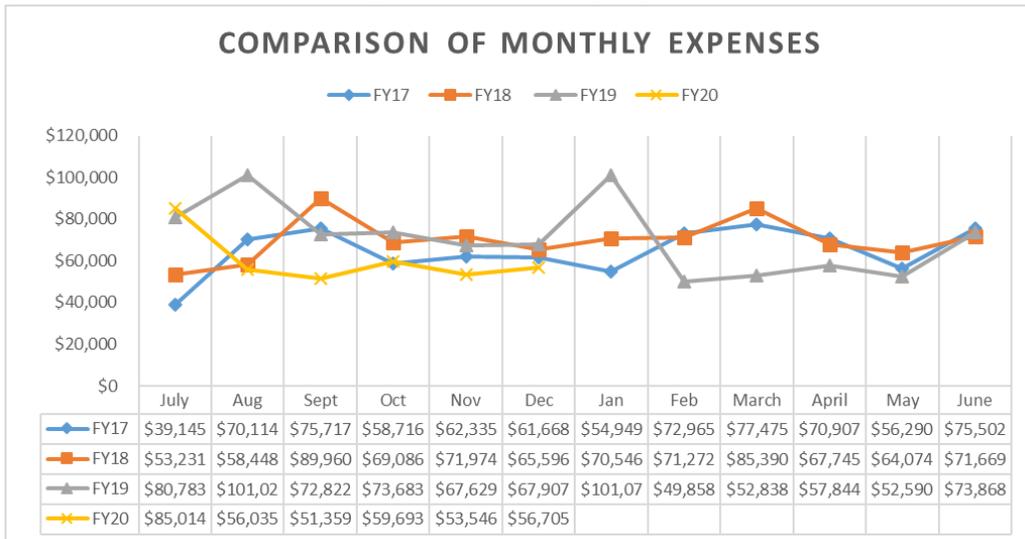


Variations in Program Revenue reflect the registration periods that run across 6-8 week sessions as well as the variability of instructor schedules.

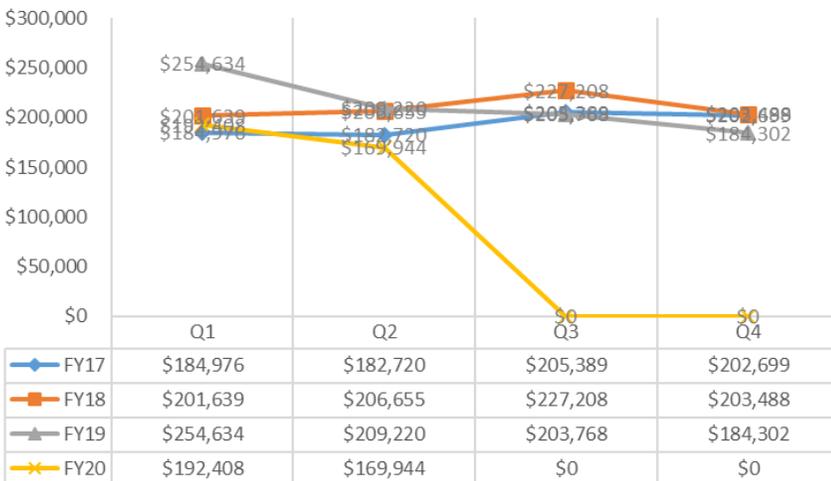
FY19 Expenses

Expenses	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Total	Budgeted	% used
Wages	\$54,419	\$35,425	\$33,001	\$33,777	\$32,436	\$28,616							\$217,674	\$665,682	32.70%
Benefits	\$12,492	\$8,074	\$7,356	\$7,583	\$6,921	\$6,209							\$48,635	\$146,058	33.30%
520 Housing	\$3,090	\$3,090	\$3,090	\$3,090	\$3,090	\$3,090							\$18,540	\$37,080	50.00%
545 Travel/Training	\$0	\$0	\$152	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$152	\$3,000	5.07%
561 Supplies	\$11,321	\$4,024	\$6,258	\$4,451	\$5,256	\$6,999	\$0	\$0	\$0	\$0	\$0	\$0	\$38,310	\$100,605	38.08%
580 Boiler	\$0	\$55	\$0	\$62	\$782	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$899	\$6,000	14.99%
661 Vehide Maintenance/Repair	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250	0.00%
663 Janitorial Supplies/Services	\$1,101	\$407	\$128	\$7,053	\$125	\$347	\$0	\$0	\$0	\$0	\$0	\$0	\$9,161	\$20,400	44.91%
668 Software Licenses	\$1,172	\$368	\$319	\$771	\$521	\$609	\$0	\$0	\$0	\$0	\$0	\$0	\$3,761	\$7,560	49.75%
669 Other Purchased Services	\$0	\$1,250	\$0	\$0	\$0	\$8,835	\$0	\$0	\$0	\$0	\$0	\$0	\$10,085	\$25,160	40.08%
683 Minor Equipment	\$0	\$2,332	\$0	\$470	\$2,328	\$346	\$0	\$0	\$0	\$0	\$0	\$0	\$5,477	\$21,000	26.08%
684 Donations and Awards	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500	0.00%
724 Dues/Subscriptions	\$179	\$179	\$179	\$179	\$179	\$369	\$0	\$0	\$0	\$0	\$0	\$0	\$1,264	\$2,000	63.18%
727 Advertising	\$98	\$9	\$193	\$11	\$0	\$420	\$0	\$0	\$0	\$0	\$0	\$0	\$731	\$8,000	9.14%
733 Postage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$200	0.00%
736 Bank Charges	\$1,015	\$823	\$684	\$2,246	\$1,500	\$864	\$0	\$0	\$0	\$0	\$0	\$0	\$7,132	\$14,645	48.70%
790 Allowance for Special Events	\$80	\$0	\$0	\$0	\$407	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$487	\$800	60.91%
799 Miscellaneous	\$45	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$45	\$10,125	0.44%
TOTAL	\$85,014	\$56,035	\$51,359	\$59,693	\$53,546	\$56,705	\$0	\$0	\$0	\$0	\$0	\$0	\$362,353	\$1,069,064	33.89%

Comparison of Monthly Expenses



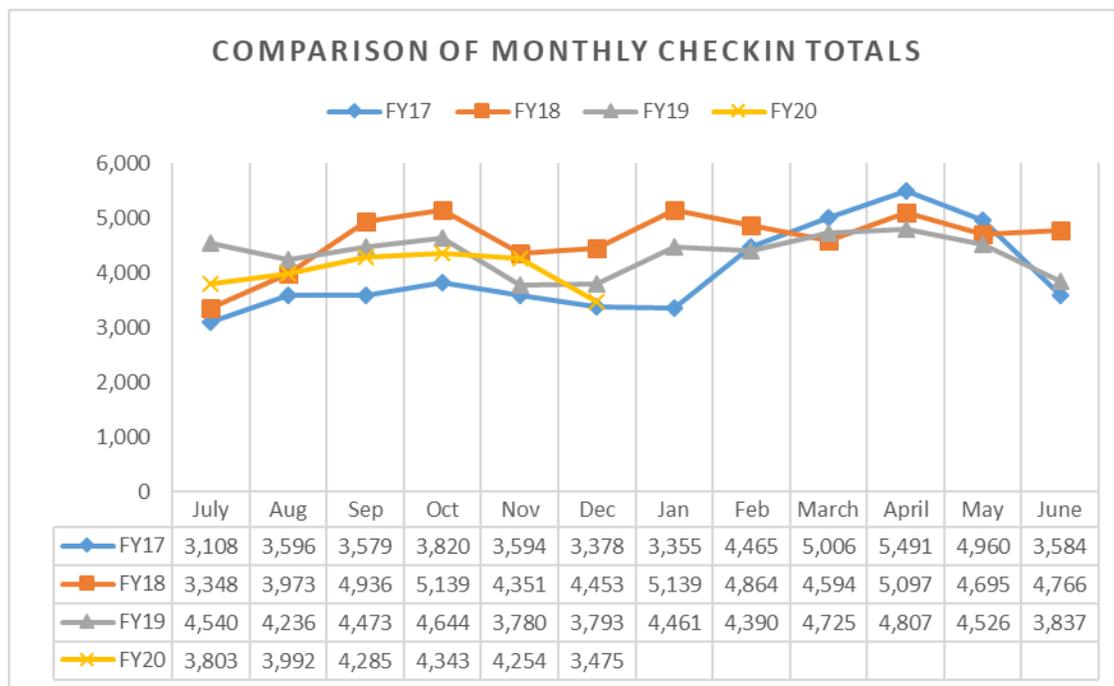
QUARTERLY EXPENSE COMPARISON



Facility Utilization

Facility Check-In: Facility Check-In numbers represent the total number of patrons who visited the facility and are based on a compilation of the number of members who checked-in, the number of daily passes sold and the number of participants in programs, activities, rentals and special events. These numbers represent facility visits, not individuals as most individuals visit the facility multiple times over the course of the month.

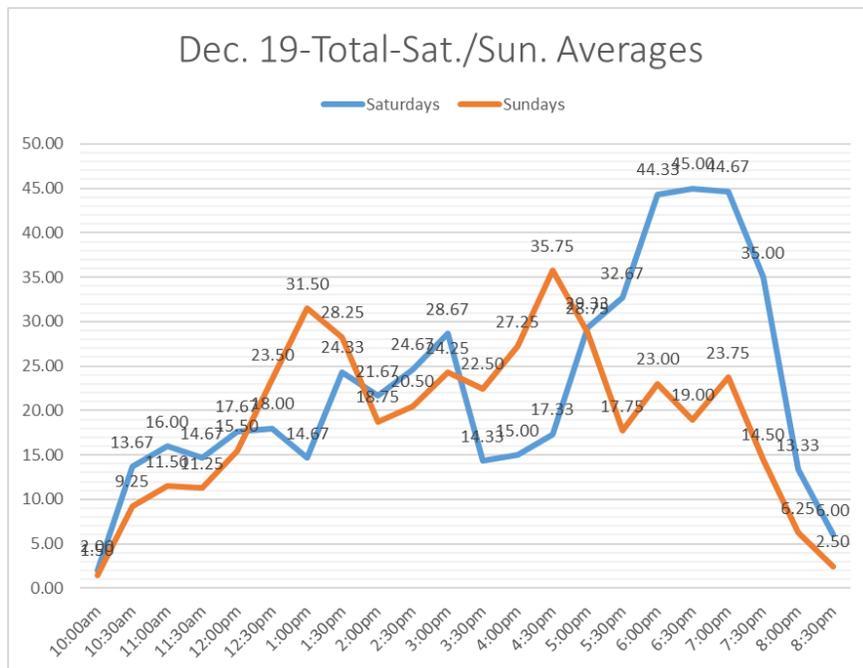
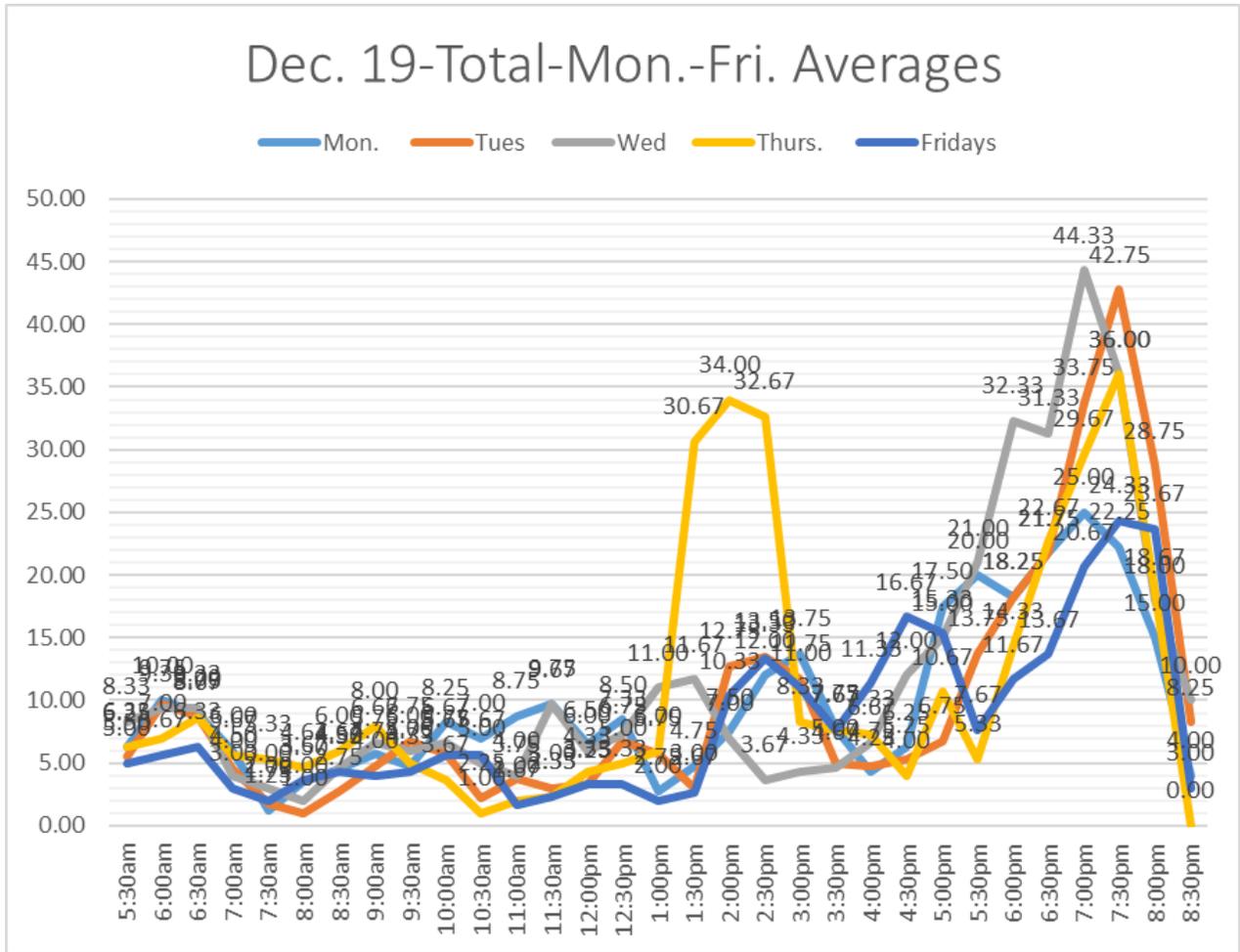
Facility Check-In	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Total
Member Checkins	1,623	1,432	1,687	1749	1,729	1,564							9,784
Daily Admissions	1,876	1,787	1,965	2021	1,974	1,678							11,301
Rentals	0	529	404	374	324	61							1,692
Fitness Programming	132	150	146	118	153	109							808
Aquatics Programming	32	47	83	54	65	52							333
Youth Programs	140	47		27	9	11							234
Monthly Totals	3,803	3,992	4,285	4,343	4,254	3,475	0	0	0	0	0	0	24,152

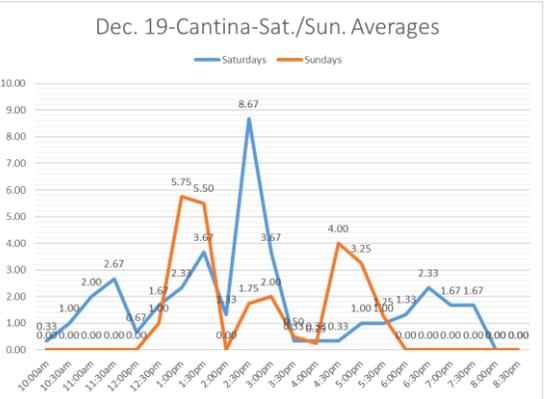
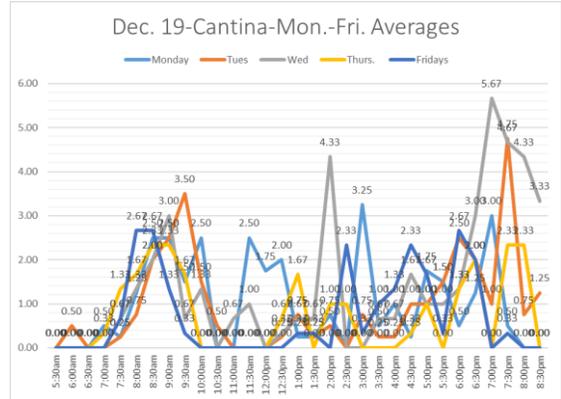
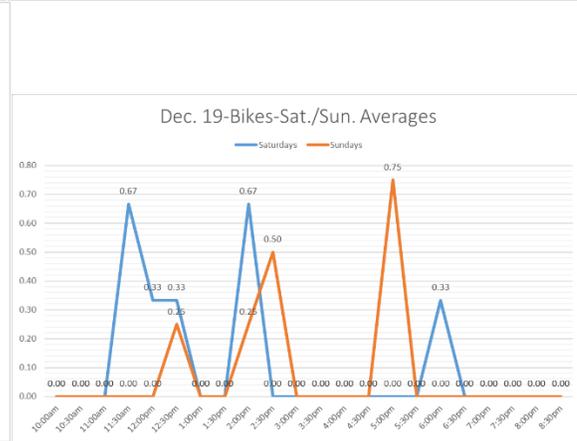
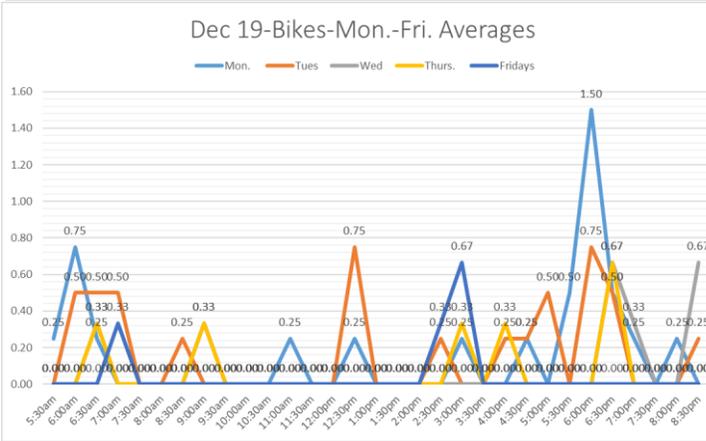
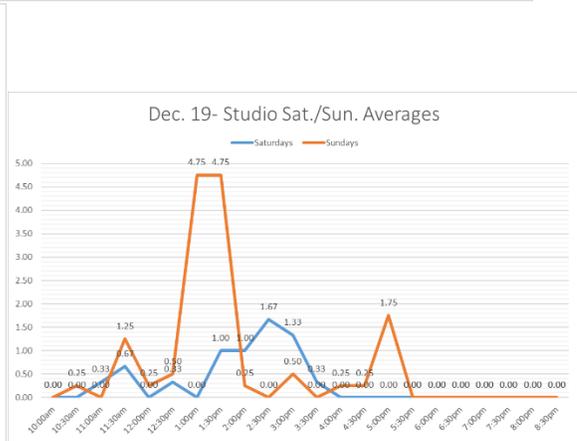
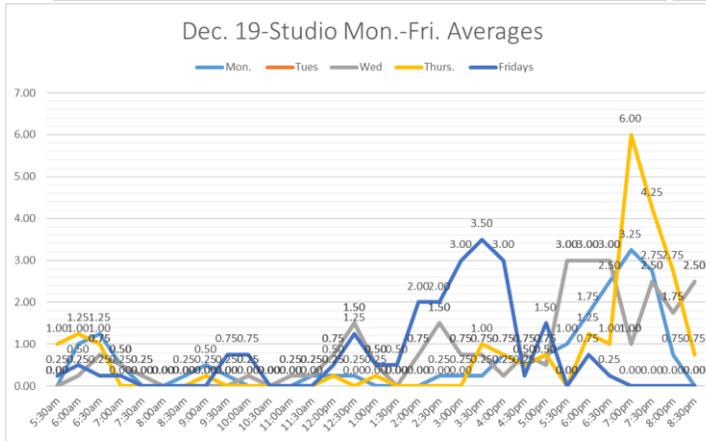
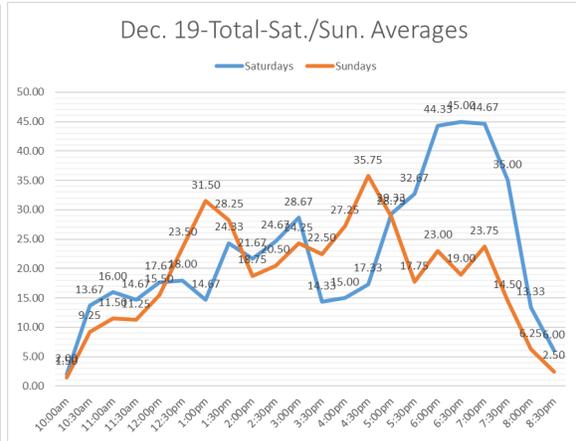
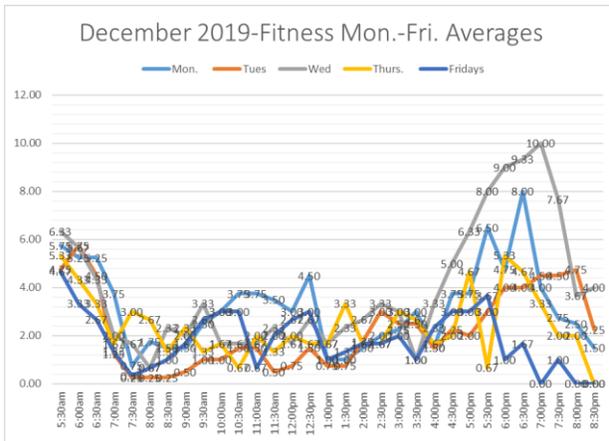


*December 2019 check-in numbers were impacted by the facility being closed from 12/27-12/31 (5 days) due to mechanical issues from extreme cold.

Area Usage: Count of the number of individuals in each area at the top and bottom of each hour. Showing trends and patterns of area usage, these numbers are not an accurate reporting of the overall number of patrons using the facility as patrons who remain in any area for more than 30 minutes are counted more than once. The below charts show average number of users for each area, by day of the week, per 30 minute period and are used from programming and operational hours planning.

In September 2019 we began collecting counts for patrons in the Concessions/Lobby area (Cantina) and on the deck/bleachers in the pool area.





Schedule, Events and Programs

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January 2020

- ❖ Facility was closed until January 13th due to mechanical issues related to extreme cold.
- ❖ Due to the extended facility closure, start dates for winter classes and programs were pushed back.
 - Group Fitness Classes started January 13th
 - Instructional Classes and Swim lessons started January 18th
- ❖ K300 mushers had free use of the facility Friday-Monday of K300 weekend. Arctic Chiropractic provided free massage to mushers on Monday.

February 2020

- ❖ February is Heart Healthy Month and includes several promotions:
 - 20% off Annual memberships all month
 - Celebrate National Wear Red Day on Feb 7th by wearing red to the facility and get a free water bottle
 - February 14th Move Together
- ❖ February 21st the Facility will close at 5:30pm for our annual winter staff party.
- ❖ February 26th: Scholarships applications are due to the Lifesavers Foundation for Sport Club participants interested in receiving scholarship funds to help with program fees.
- ❖ Registration opens for Spring Instructional Classes and Swim Lessons February 24th.

March 2020

- ❖ March Group Fitness Starts March 1st.
- ❖ Sport Club is available during Spring Break March 5, 6 and 9-13th. The Lifesavers Foundation has scholarships available for sport club participants.
- ❖ Lifeguard Training will be offered during Spring Break, March 9-13 from 12-730pm.
- ❖ Spring Instructional and Swim Lessons start March 15th. Registration opens February 24th.

Staffing

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Now Hiring:

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- Full Time Lifeguard and Swim Instructor



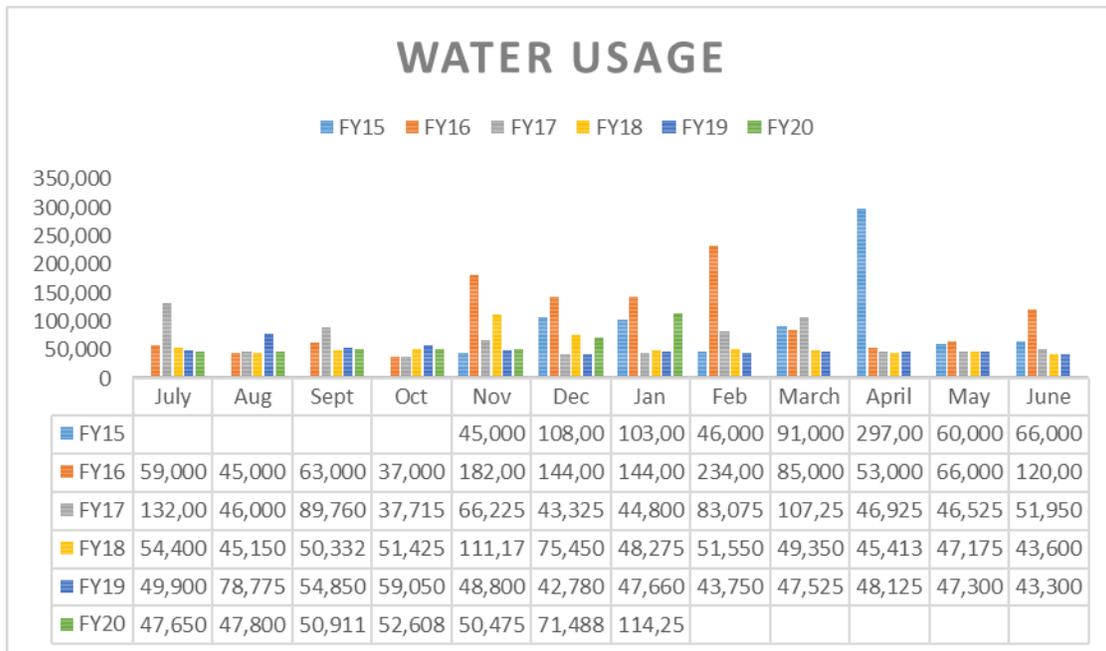
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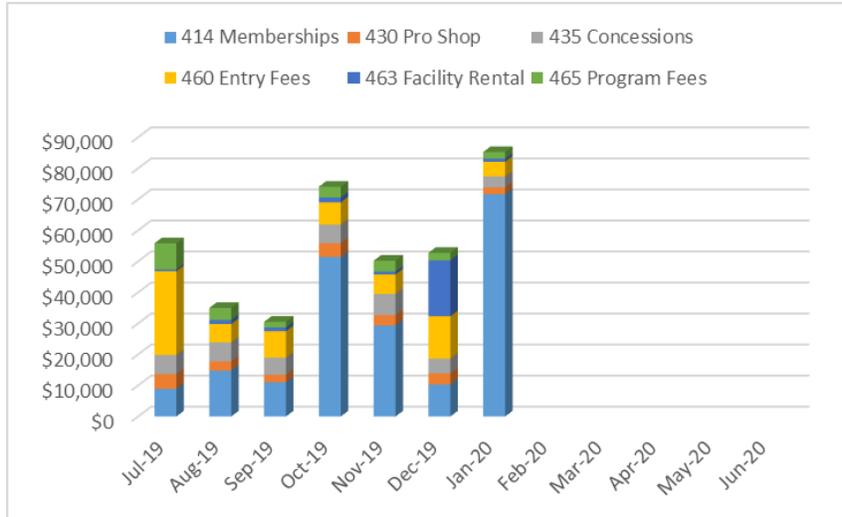
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Revenue

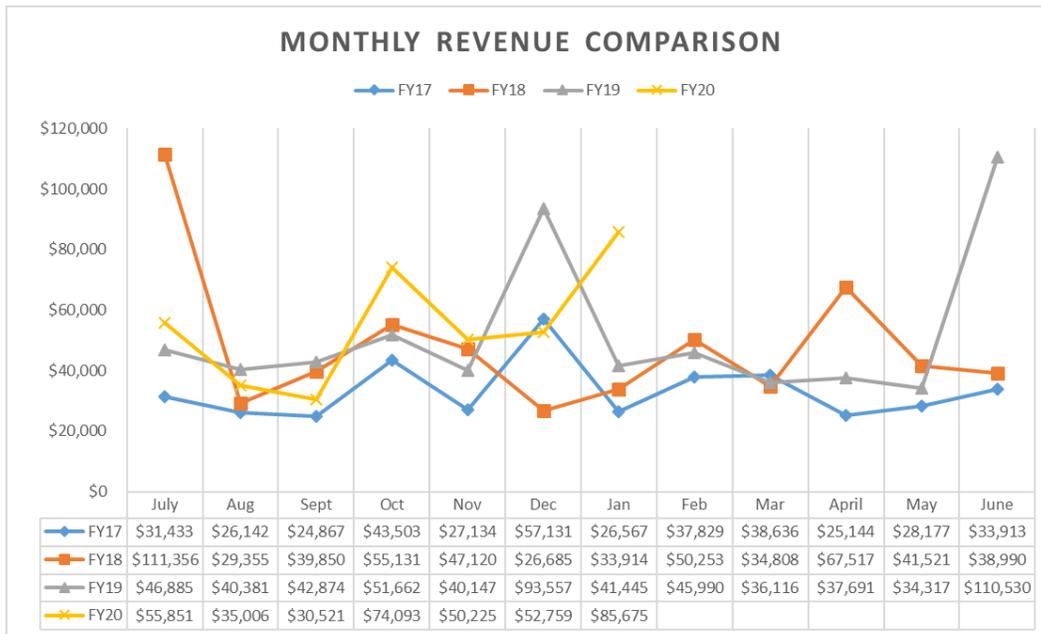
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414	Memberships	\$8,919	\$14,808	\$11,032	\$51,405	\$29,362	\$10,341	\$71,686						\$197,553	\$394,655	50.06%
430	Pro Shop	\$4,772	\$2,976	\$2,432	\$4,454	\$3,347	\$3,596	\$2,165						\$23,741	\$44,100	53.83%
435	Concessions	\$6,173	\$6,091	\$5,523	\$6,023	\$6,795	\$4,717	\$3,520						\$38,842	\$64,900	59.85%
460	Entry Fees	\$26,964	\$5,934	\$8,521	\$7,164	\$6,298	\$13,652	\$4,765						\$73,298	\$115,730	63.34%
463	Facility Rental	\$576	\$1,306	\$1,210	\$1,562	\$916	\$18,069	\$999						\$24,638	\$42,075	58.56%
465	Program Fees	\$8,447	\$3,891	\$1,803	\$3,485	\$3,508	\$2,384	\$2,134						\$25,652	\$83,318	30.79%
WomenInPhilanthropy Grant								\$405						\$405		
Facility Revenue Total		\$55,851	\$35,006	\$30,521	\$74,093	\$50,225	\$52,759	\$85,675	\$0	\$0	\$0	\$0	\$0	\$384,129	\$744,778	51.58%

The below chart represents the portion of the total revenue that each revenue category represents.

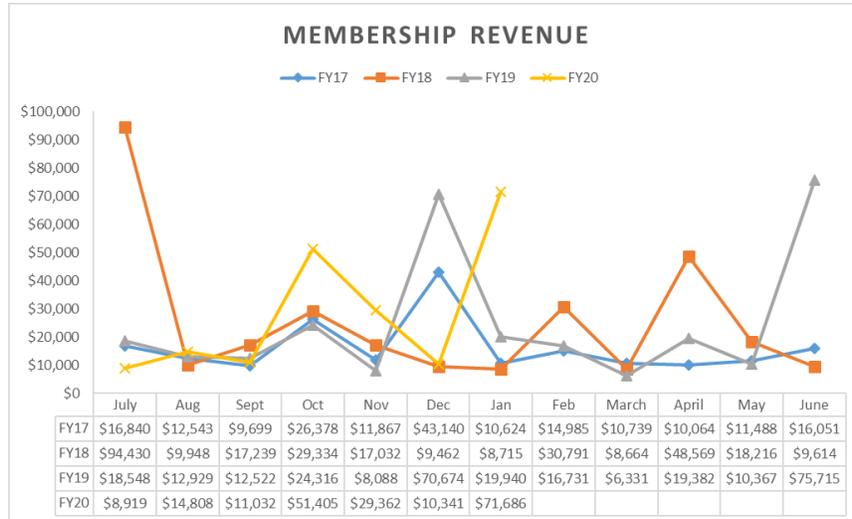


Revenue Comparisons: Monthly Totals



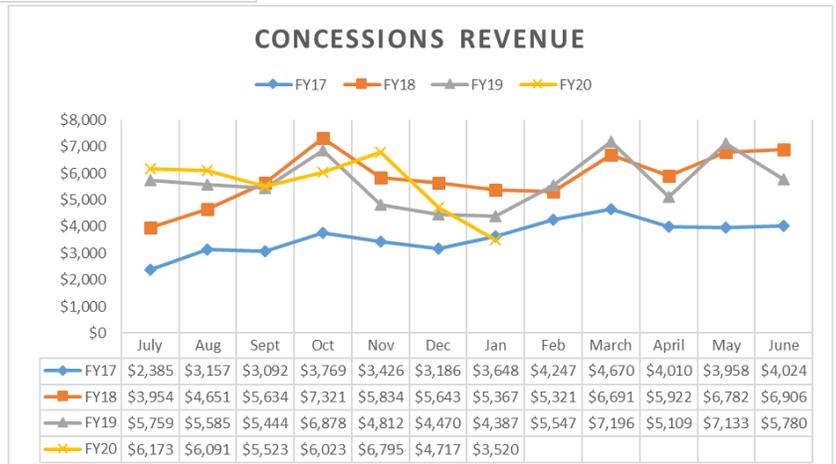
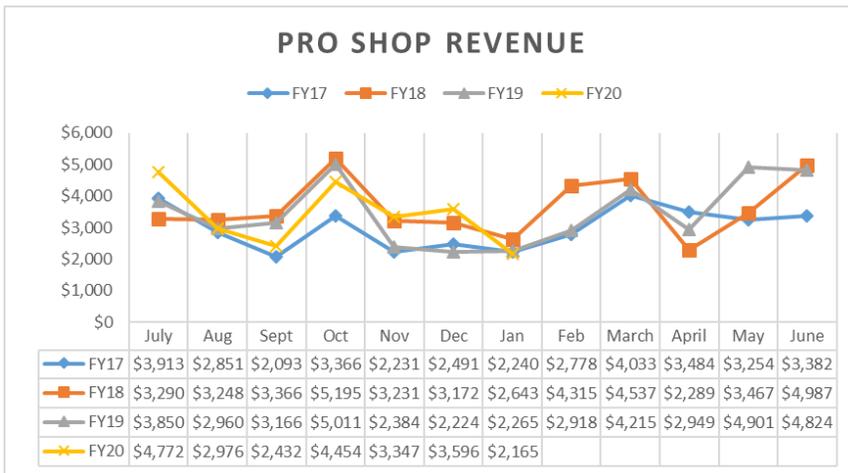
Although the facility was closed from Jan 1- 12, revenue on previously due membership balances was received in January, resulting overall revenues for January to appear to be above the expected trend.

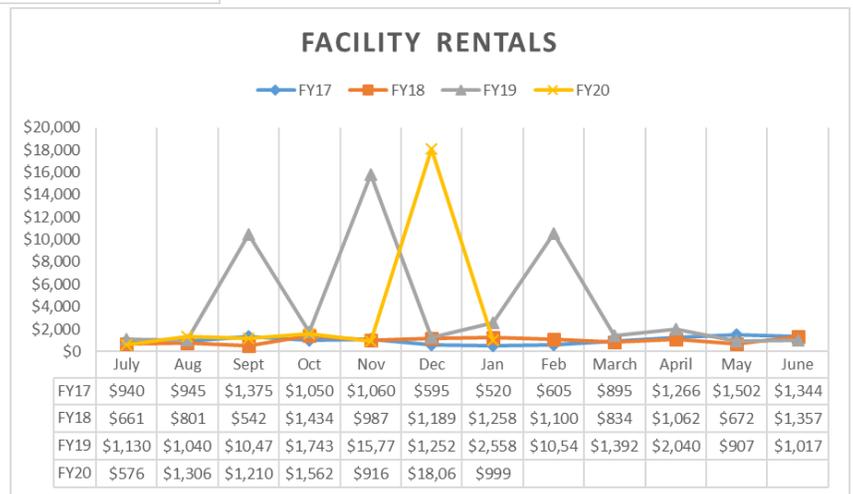
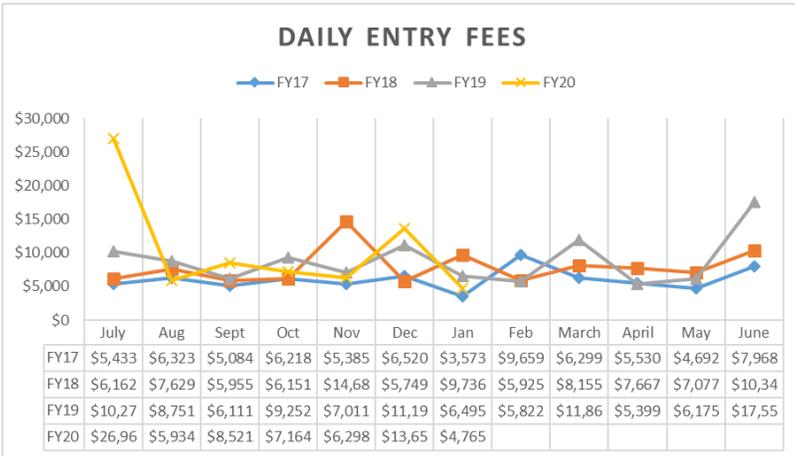
Revenue Comparisons: Monthly Categories



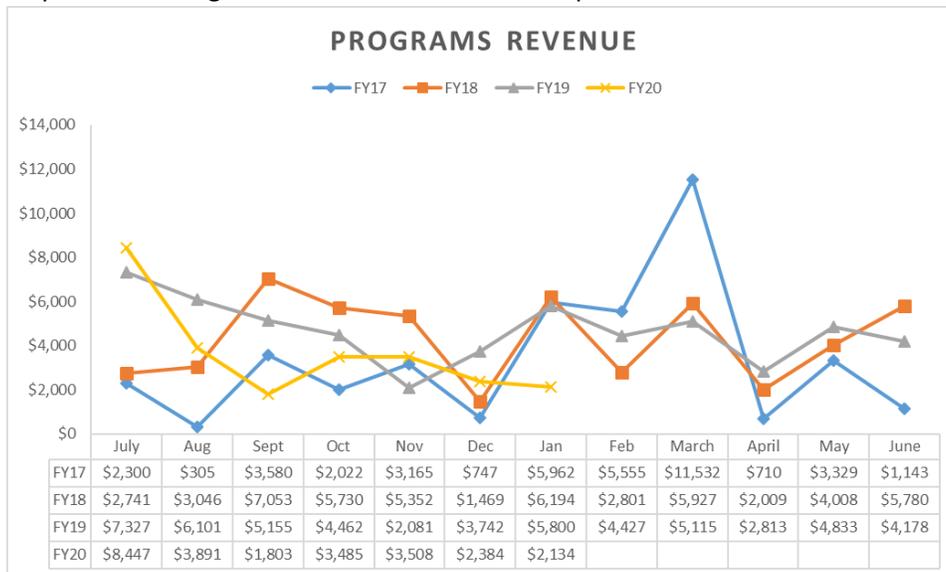
Variations in membership revenue are due primarily to inconsistencies in when payments are received from corporate membership partners.

Trends for Proshop, Concessions, and Programs revenue highlight the unexpected revenue losses from the January closure.





Variation in Rental Fees are a reflection of the FY19 change to school district fees being recorded as part of facility rental contracts instead of as part of the single contract fee for membership and rental services combined.

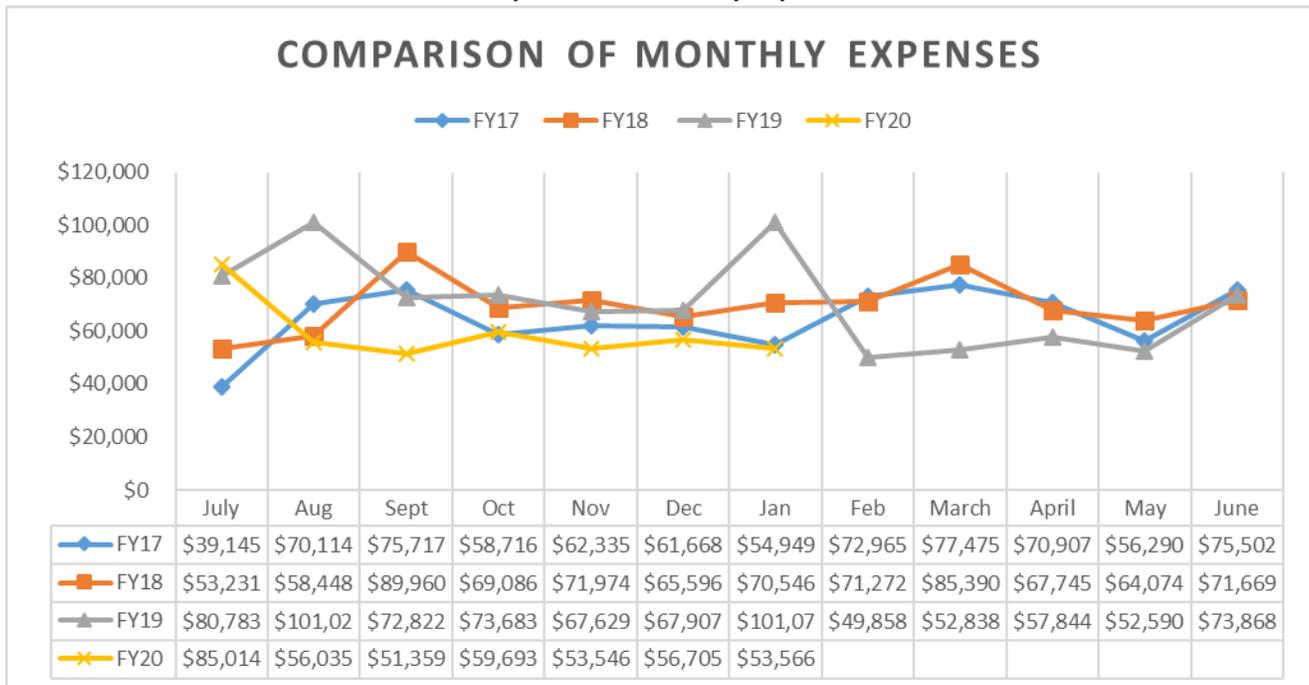


Variations in Program Revenue reflect the registration periods that run across 6-8 week sessions as well as the variability of instructor schedules.

FY19 Expenses

Expenses	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Total	Budgeted	% used	remaining
Wages	\$54,419	\$35,425	\$33,001	\$33,777	\$32,436	\$28,616	\$37,499						\$255,174	\$665,682	38.33%	\$410,508
Benefits	\$12,492	\$8,074	\$7,356	\$7,583	\$6,921	\$6,209	\$8,699						\$57,334	\$146,058	39.25%	\$88,724
520 Housing	\$3,090	\$3,090	\$3,090	\$3,090	\$3,090	\$3,090	\$3,090						\$21,630	\$37,080	58.33%	\$15,450
545 Travel/Training	\$0	\$0	\$152	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$152	\$3,000	5.07%	\$2,848
561 Supplies	\$11,321	\$4,024	\$6,258	\$4,451	\$5,256	\$6,999	\$2,284	\$0	\$0	\$0	\$0	\$0	\$40,594	\$100,605	40.35%	\$60,011
580 Boiler	\$0	\$55	\$0	\$62	\$782	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$899	\$6,000	14.99%	\$5,101
661 Vehicle Maintenance/Repair	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250	0.00%	\$250
663 Janitorial Supplies/Services	\$1,101	\$407	\$128	\$7,053	\$125	\$347	\$223	\$0	\$0	\$0	\$0	\$0	\$9,383	\$20,400	46.00%	\$11,017
668 Software Licenses	\$1,172	\$368	\$319	\$771	\$521	\$609	\$868	\$0	\$0	\$0	\$0	\$0	\$4,629	\$7,560	61.23%	\$2,931
669 Other Purchased Services	\$0	\$1,250	\$0	\$0	\$0	\$8,835	\$0	\$0	\$0	\$0	\$0	\$0	\$10,085	\$25,160	40.08%	\$15,075
683 Minor Equipment	\$0	\$2,332	\$0	\$470	\$2,328	\$346	\$0	\$0	\$0	\$0	\$0	\$0	\$5,477	\$21,000	26.08%	\$15,523
684 Donations and Awards	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500	0.00%	\$500
724 Dues/Subscriptions	\$179	\$179	\$179	\$179	\$179	\$369	\$179	\$0	\$0	\$0	\$0	\$0	\$1,443	\$2,000	72.13%	\$557
727 Advertising	\$98	\$9	\$193	\$11	\$0	\$420	\$173	\$0	\$0	\$0	\$0	\$0	\$904	\$8,000	11.30%	\$7,096
733 Postage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$200	0.00%	\$200
736 Bank Charges	\$1,015	\$823	\$684	\$2,246	\$1,500	\$864	\$551	\$0	\$0	\$0	\$0	\$0	\$7,683	\$14,645	52.46%	\$6,962
790 Allowance for Special Events	\$80	\$0	\$0	\$0	\$407	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$487	\$800	60.91%	\$313
799 Miscellaneous	\$45	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$45	\$10,125	0.44%	\$10,080
TOTAL	\$85,014	\$56,035	\$51,359	\$59,693	\$53,546	\$56,705	\$53,566	\$0	\$0	\$0	\$0	\$0	\$415,918	\$1,069,064	38.90%	\$653,146

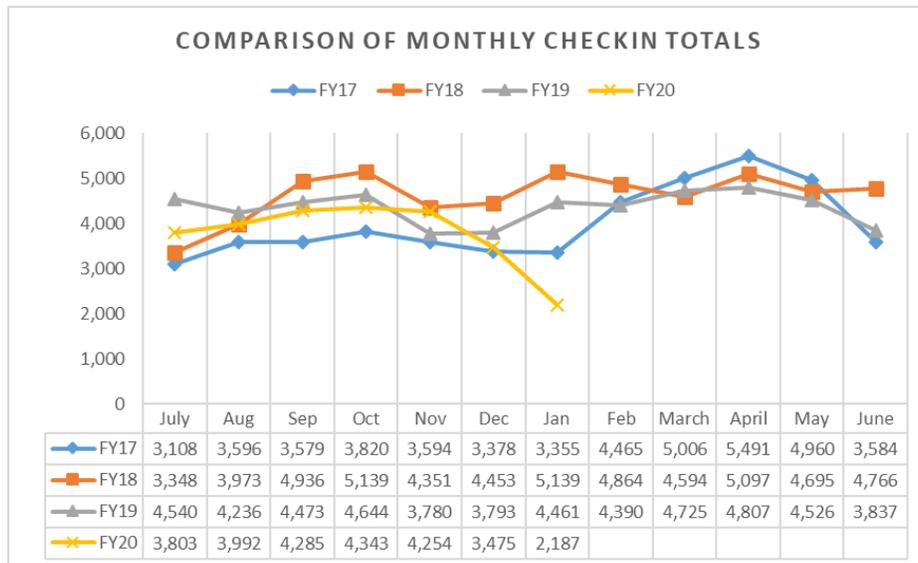
Comparison of Monthly Expenses



Facility Utilization

Facility Check-In: Facility Check-In numbers represent the total number of patrons who visited the facility and are based on a compilation of the number of members who checked-in, the number of daily passes sold and the number of participants in programs, activities, rentals and special events. These numbers represent facility visits, not individuals as most individuals visit the facility multiple times over the course of the month.

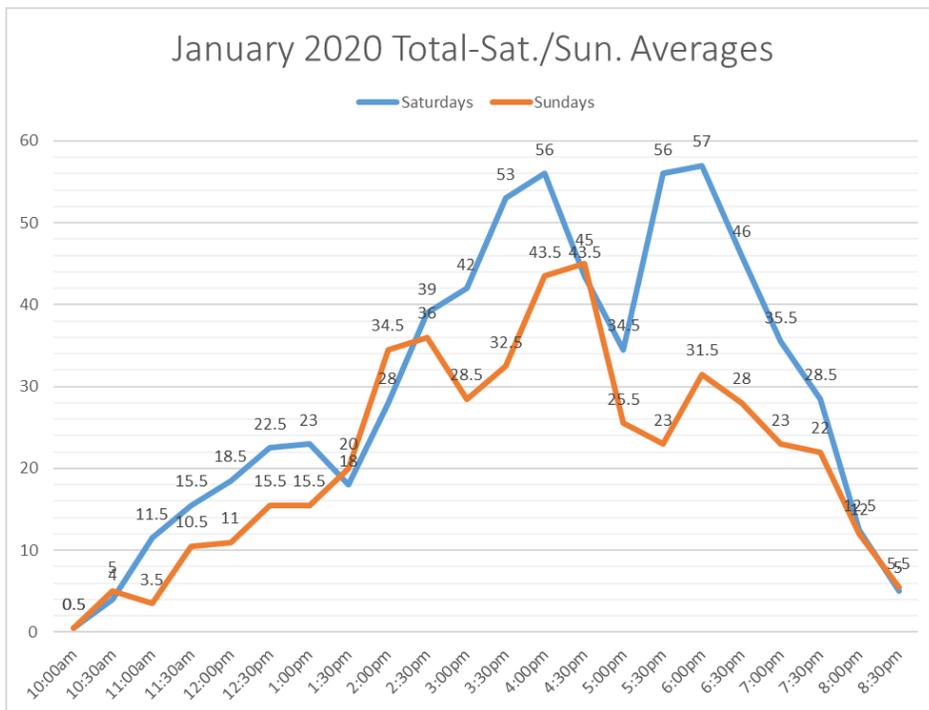
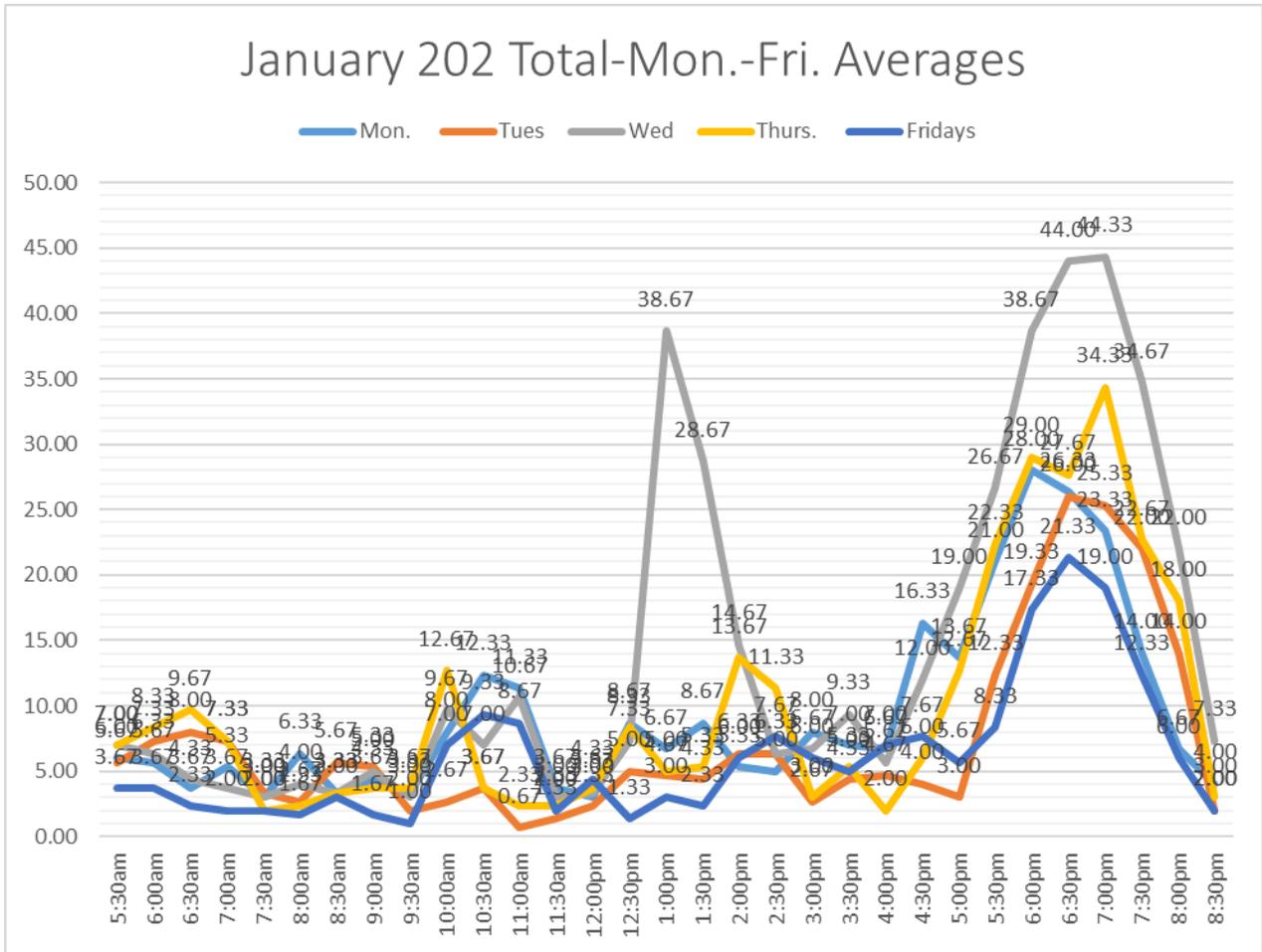
Facility Check-In	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Total
Member Checkins	1,623	1,432	1,687	1749	1,729	1,564	1,090						10,874
Daily Admissions	1,876	1,787	1,965	2021	1,974	1,678	891						12,192
Rentals	0	529	404	374	324	61	37						1,729
Fitness Programming	132	150	146	118	153	109	116						924
Aquatics Programming	32	47	83	54	65	52	53						386
Youth Programs	140	47		27	9	11	0						234
Monthly Totals	3,803	3,992	4,285	4,343	4,254	3,475	2,187	0	0	0	0	0	26,339

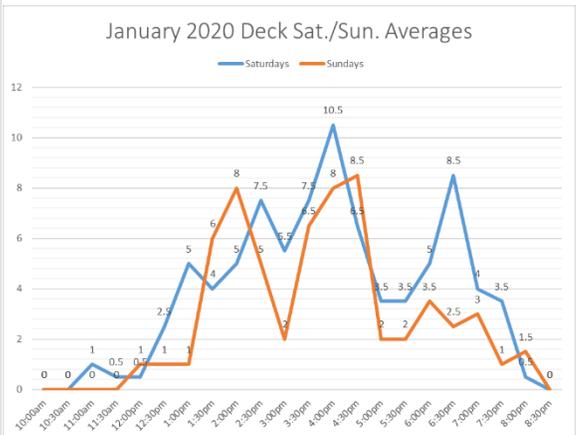
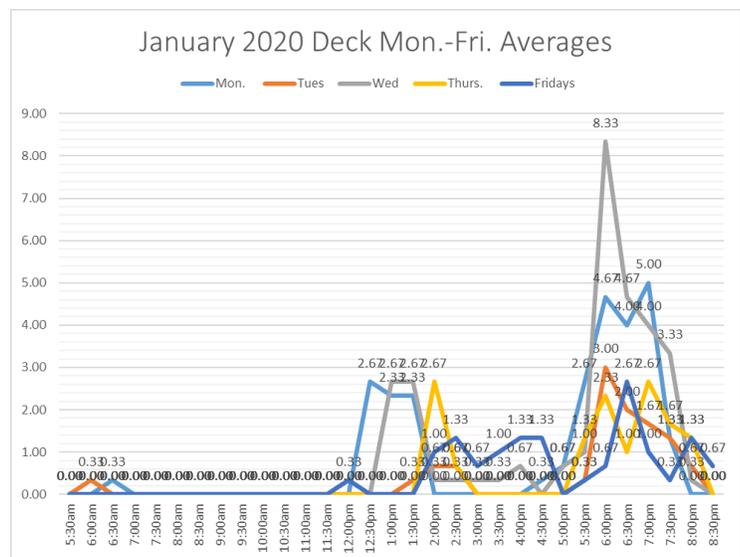
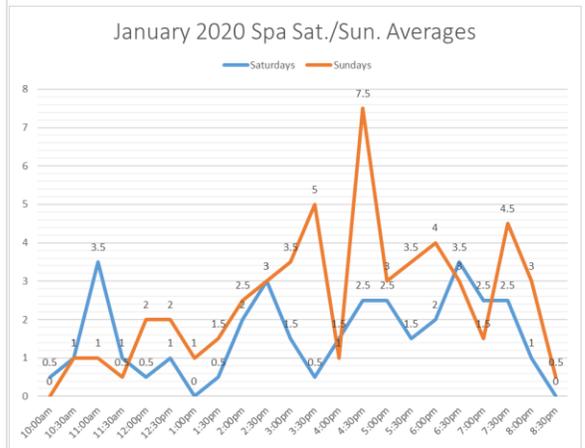
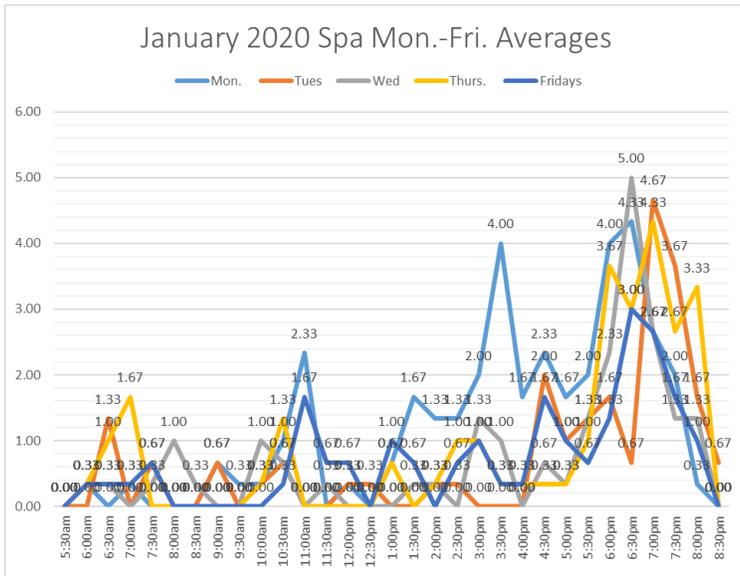
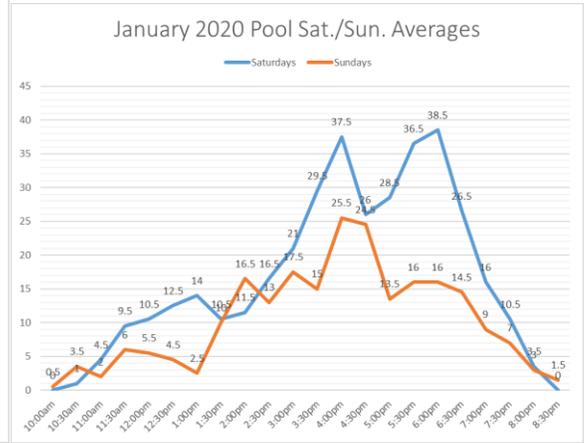
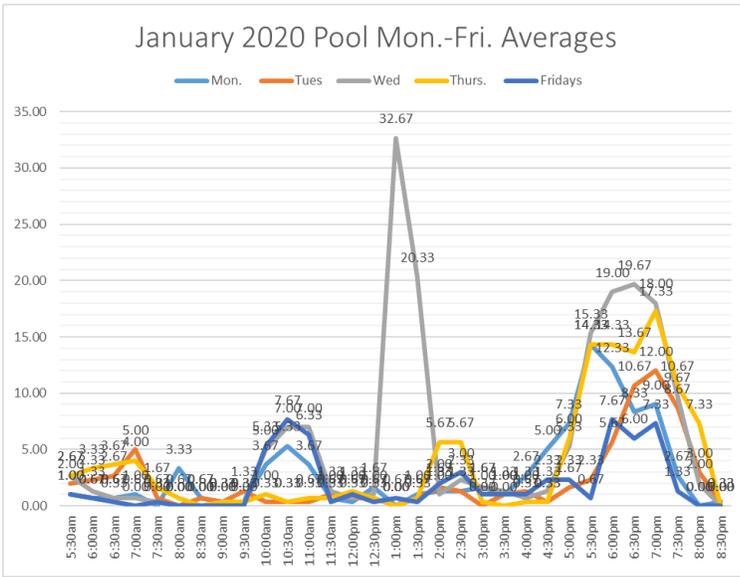


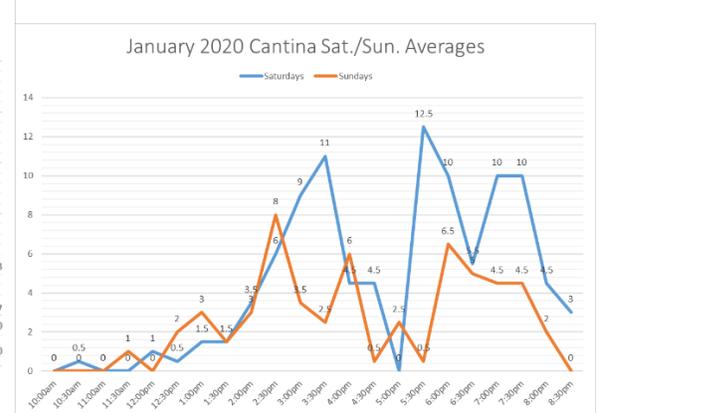
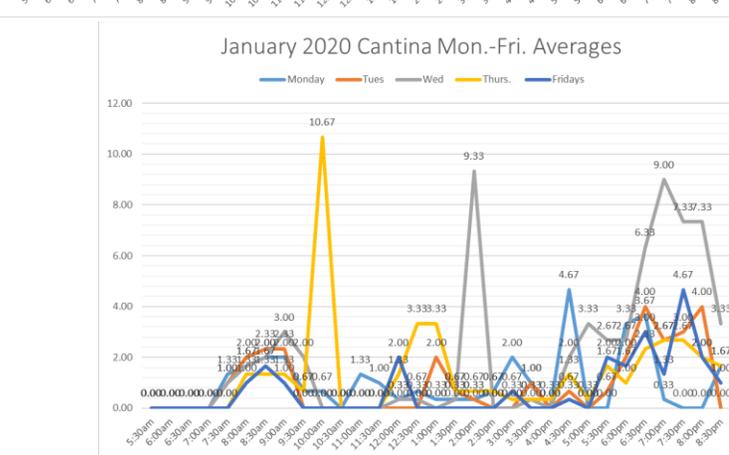
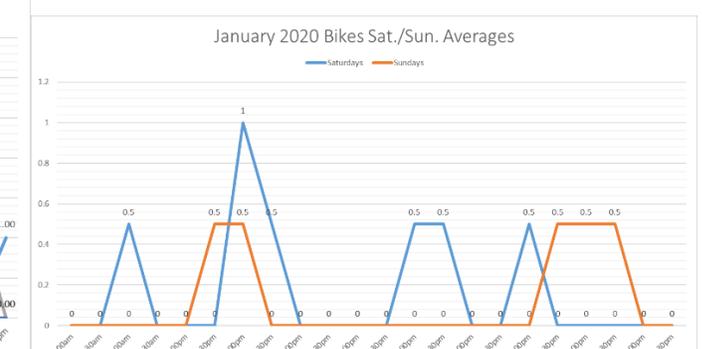
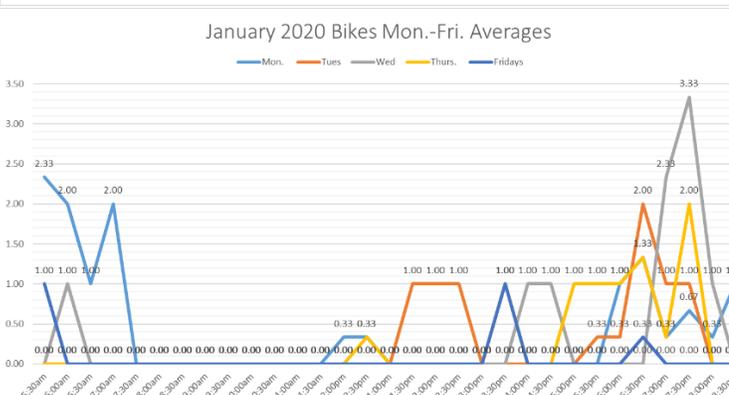
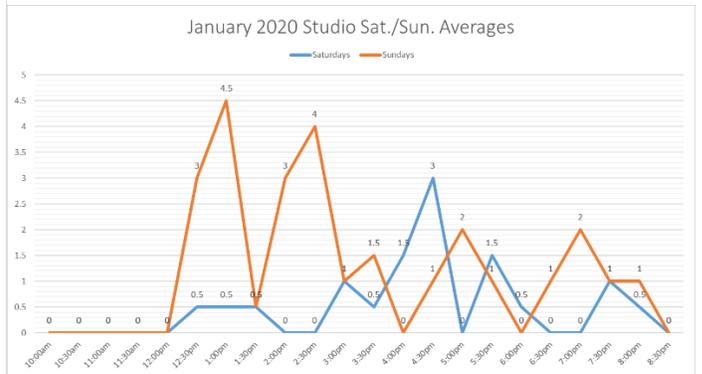
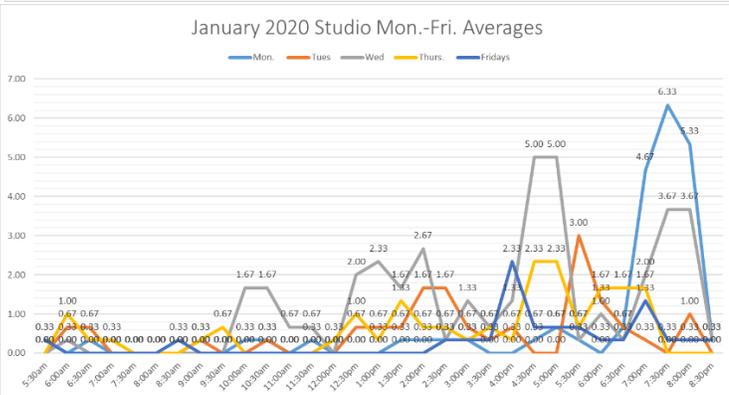
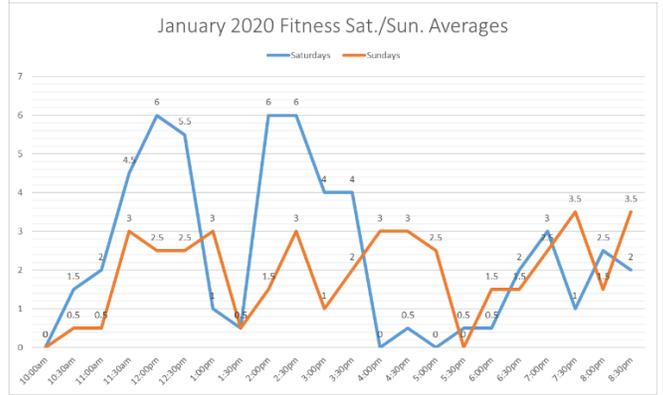
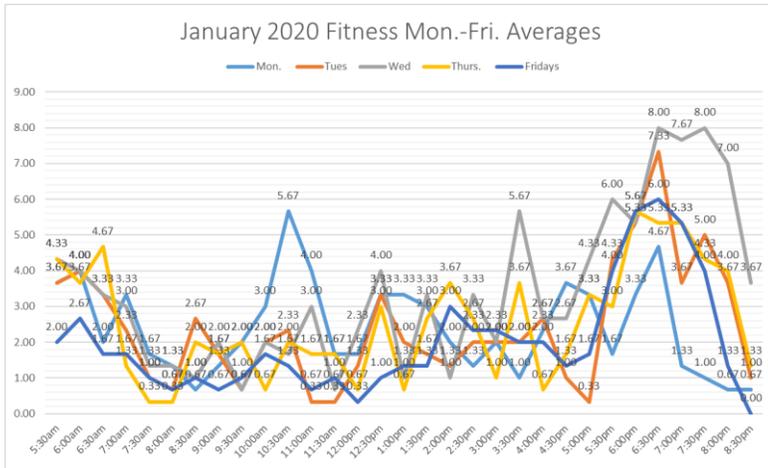
*December 2019 and January 2020 check-in numbers were impacted by the facility being closed from 12/27-1/12 (18 days) due to mechanical issues from extreme cold.

Area Usage: Count of the number of individuals in each area at the top and bottom of each hour. Showing trends and patterns of area usage, these numbers are not an accurate reporting of the overall number of patrons using the facility as patrons who remain in any area for more than 30 minutes are counted more than once. The below charts show average number of users for each area, by day of the week, per 30 minute period and are used from programming and operational hours planning.

In September 2019 we began collecting counts for patrons in the Concessions/Lobby area (Cantina) and on the deck/bleachers in the pool area.







AMENDED
YUKON KUSKOKWIM REGIONAL
AQUATIC HEALTH & SAFETY
CENTER

CITY OF BETHEL, ALASKA

OPERATIONS AND
MAINTENANCE AGREEMENT

Covering the period between July 1, 2018 through June 30, 2020



Table of Contents

1. Scope of Services	6
2. Facility	7
a. Condition of Facility	
b. Facility Withdrawal	
c. Effect of Withdrawal	
d. Personal Property	
e. Utilities	
f. Automobile	
g. Capital Expenditures	
3. Compensation: Payment Schedule & Fees.	8
a. Cost Plus Fixed Fee/Lump Sum Agreement	
b. Fixed Fee	
c. Annual Bonus Incentive	
d. Compensation for Personal Property	
e. Invoicing	
f. Late Payment	
g. Disputed Invoices	
h. Fee Adjustments	
4. Term of Agreement/Renewal	10
5. City's Responsibilities and Obligations	11
A. Cooperation	
B. Office Space	
6. Duty to Notify	12
7. Required Plans	12
a. Operations Plan	
b. Personnel Policy and Procedure Manual	
c. Budget	
d. Maintenance Plan	
e. Transition Plan	
f. Amendment and Modification	
g. Summary of Plan Deadlines	
8. Personnel	15
a. [No title]	
b. Non-Discrimination	
c. Personnel Approval	
d. Employer	
e. Reporting	

Table of Contents

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e. Reporting	

- f. Certification
- g. Identification
- h. Authority
- i. Drug, Alcohol and Tobacco Prohibition
- j. Minimum Staffing
 - i. Lifeguards
 - ii. Instructors
 - iii. Gatekeepers/Concessions
 - iv. Maintenance/Housekeeping

9. Facility Closure16

- a. [no title]
- b. [no title]
 - 1. Emergency Closure
 - 2. Breakdown and Repair of Facility
 - 3. Annual Maintenance Closure

10. Private Use of Facility 17

11. Additional Facilities18

12. Repairs/Maintenance 18

- a. City’s Responsibilities
- b. Operator’s Responsibilities
- c. Maintenance
- d. [no title]
- e. Maintenance Records and Logs

13. Signage and Posting of Rules 20

14. Damages Due to Vandalism, Weather and Acts of God20

15. Chemical and Maintenance Supplies 20

16. Visitor Safety Equipment21

17. Indemnification, Insurance and Liability Limits 21

- a. Indemnification
- b. Right to Defend Actions
- c. Indemnified Party not to Compromise
- d. [no subtitle]
- e. Required Insurance
 - i. Workers’ Compensation
 - ii. Commercial General Liability
 - iii. Automobile Liability
 - iv. Umbrella Coverage

f. Certificate of Insurance	
g. Liability Limits	
18. Bonding (Fidelity Bonds)	23
19. Accounting Records and Reports	24
a. Accounting System	
b. Monthly Reports	
c. Annual Financial Report	
d. Inventory	
e. Accounting Records	
f. Sales Tax Records	
g. Audit by City	
h. Dispute	
20. Notices	26
a. Safety	
b. Injury	
21. Suspension/Termination	27
a. Suspension	
b. Cancellation for Un-Appropriated Funds	
c. Termination for Convenience	
d. Events of Default	
i. Cancellation for Non-Payment	
ii. Cancellation by Mutual Agreement	
iii. City's Event of Default	
iv. Operator Event of Default	
v. Consequences in the Event of Default	
vi. Sole Grounds for Termination	
vii. Damages/Payment in the Event of Termination	
22. Dispute Resolution	29
23. Confidentiality and Security	30
24. Conflicts	30
25. Subcontractors	30
26. General Provisions	31
a. Amendments	
b. Assignment and Performance	
c. Captions/Headings	
d. Entire Agreement	
e. Further Assurance	

- f. Good Faith
- g. Governing Law
- h. Interpretation
- i. Joint Drafting
- j. Hazardous Materials
- k. Legal, Regulatory and Policy Compliance
- l. Materiality
- m. Public Release
- n. Intellectual Property
- o. Relationship of Parties
- p. Right of Entry
- q. Rights and Remedies
- r. Severability
- s. Successors
- t. Taxes
- u. Third Parties
- v. Waiver

27. Representation and Warranties 34

28. Exhibits 34

**Amended Yukon Kuskokwim Regional Aquatic Health & Safety Center
Operations and Maintenance Agreement**

This Amended Facility Operations and Maintenance Agreement (hereinafter "Agreement") is made and entered into on this 20th day of June 2018, (the updated Effective Date) by and between the **CITY OF BETHEL**, a municipal corporation (hereinafter "City") and **HEALTH FITNESS CORPORATION** (hereinafter "Operator").

PURPOSE OF AGREEMENT

Operator is in the business of managing, operating and maintaining community swimming pools and recreational facilities.

City is a municipal corporation that owns and operates a community swimming pool and recreational facility with related fixtures, amenities and equipment for its residents, members and guests (collectively, "Visitors") and is seeking to retain Operator to assume the supervision, control, maintenance and operation of the Yukon Kuskokwim Regional Health and Safety Center (hereinafter the "Facility") under the terms of this Agreement.

In consideration of the mutual covenants set forth below, the parties agree as follows:

1. SCOPE OF OPERATOR SERVICES

to inspect, review or observe the services under this Agreement at any reasonable time. Operator shall continue to operate and maintain the Facility as a public facility commencing on July 1, 2018, in continuation of the Agreement entered into in 2016 as amended herein. Operator and City shall determine the dates and hours that the Facility shall be open to the public (per Operation Plan described more fully below in section 7 – Required Plans). Operator's professional services shall include, at a minimum, the services described in this Agreement (the "Services"). The parties may mutually agree to amend or modify the Services during the Term of this Agreement or any Extended Period to include additional Services or exclude unnecessary Services by doing so in a writing signed by both parties.

Operator is an independent contractor under this Agreement. Services provided by Operator pursuant to this Agreement shall be subject to the supervision of the Operator. In providing such services, neither Operator nor Operator's agents shall act as officers, employees or agents of the City. No partnership, joint venture or other joint relationship is created hereby. City does not extend to Operator or Operator's agents any authority of any kind to bind City in any respect whatsoever.

Operator shall perform Operator's duties, obligations and services under this Agreement in a skillful and professional manner. The quality of Operator's performance and interim and final product(s) provided to or on behalf of the City shall be comparable to the best local and national standards. Operator shall permit representatives of City

2. FACILITY

The Operator shall perform services under this Agreement at the Facility described in Exhibit A (List of Facilities) of the original Agreement. The City and the Operator shall, from time to time, amend Exhibit A to reflect changes in the Facilities that shall be covered under this Agreement, including, without limitation, amending Exhibit A to reflect the addition of real property improvements completed in accordance with the terms and conditions of this Agreement (if any) and to reflect withdrawal of Facilities as set forth below.

- a. Condition of Facility: Upon termination of this Agreement, the City and Operator will inspect the Facility and all property listed under Exhibit A. All property shall be accounted for and in good and operating condition, less reasonable wear and tear. The City shall give written notice to Operator of any defects in the condition of any of the equipment or property that is being provided to Operator under this Agreement. Operator will be responsible for repairs to or replacement of any damaged property at the sole cost and expense of the City.
- b. Facility Withdrawal: The City may withdraw all or portions of the Facility listed on Exhibit A at any time during the term of this Agreement if:
 - i. The withdrawal is necessary for the purpose of protecting the public safety or to protect, conserve and preserve the Facility;
 - ii. The operations utilizing the listed Facility have been terminated or suspended by the City; or
 - iii. Land or real property improvements that are made available to the Operator are no longer necessary for the operation;
 - iv. The withdrawal is necessary for use by the City or other reasonable need of the City.
- c. Effect of Withdrawal: Any permanent withdrawal of listed Facilities which the City or the Operator considers to be essential for the Operator to provide the services required by this Agreement will be treated as a termination pursuant to Section 21 of this Agreement. The Operator will be compensated pursuant to Section 3 for the value of any allowable incurred costs up to the date of the withdrawal. No other compensation is due the Operator in these circumstances.
- d. Personal Property: The City will provide certain items of personal property, including without limitation, removable equipment, furniture and goods, for the Operator's use in the performance of this Agreement. The City hereby provides to the Operator personal property listed in Exhibit A – Land, Real Property Improvements and Equipment.
- e. Utilities: The City will provide the following utilities at no cost to the Operator for use in connection with the operations required or authorized hereunder:
 - i. Electricity
 - ii. Water
 - iii. Sewer
 - iv. Fuel Oil

- v. Internet and Voice Over Internet Protocol (VOIP) Telephone
- vi. Solid Waste Disposal
- vii. Emergency Communications Line for Security and Fire
- viii. Heat

The following utilities are not provided by the City and are to be procured, managed and paid for by the Operator in accordance with the budget:

- ✓ Cable (if desired by Operator and submitted in the approved budget); Fees associated with cable will be passed through to the City.
 - ✓ Cleaning and laundry supplies
 - ✓ Laundry Supplies (towels, detergent, etc.)
 - ✓ First Aid, AED and CPR equipment and supplies
 - ✓ Postage and delivery fees in connection with the Facility, as needed
- f. Automobile. The City will provide a vehicle for Operator's exclusive use during the term of this Agreement. Said vehicle will be the sole property of City with Operator expected to use reasonable care in the operation and maintenance of the vehicle. Costs for maintenance and/or replacement of the vehicle will be the responsibility of the City.
- g. Capital Expenditures. The City is responsible for making capital expenditures for the Facility. Capital expenditures include all items for the Facility including, but not limited to, office equipment and furniture, computer hardware and connectivity, and audio/visual equipment.

3. COMPENSATION: PAYMENT SCHEDULE AND FEES.

- a. Cost Plus Fixed Fee Type Agreement: This is a cost-plus-fixed-fee-type Agreement. This Agreement provides for the reimbursement of allowable incurred costs to the extent prescribed in this Agreement. The approved annual budget establishes the maximum total cost for the purpose of obligating funds and establishing a ceiling that the Operator may not exceed (except at their own risk) without the approval of the City. Allowable incurred costs are those costs directly attributable to operations and maintenance of the Facility. For the purposes of this Agreement, allowable incurred costs are those defined in the approved annual budget, are reasonable and prudent, and conform to generally accepted accounting practices.

Operator is expected to collect all revenue, including sales tax, generated from operation of the Facility for and on behalf of the City. Operator is to submit that revenue to the City monthly along with the monthly budget reports. Such revenue will be a projection in each budget and the budget shall be amended annually to reflect the previous year's revenue. ***Revenue derived from operation of the Facility is the property of the City and not compensation to the Operator. The City shall be responsible for any tax-related payments due and owing to the applicable taxing authority that are derived from the operation of the Facility.***

- b. Fixed Fee: The fixed fee payable by the City to Operator is One Hundred Forty-Four Thousand Two Hundred Dollars (\$144,200.00) for July 1, 2018 to June 30, 2019

(FY 19) and One Hundred Forty-Eight Thousand Five Hundred Twenty-Six Dollars (\$148,526) for July 1, 2019 to June 30, 2020 (FY 20) (the "Fee") and shall be pro-rated monthly. The Fee includes profit and indirect costs that are not directly attributable to the operations and maintenance of the Facility, are generally considered to be overhead and are generally provided off-site. The Fee includes, but is not limited to, proportionate share of home office expenses, management oversight and travel, accounting and clerical personnel, human resources management, payroll processing, invoicing and required reporting.

- c. Annual Bonus Incentive: The City desires to incentivize the Operator to help the City reach its goal of making the Facility self-sustaining. If Operator decreases the net negative (as compared to the actual expenses for 2015 and 2016) by a combination of increased revenues and decreased expenses (including utilities) Operator shall be compensated twenty (20%) percent of the reduction (the "Annual Bonus Incentive"). If earned, the City will pay the Operator the Annual Bonus Incentive within thirty (30) days from its receipt of an invoice from Operator. The Operator shall have no rights under the Agreement to make any claim arising out of this "incentive payment" provision except as is expressly set forth in this Article.
- d. Compensation for Personal Property: No compensation is due to the Operator from the City or a successor operator for the Operator's personal property used in operations under this Agreement. However, the City or a successor operator may purchase such personal property from the Operator subject to mutually agreed upon terms. Personal property not removed from the Facility by the Operator in accordance with the terms of this Agreement shall be considered abandoned property subject to disposition by the City, at full cost and expense of the Operator, in accordance with applicable laws. Any cost or expense incurred by the City as a result of such disposition may be offset from any amounts owed to the Operator by the City to the extent consistent with applicable laws.
- e. Invoicing: The Operator shall invoice their Fee each month in advance. For example, the fixed fee for July shall be billed in June. City shall have thirty (30) days from receipt of the invoice to submit payment to Operator.

Operator shall also bill the City monthly for incurred costs for operating the Facility. Copies of all receipts and other invoices for which reimbursement is requested shall be included with the Operator's invoice. Such costs shall be in accordance with the approved budget. The City shall have thirty (30) days from receipt of the invoice to submit payment to Operator.

- f. Late Payment: Payments not submitted in a timely manner (within 30 days of receipt) shall incur a five (5%) penalty. If for any reason not the fault of the Operator, the Operator does not receive payment from the City within thirty-five (35) days after the time such payment is due, then the Operator shall assess a five (5%) percent finance charge to the invoice. If payment is not received within 30 days, the Operator has the right to send written notice to the City, alerting them of a fourteen (14) day remedy period. If payment is not received after that fourteen (14) day remedy period, the

Operator shall have the right, at its option, and within its sole discretion, to interrupt its personnel and supplies from, and stop providing Services to, the City's Facility without any further or additional notice to the City.

- g. Disputed Invoices: In the event of a dispute regarding an invoice or part of an invoice, the City shall provide the Operator written notice of the dispute within ten (10) business days of receipt of the invoice. Operator and City agree to work cooperatively to resolve the matter. Should the parties be unable to resolve the dispute within thirty (30) calendar days after written notice, the parties agree to follow the dispute process laid out in this Agreement.
- h. Fee Adjustment: In the event this Agreement expires and the Services continue to be performed without a new Agreement, there will be a five (5%) increase to the Fees that will apply until a new Agreement can be made between the parties. This fee increase will be waived in the event that the renewal delay is caused by the Operator.

It is agreed to by both parties that this Agreement total can be adjusted either upward or downward if both parties decide on a change, which would affect the totals (i.e., Facility hours or number of staff, etc.) An amendment to this Agreement will be executed so that proper billing can be made and such terms made a part of this Agreement. No amendment may be made to this Agreement which will lower the minimum standards established in the Agreement. Both parties must sign any amendment to this Agreement before the respective terms will be binding.

4. TERM OF AGREEMENT/RENEWAL

- a. This Amended Agreement shall commence at midnight on the 1st day of July, 2018 and terminate on the 30th day of June, 2020 (the "Term").
- b. Renewal: Operator shall have the option to extend/renew this Agreement one additional time for an additional two years, as follows:
 - i. Operator shall provide City with written notice of its intent to renew the Agreement at least one hundred eighty (180) calendar days (by January 1st) prior to the Agreement Expiration. Renewal notices shall state the following:
 - A. The applicable rates for the new contract term; and, if applicable,
 - B. Any significant changes requested to the existing Agreement;
 - C. Any proposed changes to the scope of services to be performed under the Agreement; and
 - D. Any proposed changes to the Deliverables under this Agreement: Operations Plan, Maintenance Plan; Policies and Procedures Manual; Concessions Plan; Advertising Plan; and Transition Plan.
 - ii. Upon receipt of a Notice to Extend/Renew the Agreement, the City shall:
 - A. Ensure that Operator continues to be eligible to contract with the City [i.e., maintains a valid City of Bethel business license, a valid State of Alaska business license and is not delinquent on any sales taxes or other fees with the City]; and
 - B. Verify that Operator's certificates of insurance are up to date.
 - iii. If City determines renewal is in the City's best interest, and City has ensured

that Operator remains eligible; any increased rates are acceptable; and any proposed contract changes are acceptable, City shall give notice to Operator within ninety (90) calendar days (by April 29) of receipt of Notice of Request to Renew/Extend Contract of its intent to renew. At that time, City shall:

- A. Notify Operator of City's desire to renew/extend;
 - B. Notify Operator of any significant changes requested to the existing Agreement; and
 - C. Notify Operator of any changes requested to the Deliverables under this Agreement.
- iv. Upon mutual agreement by the parties to proposed changes in the Agreement and/or Deliverables, a contract extension shall be prepared and executed by both parties.
 - v. If the parties are unable to agree on requested changes to the agreement and/or deliverables, the City may issue a new Request for Proposals.

5. CITY'S RESPONSIBILITIES AND OBLIGATIONS

- A. Cooperation: In order for Operator to provide the level and quality of Services under this Agreement as expected by City, Operator will expect the unconditional and full cooperation of City, which shall include, but not be limited to, the City agreeing to:
 - a. Make available to Operator access to the City's Facility as necessary to provide Services;
 - b. Respond to all reasonable requests of Operator to facilitate performance of the Services;
 - c. Provide good faith cooperation reasonably necessary for Operator to perform the Services;
 - d. Provide and maintain a telephone that has restrictions on long distance, 900 and 976 calls. Such telephones are intended for business use only and lifeguards may use them for necessary 911 calls and to page supervisors and managers. Operator will be responsible for ensuring long distance phone bills are kept to those necessary for operation of the Facility. For safety reasons, pool will be closed if phone is not operable.
 - e. Agrees to support Operator in the enforcement of all Facility rules and regulations. Enforcement may include temporary or permanent expulsion from the Facility of any person who fails to comply with any safety rule or regulation.
 - f. Provide Operator with three (3) sets of keys to all doors and gates.
 - g. Cooperate with, and provide assistance to, the Operator who will procure, in City's name and at City's sole cost and expense, all applicable music licenses.
 - h. Designate at least one (1) management level person as the Management Representative. On an ongoing basis, the Management Representative will devote an adequate amount of his or her time to provide management oversight for the program.
 - i. Provide IT services/licenses and support;
 - j. Provide building maintenance.
- B. Office Space: City will and provide a lockable and enclosed office space for the on-site program management staff which will contain the :
 - a. Telephone with conferencing and long distance capability;
 - b. Computer containing the City's standard software systems

- c. Color printer with fax capability;
- d. Internet access with secure firewall system;
- e. File cabinets with capability of being locked

6. DUTY TO NOTIFY

Without prejudice to the other obligations in this Agreement:

- a. Operator shall, as soon as practicable after it becomes aware of the same, inform the City of any circumstances which affect, or will affect, its ability to perform the requirements under this Agreement;
- b. Operator shall notify City of any maintenance issues which it observes or should reasonably observe;
- c. Operator shall notify City of any IT issues which it observes or should reasonably observe; and
- d. City shall, as soon as reasonably practicable after it becomes aware of the same, inform Operator of any circumstances which affect, or will affect, its ability to operate the Facilities.

7. REQUIRED PLANS

Operator will provide a facility manager, lifeguards and other personnel as reasonably required to operate the Facility in accordance with the pool schedules, hours of operation, and staffing requirements as shown in the most recent Operations Plan. Except for routine and emergency maintenance as required, City agrees to not enter the Facility without the express consent or knowledge by the Operator.

Upon the signing of this Agreement, Operator shall be expected to operate the Facility as per the current Plans set out in Exhibit C. These Plan set out the dates, times, hours and other essential operating parameters for the Facility. Operator will have Policies and Procedures in place for managing its personnel and those policies and procedures will be utilized for personnel management at the Facility. Thereafter Operator shall amend and update each plan in accordance with the process and timeline set out in subsection (i) below.

- a. Operations Plan: Operator shall submit a proposed Operations Plan annually to the City which shall include, at a minimum:
 - i. Proposed Facility schedules;
 - ii. Review of an/or recommended changes to the Fees and Rates set out in the most current City of Bethel Fee & Rate schedule;
 - iii. Proposed hours of operation
 - iv. Proposed program offerings;
 - v. Proposed staffing;
 - vi. Draft checklists for Natatorium/Pool Maintenance (daily, weekly, monthly, quarterly, annually);
 - vii. Draft Cleaning and Maintenance Checklists (daily, weekly, monthly, quarterly, annually);

- b. Personnel Policy and Procedure Manual: The Operator shall utilize its own personnel policy and procedure manual (hereinafter "Manual") for all Operator personnel. A copy of the Manual shall be provided to the City upon the signing of this Agreement. Operator shall review its Manual by November 1st of each year to ensure it fully complies with all State and local laws. Any deficiencies shall be addressed and corrected by Operator and a revised Personnel Policy and Procedure Manual shall be prepared. Operator shall provide City with a copy of any updates or changes to Operator's Personnel Policy and Procedure Manual.
- i. Employee Orientation: Operator shall conduct orientation with each new employee which shall cover the health and safety practices of Operator and the City.
- ii. Hazards (Health and Safety) Meetings: Operator shall conduct a hazards (health and safety) orientation for all employees at least quarterly. This orientation shall cover, at a minimum, at least two (2) of the following topics:
- The safety rules specific to Operator and/or City;
 - The Health, Safety and Wellness policies of Operator;
 - A tour of the work areas and Facility with a discussion associated with work area hazards and safe work practices;
 - Demonstrations and education on how to use emergency eyewashes, first aid kits, fire extinguishers, fire exits, fire alarm pull boxes...;
 - Identification and training, where applicable, of workspaces and where hazardous materials are used, stored and/or disposed;
 - Review of Emergency Evacuation Plan; evacuation signals and procedures, pointing out proper exit routes and a designated assembly area;
 - Review of personal Protective Equipment (PPE) that may be required for any position/employee;
 - Review of proper reporting procedures in the event of an injury and/or accident;
 - Review of the Facility telephone list with names of Health and Safety Committee members highlighted as well as location of safety bulletin board and list of persons who may be contacted in case of an emergency.

Operator to document and maintain a record of all health and safety trainings/meetings and to forward a summary of the training and attendance to the Risk Manager within three (3) weeks of completion of the training or meeting.

- c. Budget: Operator shall submit a proposed operating Budget to the City for review. Operator shall submit a proposed budget annually no later than February 15 of each year. City shall review the proposed budget, discuss any requested modifications with Operator and present the proposed operating budget to the City Council for review and approval during the annual budget process each year. Other than the initial operating budget, annual budgets should encompass the timeframe from July 1 to June 30.

Because the Facility is a public facility, Operator and Operator's staff must observe a strict impartiality as to rates and services charged to all visitors in all circumstances. Operator shall have discretion to set reduced and/or complimentary rates for such things as corporate memberships; sponsorship of events; or other situations where it is a customary

or reasonable business practice.

The City reserves the right to review and modify the Operator's complimentary or reduced rate policies and practices as part of its budget approval or whenever the City has articulable concerns regarding a decision by Operator to provide a complimentary or reduced rate.

- d. Maintenance Plan: The Maintenance Plan shall include, but is not limited to, addressing how Operator will provide continued maintenance of the Facility and the equipment located within the Facility. Examples of areas to be addressed include:
 - i. Maintenance, incorporating the manufacturers recommended procedure to comply with and maintain warranties of new equipment;
 - ii. Upkeep and maintenance of building equipment, including fitness equipment, pumps, valves, regulators, etc.,
 - iii. Upkeep and maintenance of sanitation and hygiene throughout Facility;
 - iv. Training of personnel on maintaining proper Facility cleanliness;
 - v. Checklists and schedules for daily, weekly, monthly, quarterly and annual cleaning;
 - vi. Recommended cleaning and maintenance supply list;

- e. Transition Plan: Upon either the City and Operator mutually agreeing not to renew the Agreement or upon the natural expiration of this Agreement, the Operator shall prepare a Transition Plan addressing how the City can manage the Facility on its own. The Transition plan shall include steps on how the City could achieve self-management of the Facility. The Transition Plan shall be completed and submitted to the City no later than sixty (60) days prior to termination of the Agreement.

- f. Amendment or Modification: Schedules, hours of operation, or staffing requirements may be amended or modified. Any amendment or modification to the hours of operation will be in writing, signed by both parties and attached as an addendum to this Agreement and incorporated into this Agreement with full affect. The parties agree that any amendment or modification will be in accordance with the fees and budget set out in this Agreement.

- g. Summary of Plan Deadlines: Operator shall provide draft Plans per the deadlines outlined below. City shall review the drafts and provide any feedback to Operator. Thereafter, Operator shall complete and submit the final plan to City.

Description	Draft Deadline	City Response Deadline	Final Plan Due
Operation Plan July 1 to June 30	February 1	March 1	March 30
Annual Operating Budget July 1 to June 30	February 15	March 15	March 30

8. PERSONNEL

- a. Operator shall employ only personnel who have been properly trained, certified (if appropriate for the position at issue), and screened by Operator in accordance with Operator's personnel policy rules.
- b. Non-Discrimination: In carrying out this Agreement, Operator shall not discriminate against any employee or applicant for employment because of race, national origin, color, age, creed, religion, sex, sexual orientation, gender identity, political affiliation, marital status, ancestry, disability, or status as a disabled veteran. Operator's Personnel Policies and Procedures Manuals shall clearly reflect a non-discrimination policy.
- c. Personnel Approval: All personnel will be pre-screened, hired, trained, disciplined (if appropriate), and terminated (when appropriate) by Operator in accordance with Operator's personnel policies and procedures manual.
- d. Employer. All personnel who will work at the Facility under the terms of this Agreement shall be employees of Operator, and not employees of City. Operator will pay the following for Operator's employees:
 - i. Wages;
 - ii. Income tax withholdings;
 - iii. Social security withholdings;
 - iv. Medicare withholdings;
 - v. State unemployment insurance;
 - vi. Workmen's Compensation insurance;
 - vii. Any other State of Alaska or federal requirements.
- e. Reporting: Operator shall be solely responsible for complying with all State of Alaska and Federal employment reporting requirements such as, but not limited to, OSHA injury reporting, worker's compensation reporting, child labor reporting, etc.
- f. Certification: All lifeguards employed by Operator shall have, at a minimum, current American Red Cross Lifeguarding, CPR for the Professional Rescuer, and First Aid Certificates, or equivalent Lifeguard Training Certificates as required by the State of Alaska.

At all times during the term of this Agreement, Operator shall have at least two (2) employees with current certification as a Certified Pool Operator (CPO). At least one (1) of the CPO's shall serve in a management capacity.

- g. Identification: Lifeguards and all other personnel will wear identification at all times. Such identification shall be in the form of a swimsuit or t-shirt displaying Operator's name and/or logo as well as identification badges.
- h. Authority: To create a safe and enjoyable experience, Lifeguards and management staff shall have the authority to discipline all individuals, including expulsion, who use the

Facility and will do so within the Lifeguards or management staff 's best judgment and sole discretion and will be consistent with all published and posted rules of the Facility and minimum safety standards. City agrees to support Lifeguard or management staff in enforcing the Facility rules and regulations to provide a safe environment.

- i. Drug, Alcohol and Tobacco Free Workplace: The Operator shall maintain, to the greatest extent possible, a drug, alcohol and tobacco free environment within and outside the Facility. The Operator shall publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance, marijuana or alcohol, is prohibited in the Facility, and specifying actions that will be taken against the employee's for violating the prohibition. In addition, Operator shall establish a drug, alcohol, marijuana and tobacco-free awareness program to inform employees about the danger of drug, alcohol and tobacco abuse in the workplace and the Facility and Operator's policy of maintaining a drug, alcohol and tobacco-free environment both in the workplace and in the Facility. Subject to applicable laws, the Operator shall take appropriate personnel action, up to and including termination, for any employee that is found to be in violation of any of these prohibitions.
- j. Minimum Staffing/Services:
 - i. Lifeguards: Operator will provide a sufficient number of qualified lifeguards to maintain adequate safety standards at the Facility and to comply with all Alaska rules and regulations. The lifeguards shall be responsible for maintaining orderly and safe conditions in and around the pool.
 - ii. Instructors: Operator shall provide qualified instructor's to regularly provide swim lessons, exercise lessons and instruction for proper use of Facility equipment. The goal of providing lessons shall be to generate revenue and attendance at the Facility.
 - iii. Gatekeepers/Concession Workers: Under this Agreement, Operator will provide a sufficient number of gatekeepers/concession workers to be on duty at all times during open hours.
 - iv. Maintenance/Housekeeping: Operator will provide a sufficient number of employees to ensure the Facility remains reasonably clean at all times. Sufficient personnel must be on duty at all times to ensure regular inspections of the restrooms, mechanical rooms and locker rooms. Locker rooms are to be checked at a minimum once every fifteen (15) minutes in order to ensure the water is not left running, the area is reasonably clean, and theft is reasonably deterred.

9. FACILITY CLOSURE

- a. In case of emergency, Operator may close the Facility temporarily. An emergency may include, but is not limited to, any failure or threatened failure of Facility equipment or other unforeseen causes outside Operator's control. Such action will be documented in writing to City. City will be notified immediately by phone and fax of such closure. Further, Operator will publicly post the closing for such action at the location, will advise the local radio station as soon as practicable and will take all reasonable steps to inform the general public of the closure. No refunds will be given for temporary closings without the authorization of the City Council.

- b. The date on which the Facility is closed for any reason under this section will be the Facility Closing Date. The Facility may be closed by Operator for the following:
- 1) Emergency Closing: Operator reserves the right to close the Facility if, in Operator's personnel's reasonable belief, there is a threat to the safety or welfare of visitors which may result from (without limitation): hazardous weather advisories, or contamination. Operator personnel will reasonably attempt to contact City's Representative if it is necessary to close the Facility early.
 - 2) Breakdown and Repair of Facility: In Operator's best judgment, Operator reserves the right to close the Facility due to a breakdown of the Facility including, without limitation, the Facility:
 - i. Is significantly inoperable for whatever reason;
 - ii. Requires repairs that must be performed during Facility hours of operation;
 - or
 - iii. Requires repairs necessitating the pool being drained of water.
 - 3) Annual Maintenance Closure: Operator and City agree to schedule an annual closure of the Facility for necessary cleaning and other repairs. It is anticipated the closure will be no longer than two (2) weeks in duration and will be done in sections so as to minimize disruption to users of the Facility (for example, the pool area will be closed while the work-out rooms are open). Based on previous usage data, such annual closure will be scheduled for the summer months whenever possible. This schedule may be amended however, as more reliable user data is collected.
- c. In the event of a scheduled Facility Closing, the parties agree that there shall not be any cause for the amendment or modification of this Agreement and Operator will not refund any amounts of compensation paid by City because of a Facility Closing, except as allowed in Section d below.
- d. Should a time lapse of more than seven (7) days from the Facility Closing Date be necessary to perform repairs and/or restore the Facility to normal operations due to the negligent acts or omissions of Operator, then beginning on the tenth (10th) day, Operator shall refund to City V2 percent (0.5%) per day of the total Agreement compensation. If the Facility is not opened for normal operation within ten (10) days after the Facility Closing Date due to the negligent acts or omissions of Operator, then the City may cancel this Agreement by giving seven (7) days advance written notice to Operator.

10. PRIVATE USE OF FACILITY

The Facility is a municipal facility required to be made available to all members of the public. For this reason, the Facility may not be closed to the public for the sole purpose of accommodating the private use of the Facility.

Operator may make the Facility available for private use only after regular Facility hours. Private parties will be booked by the Operator and staffed by lifeguards and other necessary personnel provided by the Operator. The Operator will strictly enforce the Facility rules at these private events and if for any reason the persons attending do not adhere to the Facility rules, the Facility may be closed.

11. ADDITIONAL FACILITIES

City acknowledges that neither the parking lot nor the wind turbine used to provide additional power to the Facility are under the direct supervision of Operator's personnel and shall be beyond the parties' intended scope of services to be provided by Operator.

In no event shall Operator be liable to any party for any loss or claim arising from any injury, damage, cost or other event or occurrence which takes place in any area not directly assigned to Operator under this Agreement, including but not limited to the Facility parking lot and the wind turbine (and area surrounding the wind turbine) used to provide additional power to the Facility.

12. REPAIRS/MAINTENANCE

- a. City's Responsibilities: City is solely responsible for all reasonable maintenance and repair of the Facility except for damages from the negligent or otherwise actionable conduct of the Operator. City will maintain the Facility free of any mechanical, structural, electrical or fire hazards; in compliance with all applicable local and state codes; and in a good state of general repair and maintenance suitable for the Operator's use. City may enter the Facility at all reasonable times to examine the condition of the Facility
- b. Operator's Responsibilities: Operator shall be responsible for general maintenance, preventative maintenance, repairs and housekeeping of the Facility to the reasonable satisfaction of the City. Operator maintenance includes, but is not limited to, all surfaces, furniture, fixtures, and equipment. This includes pool systems, fitness and exercise equipment, and concession equipment. Operator is not expected to make major repairs but is expected to maintain the Facility in reasonably good shape, less normal wear and tear. Operator is responsible for notifying City of any maintenance issues.
- c. Maintenance: Operator shall notify City of any significant maintenance or repair issues that occur at the Facility as soon as practicable but in no case no more than forty-eight (48) hours after the incident has occurred.
- d. Operator shall at all times during the term of this Agreement provide and maintain adequate safety equipment as outlined in Exhibit "B".
- e. Maintenance Records and Logs. The Operator shall maintain maintenance records and logs. At a minimum, these records shall include:

- i. To the extent that the following pertains to matters for which Operator is responsible and that are included in the services to be performed by Operator under this Agreement and/or all other related documents, demonstrated compliance with current Alaska Department of Environmental Conservation (ADEC) regulations, including, but not limited to, the recording of the following information for each day that the Facility is open to the public:
 - ✓ The hours of operation;
 - ✓ The length of time that the pumps and filters are in operation, and the rate of pressure, vacuum, and rate of flow readings;
 - ✓ The date that each filter is backwashed or cleaned;
 - ✓ The frequency and results of alkalinity and hardness tests;
 - ✓ The frequency and results of pH and disinfectant tests (pH and disinfectant tests must be made two [2] or more times, and depending upon chlorine or bromine demand);
 - ✓ The amount of water and chemicals added to maintain water quality;
 - ✓ Equipment failure;
 - ✓ Any gross water contamination, for example, vomiting, feces, etc.; or
 - ✓ Repair while the pool is in operation
 - ii. The Operator shall submit duplicate records on a monthly basis to ADEC while the Facility is in operation.
 - iii. Check-lists for routine maintenance, preventative maintenance and janitorial duties (daily, weekly, monthly, quarterly, bi-annual and annual).
 - iv. Equipment logs for each piece of major equipment with the maintenance schedule, maintenance contracts, record of work or repairs conducted, manufacturer guidelines and specifications.
 - v. Confined space entry equipment (as specified by manufacturer).
 - vi. All logs and records must be maintained for a minimum of three (3) years.
- f. City shall be responsible for causing the completion of all major structural repairs. Operator shall be solely responsible for reporting any repair needs to the City as soon as they are identified. The City will provide snow plowing of the parking lot and will maintain the Wind Turbine. The City does not intend to provide any other maintenance.
- g. Operator will supply all necessary personnel and chemicals to provide the services required by this Agreement that all materials, services and repairs shall comply with the annual approved budget and shall be charged to the City. It is also understood that equipment breakdowns cannot always be foreseen. Operator will do everything reasonable to maintain the Facility in good repair. Any extra usage of chemicals or labor as a result of repair will be billed to City. Operator assumes no liability or responsibility for water quality or facility maintenance due to breakdowns of City's Facility (unless caused by Operator), during periods of repair, or other unforeseen reasons causing damage to the Facility, and Operator shall not be responsible or liable to City for a facility closing due to a breakdown or repair unless that breakdown or repair was caused by Operator or Operator's failure to reasonably act. Operator will maintain Water Quality by balancing all readings of chemicals to a proper and safe level for

swimmers within a reasonable time once repairs have been completed. Should additional services or chemicals be needed to restore the Facility to like new condition, the cost of these services and chemicals will be charged to the City. Operator may close the Facility under this Section during which time Section 9 (Facility Closing) of this Agreement shall apply.

- h. Operator shall have authority to replace, repair or obtain the services of third parties to replace or repair Facility equipment for all repairs that are equal to or less than two thousand (\$2000.00) dollars without the prior approval of City. Such items will be billed separately to City. City must provide written approval for any repair expected to cost more than two thousand (\$2,000.00) dollars, except when repairs are immediately required to prevent further damage to the Facility or when Operator reasonably believes there is an immediate need or emergency situation, or Operator is unable to reasonably contact City's Representative.
- i. Any repairs required as the result of Operator's gross negligence or willful conduct shall be done at Operator's sole expense, and shall not be subject to reimbursement.

13. SIGNAGE AND POSTING OF RULES

Operator shall prominently display a sign at the Facility in a conspicuous place stating Operator's name, address and phone number and designating Operator personnel as being responsible for the safety and welfare of users, the quality of the Facility and performance of Operator personnel.

14. DAMAGES DUE TO VANDALISM, WEATHER AND ACTS OF GOD

- a. Operator shall not be responsible for any vandalism or mischief, inclement weather or Acts of God which cause damage to the Facility or related facilities, and Operator shall not be responsible for any additional expenses to restore Facility to working order as a result thereof. Operator shall report any incidents of vandalism or mischief, or damages caused by inclement weather or Acts of God to City's Representative prior to undertaking any repairs.
- b. In the event of vandalism or mischief, inclement weather, or Acts of God, Operator personnel will take steps reasonably necessary to prevent additional damage to the Facility, but assumes no duty or responsibility for any failure to prevent damage and shall not be held responsible for any damages other than that caused due to the negligence of Operator and its employees.

15. CHEMICAL AND MAINTENANCE SUPPLIES

- a. Operator will provide Facility chemicals including, but no limited to, **chlorine tablets, liquid chlorine, muriatic acid, stabilizers, calcium chloride, soda ash, soda bicarbonate**, and other chemicals needed for normal Facility operation and to maintain Water Quality in a safe and sanitary manner.

- b. Operator will provide miscellaneous cleaning and operating supplies including **Facility test equipment and reagents, restroom cleaning materials, toilet paper, paper towels, light bulbs, trash bags, Facility tile cleaner, hand soap, sponges, etc.**
- c. Operator shall order sufficient quantities of all chemical and maintenance supplies during the summer barge season to have a full-year of stock on hand by the close of barge transportation (late summer). Chemical and maintenance supplies shall include all critical spare parts needed for proper operation of the Facility.

16. VISITOR SAFETY EQUIPMENT

Based upon the recommendations and training programs of the American Red Cross, the City mandates the equipment identified and set out in Exhibit B (Minimum Safety Equipment) of this Agreement be present at the Facility at all times. This equipment is the property of the Facility.

Operator will inventory and inspect this equipment prior to the Facility transfer, will notify and inform City of any shortfalls and necessary purchases and repairs of same and will ensure the proper supplies are ordered, on hand, and, if feasible, will order any recommended spares.

17. INDEMNIFICATION, INSURANCE, AND LIABILITY LIMITS

a. Indemnification

- 1) The Operator agrees to indemnify, defend, and hold harmless City against all claims, demands, suits, judgments, court costs, reasonable attorney's fees, attachments, and other legal action for loss of life, injury, or damage to property of any third party to the extent growing out of or by reason of any negligent act or omission or any willful misconduct of Operator, while performing Services at the Facility under this Agreement. The Operator shall not have any obligation to indemnify, defend and hold harmless to the extent that any such claim is caused by the negligence or willful misconduct of the City, its employees, its agents or any other third party.
- 2) The City agrees to indemnify, defend, and hold harmless Operator against all claims, demands, suits, judgments, court costs, reasonable attorney's fees, attachments, and other legal action for loss of life, injury, or damage to property of any third party to the extent growing out of or by reason of any negligent act or omission or any willful misconduct of City. The City shall not have any obligation to indemnify, defend and hold harmless to the extent that any such claim is caused by the negligence or willful misconduct of the Operator, its employees, its agents or any other third party.
- 3) This Agreement does not create a third party benefit to the public or any member of the public, nor does it authorize any person or entity not a party to this Agreement to maintain a suit based on this Agreement or any term or provision of the Agreement, whether for personal injuries, property damage, or any other claim or cause of action.

- b. **Right to Defend Actions:** The indemnifying Party shall have the right, but not the duty, to assume the defense of any claim for which indemnification is sought. Any

Party shall, as soon as practicable after receiving notice of any claim brought against it, deliver to the indemnifying Party full particulars thereof and shall render all reasonable assistance requested by the indemnifying Party in the defense of such claim.

- c. **Indemnified Party not to Compromise:** Where any Party has an obligation to indemnify the other Party, such other Party shall not compromise or in any way settle any claim, lawsuit, action or cause of action without the express written consent of the other Party who has the obligation of indemnifying. Where such consent is not obtained prior to such compromise in settlement, and the claim is, in fact, settled, then the Party who had the obligation of indemnifying shall be released and discharged from all obligations.
- d. Any payment payable by the indemnifying Party to the indemnified Party pursuant to this Section 17 shall be paid within forty-five (45) days from the date on which a claim for such payment accrues to the indemnified Party under this Agreement.
- e. **Required Insurance** - Operator shall maintain the following noted insurance during the duration of the Agreement as evidenced by the filing a certificate of insurance annually within two weeks of the annual renewal and including the City of Bethel as additional insureds:
 - i. **Workers' Compensation:** As required by AS 23.30.045, for all employees of the Operator engaged in work under this Agreement. The coverage shall include:
 - 1) Waiver of subrogation against the City;
 - 2) Employer's Liability Protection at \$500,000 each accident/each employee and \$500,000 policy limit;
 - ii. **Commercial General Liability:** On an occurrence policy form covering all operations with combined single limits not less than:
 - 1) \$1,000,000 Each Occurrence;
 - 2) \$1,000,000 Personal Injury;
 - 3) \$2,000,000 General Aggregate; and
 - 4) \$2,000,000 Products-Completed Operations Aggregate.
 - iii. **Automobile Liability:** Covering all vehicles used by Operator in the performance of its duties with coverage limits not less than \$1,000,000 each occurrence.
 - iv. **Umbrella Coverage:** Not less than \$5,000,000 umbrella or excess liability. Umbrella or excess policy shall include products liability, completed operations coverage and may be subject to \$5,000,000 aggregate limits. Further, the umbrella or excess policy shall contain a clause stating that it takes effect (drops down) in the event the primary limits are impaired or exhausted. The Umbrella coverage described herein covers general liability and automobile liability only.
 - v. The City shall be included as an additional insured on policies required by paragraphs 17.a.i thru iv above. All of the above insurance coverages shall be considered to be

primary and non-contributory to any other insurance carried by the City of Bethel whether through self-insurance or otherwise for any claims subject to Operator's indemnification obligation set forth in this Agreement.

In any agreement with subcontractors performing work, the Operator shall require that all indemnities and waivers of subrogation it obtains, and any stipulation to be included as an additional insured it obtains, shall also be extended to waive rights of subrogation against the City of Bethel and to add the City of Bethel as an additional named indemnity and include the City as an additional insured through the use of a blanket additional insured endorsement.

- f. **Certificate of Insurance** - The Operator shall furnish evidence of insurance to the City upon renewal annually. The evidence shall be issued to the City and shall be a certificate of insurance:
- i. Denoting the type, amount, and class of operations covered;
 - ii. Showing the effective (and retroactive) dates of the policy;
 - iii. Showing the expiration date of the policy;
 - iv. Including all required endorsements;
 - v. Be executed by the carrier's representative; and
 - vi. If a certificate of insurance, include the following statement:

"This is to certify that the policies described herein comply with all aspects of the insurance requirements of the Yukon Kuskokwim Regional Aquatic Health and Safety Center. The Operator endeavors to notify the City, in writing, at least thirty (30) days before cancellation of any coverage or reduction in any Limits of liability."

The City's acceptance of deficient evidence of insurance does not constitute a waiver of Agreement requirements.

Failure to maintain the specified insurance or to provide substitute insurance if an insurance carrier becomes insolvent, is placed in receivership, declares bankruptcy, or cancels a policy may, in the City's discretion, be sufficient grounds for declaring the Operator in default should Operator fail to cure said action within five (5) business days of notice from the City.

- g. **Liability Limits** - Both parties mutually agree to waive any remedy or claim for indirect, incidental, special or consequential damages or claims for loss of business or profits.

18. BONDING (Fidelity Bonds)

Fidelity Bonds – For the duration of this Agreement, Operator shall show evidence of, and maintain in force the following:

- a. An employee's blanket fidelity bond which provides coverage for honesty and loss from fraudulent or dishonest acts by employees.
- b. Computer fraud fidelity bond, which provides coverage for the fraudulent transfer by computer causing wrongful abstraction of money, securities or other property.
- c. The two items above (a) and (b) may be separate or combined into one form of bond in an amount not less than Two Hundred Fifty-Thousand (\$250,000) Dollars.

19. ACCOUNTING RECORDS AND REPORTS

- a. **Accounting System** - The Operator shall maintain an accounting system with an easy to understand account classification system under which its accounting can be readily identified. Such accounting system shall be capable of providing the information required by this Agreement, including but not limited to, revenues collected, repair and maintenance expenses, operating expenses, etc. The Operator's system of accounts classification shall be directly related to the Operator's annual budget, monthly and annual financial reports and invoicing.
- b. **Monthly Reports** - The Operator shall submit a monthly financial report to the City. The report shall be in narrative and numerical accounting format and include copies of all invoices supporting claimed expenses.
 - i. The narrative report shall clearly state if the overall operations, both revenue and expenses, are over or under budget for the month and the year, identify specifically what cost areas are over budget or revenue areas are under budget, provide an explanation as to any deviation and explain what corrective actions are required, if any.
 - ii. The numerical accounting report shall provide actual costs and revenues versus budgeted amounts for each category of accounts classification, reported for the specific month and cumulative for the year. Deviations from the operations plan, annual budget, or maintenance plan require advance written approval from the City Manager. The monthly report shall provide a record of all such approvals provided by the City the previous month.
 - iii. The monthly report shall be certified as true and correct by an officer of the Operator and submitted with the monthly invoice.
 - iv. In addition to the monthly financial reports, the Operator shall provide a monthly statistical and narrative report on the usage of the Facility. The report shall be in a form and format as approved by the City. The report shall be submitted monthly with the invoices and annually with the other annual reports.
 - v. **Miscellaneous Reports and Data:** From time to time the City may require the Operator to submit other reports and data regarding its performance under the Agreement or otherwise, including, but not limited to, operational information. This may include presentations to the City Council and discussing such things as programs, and local hire and training.
- c. **Annual Financial Report** - The Operator shall submit an annual financial report in the same form and format as the monthly reports. The narrative report shall summarize any significant cost and revenue deviations from the annual budget. The annual report shall be certified as true and correct by an officer of the Operator and submitted with the final invoice for that budget year.
- d. **Inventory** - The Operator shall perform an annual inventory of the real property as set forth in Exhibit A -Land, Real Property Improvements and Equipment. The inventory report shall be certified as true and correct by an officer of the Operator and submitted either before or along with the final invoice for that budget year.

- e. **Accounting Records** - For all expenditures made for the operations and maintenance of the Facility, the Operator shall maintain and make available, on reasonable notice, for inspection and examination, at all reasonable times, all records relating to this Agreement and of transactions performed pursuant to this Agreement for a minimum of five (5) years from the date of the record. If the City has reasonable cause to believe that any information on the monthly or annual financial report is not accurate, the City may audit the books and/or estimate the figures based on any information available.
- i. The City shall notify the Operator, in writing, that the City has estimated the amount of sales and revenue, stating the estimated amount. The City shall serve the notice on the Operator by delivering the notice to the Operator as per the notice section of this Agreement.
 - ii. The City's estimate shall become a final determination unless:
 - 1) The Operator, within thirty (30) days after service of notice of the estimate, files a formal appeal to the City Manager; or
 - 2) The Operator files a complete and accurate financial statement indicating the figures in question and explaining them to the satisfaction of the City.
 - 3) In either event above, Operator consents to an independent audit and agrees to cooperate fully with the audit process.
 - 4) The City may request, and the Operator must furnish, any additional information deemed necessary for a correct evaluation of the finances of the Facility.
- f. **Sales Tax Records** -Operator shall familiarize themselves with, at a minimum, that portion of the Bethel Municipal Code (hereinafter "Code") which deals with Sales Tax. Operator shall collect the appropriate sales taxes for each sale and rental at the facility (currently 6%). The taxes shall be in addition to the sales and rental costs. Operator shall file a City of Bethel tax return form and shall remit the appropriate taxes as per the Code and any subsequent amendments thereto.
- g. **Audit by City:** The City reserves the right to conduct an annual audit by an external expert and/or industry professional at any time for any reason; provided, however, the City shall not seek or use the services of a competitor of Operator. Operator agrees to cooperate by providing, upon reasonable notice which shall be not less than thirty (30) days prior to the date of audit, and at no additional cost, such books, papers, statements, memoranda, records, accounts and other written material as may be set out in the request by the finance director or City Manager. In the case of an audit, the City shall be responsible for selecting and scheduling the audit. The audit may include, but is not limited to:
- i. Agreement Compliance
 - ii. Review of Financial Records that relate to the services performed under this Agreement
 - iii. Staff Skills Assessment
 - iv. Staff Selection and Training Procedures
 - v. Policies and Procedures Review
 - vi. Site Inspection
 - vii. Code Compliance and Record Keeping Practices

- viii. Adherence to Aquatic Safety Standards
- ix. Facility and Equipment Maintenance

In the event deficiencies are identified in the audit, the Operator and the City will be required to discuss, in good faith, such findings as well as the extent to which any corrections may be made.

If the independent audit discovers more than five percent (5%) of the annual budget in errors resulting from Operator's failure to accurately report revenues, expenses and/or sales and taxes due thereupon, the Operator shall bear responsibility for the full cost of the audit. Otherwise the cost of the audit will be borne solely by the City.

- h. **Dispute:** If any dispute arises between the Parties, all records relating to matters involved in such Dispute shall be preserved until the resolution of such Dispute. Certified copies of such records as are required to be maintained by this Agreement shall be made available at the requesting Party's cost and expense.

20. NOTICES

- a. **Safety:** It is the Operator's duty and responsibility to notify the City of any problems or areas of concern pertaining to safety of the Facility and its patrons .
- b. **Injury:** Operator shall notify the City of any injuries requiring medical attention or any significant incidences (such as potential drowning) as soon as practicable but in no case no more than forty-eight (48) hours after the incident has occurred.

All notices required or permitted under this Agreement shall be in writing [in English] and shall be sent to:

OPERATOR: *Health Fitness Corporation*
 400 Field Drive
 Lake Forest, IL 60045

Attention: Contract Administration Associate Facsimile: 847.615.3872
 Email: contracts@hfit.com and lawcontracts@trustmarkins.com

CITY:	City of Bethel Attn: City Manager PO Box 1388 Bethel AK 99559-1388	with copy to	City of Bethel Attn: City Attorney's Office PO Box 1388 Bethel AK 99559-1388
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Each party's designated representative for day-to-day operations and in case of emergencies shall be:

OPERATOR: James Aranowski, Regional Vice President, 248.427.8140
 CITY: Peter Williams, City Manager, (907) 543-1373 or (907) 545-4150

Either party may notify the other Party of a change to its name, relevant addressee, address or facsimile number, provided that such notification shall only be effective on the date specified in the notification as the date on which the change is to take place or, if no date is specified or the date specified is less than fifteen (15) business days after the date on which notice is given, the date falling thirty (30) business days after notice of any such change has been given.

21. SUSPENSION/TERMINATION

- A. **Suspension.** In the event of danger to life or significant damage to the Facility, the City may temporarily suspend operations under this Agreement in whole or in part. As soon as practicable, the City will give notice to the Operator and will determine a re-open plan. During such period of suspension, the City shall continue to pay to Operator all amounts due under this Agreement.
- B. **Cancellation for Un-Appropriated Funds:** The City reserves the right, in its best interest as determined by the City, to cancel this Agreement for unappropriated funds or unavailability of funds by giving written notice to the Operator at least one hundred twenty (120) days prior to the Effective date of such cancellation. The obligation of the City for payment to Operator is limited to the availability of funds appropriated in a current fiscal period, and continuation of the Agreement into a subsequent fiscal period is subject to appropriation of funds, unless otherwise provided by law.
- C. **Termination for Convenience:** Either party may terminate this Agreement at any time and for any reason whatsoever upon providing at least one (1) year prior written notice to the non-terminating party.
- D. **Events of Default:**
- i. **Cancellation for Non-Payment:** If for any reason payment in full of any charge is not received within thirty (30) days from the due date, the Operator may cancel this Agreement and terminate all services by giving a fourteen (14) day written notice to terminate at the end of such fourteen (14) day period without further liability whatsoever.
 - ii. **Cancellation by Mutual Agreement:** Operator and City may cancel this Agreement at any time by mutual written agreement. Each party shall be required to continue full performance under the terms of this Agreement until the effective cancellation date.
 - iii. **City's Event of Default:** Each of the events described below shall constitute a City Event of Default:
 - 1) A material breach by City of any obligation under this Agreement, which (where capable of remedy) has not been remedied within thirty (30) days following notice from Operator stating that such breach has occurred, identifying the breach and demanding it to be remedied, provided that if City has diligently and as quickly as possible commenced the remedial action necessary but is unable to complete it within thirty (30) days, it shall be allowed such further period of up to sixty (60) days or as may be reasonably necessary and approved by Operator to complete the remedial action;

- 2) City has made material misrepresentation in the representations and warranties set out in this Agreement and has not disclosed any material fact which renders any such representation or warranty materially misleading;
- 3) The reorganization, merger, consolidation, amalgamation, dissolution or reconstruction of City, except to the extent that it does not affect the ability of the resulting entity to perform its obligations under this Agreement;
- 4) Except for the purposes permitted under subsection 3, the occurrence of any of the following events (other than as a direct result of Operator Event of Default):
 - Passing of a resolution or initiation of any proceeding for the bankruptcy, insolvency, winding up, liquidation of or other similar proceedings relating to the Facility;
 - The appointment of a trustee, liquidator, custodian or a similar person, which appointment has not been set aside or stayed within sixty (60) days of such appointment; or
 - The making by a court having jurisdiction of an order winding up or otherwise confirming the bankruptcy or insolvency of the Facility, which order has not been set aside or stayed within sixty (60) days; and
- 5) City ceasing to hold a license, permit or consent, as a result of breach by City of the terms and conditions of such license, permit or consent, making it unlawful for City to operate.

iv. **Operator Event of Default:** Each of the events described below shall constitute an Operator Default:

- 1) A material breach by Operator of any obligation under this Agreement, which (where capable of remedy) has not been remedied within thirty (30) days following notice from City stating that such breach has occurred, identifying the breach and demanding it to be remedied, provided that if Operator has diligently and as quickly as possible commenced the remedial action necessary but is unable to complete it within thirty (30), it shall be allowed such further period of up to sixty (60) days or as may be reasonably necessary to complete the remedial action;
- 2) Operator has made material misrepresentation in the representations and warranties set out in this Agreement and has not disclosed any material fact which renders any such representation or warranty materially misleading;
- 3) The reorganization, merger, consolidation, amalgamation, dissolution or reconstruction of Operator, except to the extent that it does not affect the ability of the resulting entity to perform its obligations under this Agreement;
- 4) Except for the purposes permitted under subsection 3), the occurrence of any of the following events (other than as a direct result of City Event of Default):
 - Passing of a resolution or initiation of any proceeding for the bankruptcy, insolvency, winding up, liquidation of or other similar proceedings relating to Operator;
 - The appointment of a trustee, liquidator, custodian or a similar person, which appointment has not been set aside or stayed within sixty (60) days of such appointment; or
 - The making by a court having jurisdiction of an order winding up or

otherwise confirming the bankruptcy or insolvency of Operator, which order has not been set aside or stayed within sixty (60) days; and

- 5) Operator ceasing to hold a license, permit or consent, as a result of breach by Operator of the terms and conditions of such license, permit or consent, making it unlawful for City to operate.
- v. **Consequences in the Event of Default:** In the case of Operator Event of Default, City may terminate this Agreement and in the case of a City Event of Default, Operator may terminate this Agreement, in either case by giving a notice ("Termination Notice") to the other whereupon this Agreement shall terminate upon the date specified in such Termination Notice or such later date as the Parties may have agreed.
- vi. **Sole Grounds for Termination:** The provisions of this Paragraph 21, and any other provisions in this Agreement wherein a termination right exists, shall be the sole and exclusive grounds on which the Parties may terminate this Agreement.
- vii. **Damages/Payment in the Event of Termination:** In the event of termination of this Agreement for breach, the total compensation due to the Operator for such termination shall be calculated based on the work completed through the effective date of termination.

Upon termination of this Agreement for any reason or upon its expiration, and except as otherwise provided in this section the Operator shall, at the Operator's sole expense, promptly vacate the premises, remove all of the Operator's personal property, repair any damages occasioned by installation or removal of such property (reasonable wear and tear excepted), and ensure the Facility is in at least as good condition as it was at the beginning of the term of this Agreement, reasonable wear and tear excepted. The removal of such personal property must occur within thirty (30) days after the termination of this Agreement. Operator shall also comply with all applicable requirements of the transition plan. *All documents, manuals, logs and other records prepared by Operator during the operation of the Facility shall be turned over to the City at the termination or expiration of this Agreement.*

22. DISPUTE RESOLUTION

The parties agree to work cooperatively to resolve all issues.

- 1) Should an issue arise, the party believing itself to be aggrieved shall provide written notice to the other party within ten (10) days of the alleged grievance.
- 2) Upon receipt of the grievance, the parties will schedule a teleconference to attempt to resolve the issue. The teleconference shall occur within fourteen (14) days of the grievance occurring.
- 3) If the parties are unable to resolve the matter during the teleconference, they shall schedule a face-to-face meeting. Said meeting shall be attended by those persons from City and Operator empowered to resolve the matter. The meeting shall occur within thirty (30) days from the date the grievance occurred unless otherwise extended by mutual consent of the parties. Such consent shall not be unreasonably withheld.

- 4) Should the face-to-face meeting fail to resolve the matter; the parties agree to submit the matter to a court having competent jurisdiction by filing a complaint.

23. CONFIDENTIALITY AND SECURITY

Each party shall take all proper steps to keep confidential any trade secrets or confidential information learned about the other party or its customers during the course of this Agreement.

Each party shall protect the keys and other secure property of the other party and shall take appropriate and reasonable steps to ensure security is maintained. In the event of a breach of security, the party whose security is breached shall notify the other party as soon as practicable.

24. CONFLICTS

Neither Operator nor any of Operator's employees shall have or hold any continuing or frequently recurring employment or contractual relationship that is substantially antagonistic or incompatible with Operator's loyal and conscientious exercise of judgment and care related to Operator's performance under this Agreement.

Operator further agrees that none of Operator's officers or employees shall, during the term of this Agreement, serve as an expert witness against City in any legal or administrative proceeding in which he, she or Operator is not a party, unless compelled by court process. Further, Operator agrees that such persons shall not give sworn testimony or issue a report in writing, as an expression of his or her expert opinion, which is adverse or prejudicial to the interests of the City in connection with any such pending or threatened legal or administrative proceeding unless compelled by court process. The limitations of this section shall not preclude Operator or any persons in any way from representing themselves, including giving expert testimony in support thereof, in any action or in any administrative or legal proceeding.

In the event Operator is permitted pursuant to this Agreement to utilize subcontractors to perform any services required by this Agreement, Operator agrees to require such subcontractors, by written contract, to comply with the provisions of this section to the same extent as Operator. If Operator is unable to require a subcontractor to comply with the provisions of this section, then Operator shall notify the City and the parties agree to discuss, in good faith, reasonable alternatives.

25. SUBCONTRACTORS

Operator may hire or retain such employees and subcontractors as it deems reasonably necessary or appropriate in connection with the Services provided under this Agreement. Prior to hiring any subcontractors, Operator shall ensure the subcontractor is eligible to work on City facilities. Eligible subcontractors are those that:

- a. Are not delinquent in their remittance of city sales taxes or other fees;
- b. Have a State of Alaska business license;
- c. Are properly licensed and/or certified to perform the services for which they are being

retained (when applicable).

In the event Operator engages any subcontractor in the performance of this Agreement, Operator shall ensure that all of Operator's subcontractors perform in accordance with the terms and conditions of this Agreement. Operator shall be fully responsible for all of Operator's subcontractors' performance, and liable for any of the Operator's subcontractors' non-performance and all of subcontractor's negligent acts and omissions. Operator shall defend, at Operator's expense and indemnify and hold City and City's officers, employees and agents harmless from and against any claim, lawsuit, third party action, fine, penalty, settlement or judgment, including any award of reasonable attorneys' fees and any award of reasonable costs, by or in favor of any of Operator's subcontractors for payment for work performed for City by any of such subcontractors; provided that City made available and paid to Operator the funds necessary to pay such subcontractor for work performed for the City, and from and against any third party claim, lawsuit, action, fine, penalty, settlement or judgment, including any award of reasonable attorney fees and any award of reasonable costs, to the extent occasioned by or arising out of any negligent act or omission by any of Operator's subcontractors.

26. GENERAL PROVISIONS

- a. Amendments: This Agreement may only be amended or varied by the written agreement of both Parties.
- b. Assignment and Performance: Neither this Agreement nor any right or interest herein shall be assigned, transferred or encumbered without the written consent of the other party whose consent shall not be unreasonably withheld, conditioned or delayed.
- c. Captions/Headings: The captions or headings of this Agreement are for convenience or reference only, and in no way define, describe, extend or limit the scope or intent of this Agreement or the meaning or intent of any provision hereof.
- d. Entire Agreement: This Agreement constitutes the entire agreement between the parties and supersedes all other prior agreements, relationships or negotiations, written or oral. Any rights or liabilities arising by reason of any prior written or oral representations, whether or not at the date of this Agreement, are canceled to the extent they have any bearing on this Agreement.
- e. Further Assurance: Each Party agrees to execute and deliver all such further instruments and do and perform all such further acts and things as shall be necessary for the carrying out of the provisions of this Agreement.
- f. Good Faith: The Parties undertake to act in good faith in relation to the performance and implementation of this Agreement and to take such other reasonable measures as may be necessary for the realization of its objectives.
- g. Governing Law: This Agreement shall be deemed to have been entered into in Bethel, Alaska. All questions regarding the validity, interpretation or performance of any of its terms or of any rights or obligations of the parties to this Agreement shall be governed by Alaska law, and any action brought by either party to enforce any of the terms of this Agreement shall be filed in the appropriate local or federal court. If any claim, at law or otherwise, is made by either party to this Agreement, the prevailing party shall be entitled to its costs and reasonable attorney's fees.

- h. Interpretation: Whenever the terms of this Agreement are unclear, the parties and any court reviewing the same shall first look to the original Agreement, then this Agreement, then the Request for Proposals (Exhibit D – Original Agreement) and finally the Operator's Proposal (Exhibit E – Original Agreement) for clarity as to the parties' intent.
- i. Joint Drafting: The parties expressly agree that both had opportunity to negotiate its terms and to obtain the assistance of counsel in reviewing its terms prior to execution. Therefore, this Agreement shall be construed neither against nor in favor of either Party, but shall be construed in a neutral manner.
- j. Hazardous Materials: Operator will be working with pool chemicals which are considered hazardous materials. Operator is required to follow all Alaska Department of Environmental Conservation (DEC) rules and regulations regarding the proper storage, use and disposal of the Facility chemicals. Any spills will be reported immediately to the City and DEC and clean-up will be undertaken as per 18 AAC 75.300, et al. If a spill or hazardous condition is caused by or materially contributed to by Operator and/or their use of the Facility, Operator shall be solely responsible for the safe clean-up and disposal of the hazardous material(s).
- k. Legal, Regulatory And Policy Compliance: This Agreement, operations thereunder by the Operator, and the administration of it by the City shall be subject to all applicable state, federal and local laws, especially, but not limited to, 18 AAC 30.500-590 (Regulations for Public Swimming Pools and Spas). Operator agrees to comply with all applicable laws in fulfilling its obligations under this Agreement at its sole cost and expense; provided, however, Operator shall have no responsibility or liability whatsoever for any costs or expenses associated with compliance with applicable federal state, and/or local laws, rules or regulations covering public access to the Facility (e.g. the American Disabilities Act access standards).
- l. Materiality: City and Operator agree that each requirement, duty and obligation set forth here was bargained forth at arm's length and is agreed to by the parties in exchange for *quid pro quo*, that each is substantial and important to the formation of this Agreement and that each is, therefore, a material term hereof.
- m. Public Release: All information required to be submitted to the City by the Operator pursuant to this Agreement is subject to public release by the City.
- n. Intellectual Property. Each party acknowledges that the other party owns Intellectual Property as of the effective date of this Agreement, the possession of which shall not be challenged while this Agreement is in effect nor upon expiration or termination of this Agreement. Each party agrees that, except as explicitly and specifically provided in this Agreement, it shall acquire no license, right, title or interest in or to the other party's Intellectual Property by virtue of this Agreement. For purposes of this Agreement, "**Intellectual Property**" means the collective reference to all rights, title, interest, and privileges in or relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including all creative or proprietary interests, data, tools, business processes, methods, symbols, copyrights, patents, trademarks, service marks, trade names, trade secrets, internet domain names and licenses, whether now or hereafter existing.

The City shall own and continue to own: (i) all Intellectual Property owned by the City prior to the date of this Agreement, and (ii) all Intellectual Property developed or

purchased by the City independent of and apart from this Agreement (collectively, "**City Intellectual Property**"), and nothing herein grants or transfers to Operator any ownership interest in such City Intellectual Property.

Operator (including, for all purposes, Operator's Affiliates, and third party licensors) shall own and continue to own all Intellectual Property owned by Operator prior to the date of this Agreement, including, without limitation, (i) all registrations worldwide for a family of trademarks incorporating the term *Live for Life*, used for a variety of health-related goods and services and (ii) all programming and operational manuals prepared by Operator for delivery of services and management of the Facility under this Agreement and all systems and methods of delivery for the services and management of the Facility (collectively, "**Operator Intellectual Property**"), and nothing herein grants or transfers to the City any ownership interest in such Operator Intellectual Property, even if such Intellectual Property is embodied in any services or deliverables provided to the City under this Agreement. Notwithstanding the foregoing, the City shall have the right to use and reproduce, for its business purpose and not in any way that competes with Operator, such reports and manuals produced for it by Operator under this Agreement without having to pay a royalty to Operator and (ii) Operator shall have the right to use, consistent with its customary business practices, any Operator Intellectual Property (which shall not include any City data) contained in such reports. For purposes of this Agreement, the term "**Affiliate**" shall mean any other entity directly or indirectly controlling, controlled by or under common control with entity. An entity shall be deemed to control another entity if the controlling entity owns fifty-one percent (51%) or more of any class of voting securities (or other ownership interests) of the controlled entity or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled entity, whether through ownership of stock or other ownership interests, by contract or otherwise.

- o. Relationship of Parties: This Agreement does not create an association, joint venture, or partnership between the Parties. Neither Party has any right, power or authority to enter into any agreement or undertaking for, or to act on behalf of, or to act as an agent or representative of, or to otherwise bind, the other.
- p. Right of Entry: The City shall have the right at any time to enter upon or into the Facility for any purpose it may deem necessary for the administration of this Agreement.
- q. Rights and Remedies: The parties' rights, liabilities, responsibilities and remedies with respect to this Agreement, whether in contract, tort, negligence or otherwise, shall be those expressly set forth in this Agreement, as well as permitted at law or in equity.
- r. Severability: If a court of competent jurisdiction invalidates or finds any one or more of the provisions of this Agreement are unenforceable it shall in no way affect any of the other provisions thereof, which shall remain in full force and effect.
- s. Successors: This Agreement binds and ensures to the benefit of the Parties and their respective successors and permitted assigns.
- t. Taxes: Any and all taxes or assessments of any nature that may be lawfully imposed by the State or the City upon the business, including sales taxes, shall be collected and paid promptly by the Operator.
- u. Third Parties: This Agreement does not grant rights or benefits of any nature to any third party.

- v. Waiver: The failure of either party to insist, enforce or require strict performance of any provision in the Agreement or to act in respect to the defaults of the other Party, and no acceptance of payment or performance during the continuance of any such default precludes any right, relief or remedy available to the non-defaulting Party, and may not be relied on by the other Party as a consent to those defaults.

27. REPRESENTATION AND WARRANTIES

- a. Operator represents and warrants to City that:
 - i. It has the full legal ability and authority to enter into and carry out its obligations under this Agreement and this Agreement constitutes a valid, legally binding and enforceable obligation of Operator and does not conflict with the terms of any other agreement by which it may be bound;
 - ii. All approvals necessary to allow Operator to enter into this Agreement and to carry out the obligations contemplated herein have been given or received and shall remain in full force and effect;
 - iii. There are no applicable constitutional provisions, laws, regulations, decrees or rules of Competent Authorities of Alaska in force on the date of execution of this Agreement, which restrict or prohibit the ability of Operator to enter into and perform the terms of this Agreement. Operator is not entitled to immunity from legal process or jurisdiction on grounds of sovereignty or otherwise; and
 - iv. This Agreement does not conflict with any provisions of any Law, including any regulation of the State of Alaska as in effect on the date of execution of this Agreement.

- b. City represents and warrants to Operator that:
 - i. It is a validly existing municipal corporation under the laws of the State of Alaska;
 - ii. It has the full legal ability and authority to enter into and carry out its obligations under this Agreement and this Agreement constitutes a valid, legally binding and enforceable obligation of City and does not conflict with the terms of any agreement by which it may be bound; and
 - iii. There are no provisions of any organizational document of City which restrict or prohibit the ability of City to enter into and perform the terms of this Agreement.

28. EXHIBITS

Exhibit A - Land, Real Property Improvements and Equipment (updated 7/1/18). To be updated annually by June 30.

CITY OF BETHEL


Peter A. Williams
City Manager
Dated: 6/18/2018

HEALTH FITNESS


Steven A. Alavi (Jun 20, 2018)
By: Steven A. Alavi
Its: CFO
Dated: 6/20/2018

Signature:

Email: Lisa.Rizzolo@hfit.com