

# Joint Task Force Meeting Agenda

1-31-2018, 6:30 p.m.

## Bethel City Council Chambers

300 State Highway, Bethel

Orutsararmuit Native Council and City of Bethel Council

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### **Orutsararmuit Native Council**

Walter Jim

Henry Hunter Sr.

Thaddeus Tikiun

Connie Sankwich

Robbert Hoffman

Robert Lekander

Raymond Watson

### **City Council**

Rick Robb

Fred Watson

Leif Albertson

Mark Springer

Naim Shabani

Thor Williams

Mitchell Forbes

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. PEOPLE TO BE HEARD**
- IV. APPROVAL OF AGENDA**
- V. APPROVAL OF MEETING MINUTES**
  - a) 5-25-2016 Meeting Minutes
- VI. UNFINISHED BUSINESS**
  - a) Multi-Purpose Building Lease Agreement (ONC) Page 2
- VII. NEW BUSINESS**
  - a) City of Bethel Transit System Financial Support (COB) Page 38
  - b) Pinky's Park Boardwalk Lighting Financial Support (COB)Page 40
  - c) Tax Increases (ONC)
  - d) Water and Sewer Rate Increases (ONC) Page 48
- VIII. COMMENTS**
- IX. ADJOURNMENT**

Posted on December 14, 2017 at City Hall, AC Co., Post Office, and ONC Building.

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City Clerk's Office



**JOINT TASK FORCE MEETING MINUTES**  
**ONC CONFERENCE ROOM**  
**5/25/2016 @ 6:30 P.M.**

- I. **Call to Order:** By Walter Jim at 6:32 p.m.
- II. **Roll Call:** *ONC:* Walter Jim, Henry Hunter, Thaddeus Tikiun, Glen Watson, Gregory Hoffman, Robert Lekander, Raymond Watson. *CITY COUNCIL:* Rick Robb, Byron Maczynski (6:39 p.m.), Leif Albertson (absent), Chuck Herman (absent), Zach Fansler, Nikki Hoffman, Alisha Welsh.  
*Note: Nikki Hoffman* stated that she had a conflict of interest on items: VI.a; VII a,d,e., being the director of Senior Services.
- III. **People to be Heard:** *Gene Peltola, Pat Samson and Calvin Cockroft*
- IV. **Approval of Agenda:** *Thaddeus* made a motion to approve the agenda, 2<sup>nd</sup> by *Byron- agenda established.*
- V. **Approval of Meeting Minutes:**
  - a) January 13, 2016 Meeting Minutes (ONC): *Glen* made a motion to approve the meeting minutes, 2<sup>nd</sup> by *Rick Robb*, minutes approved (6:46 pm).
- VI. **Unfinished Business:**
  - a) Lease Agreement for the ONC Multi-Purpose Building and plan for Building prior to lease term (City of Bethel)  
*-Rick Robb* stated that the original plan of the Multi-purpose building was to use it as a recreational facility/bowling alley. He stated that the City Attorney drafted a new lease stating no requirement for recreational use, but public purposes/activities. *Gene* suggested that the item be tabled until the ONC council has reviewed it. *Byron* made a motion to table the proposal, 2<sup>nd</sup> by *Glen*, item was tabled.

- b) Establishing a Multi Lateral Committee for collaboration efforts on community and regional issues (City)
  - Gene* stated that he contacted organization(s) like AVCP, AVCP RHA, BNC, YKHC and ONC to put together a working task force. The first meeting is set up for June 3, 2016. He concluded that he will contact the city on the next meeting. *Byron* posed concerns of not involving the City. *Rick Robb* suggested that he would like to see city involvement; with involvement it will make it more expansive. *Nikki* inserted that she meant to Draft a letter, but has not got around to it.

**VII. New Business:**

- a) Terminating the Memorandum of Agreement for the Public Transit (City).
  - Thaddeus* made a motion to table the MOA, 2<sup>nd</sup> by *Greg*; passed 7:08 p.m.
- b) ONC's 17 acre subdivision (ONC)
  - i. Road Right of Way
    - It was concluded that ONC will work with the planning commission and move ahead with the subdivision. Anna stated that ONC would first need access and a plan declaration and attain a letter of concurrence from BLM. Discussion on road main entrance and secondary entrance was for safety was talked about. Walter stated that he would get a hold of ANTHC to help with the water and sewer.
  - ii. BMC 17.040
    - This topic of discussion was in conjunction with the above listed (Road Right of Way)
- c) IRR Roads
  - i. Swansons/Riverfront road
  - ii. 5<sup>th</sup> Avenue
  - iii. Board walk lights and (Willows cut 50 feet) – *added to agenda*
    - The transportation department, headed by Pat Samson proposed dedicated funds to the city to set gravel on above mentioned roadways. The forecasted amount is 89 thousand

dollars. The city will visit this topic on their next scheduled meeting.

d) Senior Center donation

- ONC board members requested a donation from the City of 50 thousand; the city council again decided to visit this subject on their next meeting.

e) Multi-Purpose Building (This item was tabled)

i. MOA

ii. Land

**VIII. Comments:**

-*Raymond* suggested to the city to hire more police so that there can be a quicker response to distress calls. *Walter* stated that there needs to be funds to increase the patrol within the streets. ONC will be looking into the possibility of applying to the Justice Department for establishing a Tribal Police Department.

**IX. Adjournment:** Henry made a motion to adjourn, 2<sup>nd</sup> by Glen, meeting adjourned at 8:32 p.m.

Supporting Documentation for  
Unfinished Busienss Item A

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GROUND LEASE

THIS GROUND LEASE is made and entered into at Bethel, Alaska, in the Fourth Judicial District, on this 15<sup>th</sup> day of November, 1985, by and between the City of Bethel, hereinafter referred to as "Landlord", and Orutsararmuit Native Council, ON hereinafter referred to as "Tenant".

Landlord and Tenant, for and in consideration of the keeping by the parties of their respective obligations hereinafter contained, as well as for \$1.00 and other valuable considerations simultaneously in hand paid with the execution and delivery of this lease, receipt of which is hereby acknowledged, agree as follows:

ARTICLE I

Leased Premises

1. Grant of Lease. Upon the terms and conditions hereinafter set forth, and in consideration of the payment from time to time by Tenant of the rents hereinafter set forth and in consideration of the continuous prompt performance by Tenant of each and every one of the covenants and agreements hereinafter contained, to be kept and performed by Tenant, Landlord does hereby lease, to Tenant and Tenant does hereby lease of and from Landlord the following described premises, in the Bethel Recording District, Fourth Judicial District, State of Alaska:

See Exhibit "A" attached hereto and, by this reference thereto, incorporated herein as though fully set forth herein,

*property*

hereinafter referred to as the "leased premises".

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2. Conditions. This Lease is likewise made subject to the following:

(a) Conditions, restrictions and limitations, if any, there be now appearing of record;

(b) Zoning ordinances of any municipality, any organized or unorganized borough, the state of Alaska and any other governmental body now existing or which may hereafter exist by reason of any legal authority during the life of this Lease;

(c) Tenant has leased the leased premises as herein provided after an examination thereof and of the subsurface conditions beneath the same and, except as otherwise herein expressly provided, without any representation on the part of Landlord, Tenant assumes the sole responsibility for the condition, operation, maintenance and management of the leased premises; and,

(e) The proper performance by Tenant of all the terms and conditions contained in this Lease.

## ARTICLE II

### Term

The term of this Lease shall commence on the 15<sup>th</sup> day of November, 1985, and terminate on the 30<sup>th</sup> day of November 2020, both dates inclusive, unless sooner terminated as hereinafter provided.

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## ARTICLE III

## Rent

1. Annual Rentals. The rent which Tenant agrees to pay to Landlord is \$1.00 per year for the term of this Lease and any extension hereof. All rent payments are to be paid annually and in advance, except as otherwise agreed in writing between the parties. Tenant shall have the option of prepaying any or all rent due for the remaining term of this Lease.

In the event Tenant ceases and discontinues its use of the leased premises as a bowling alley or similar recreational facility, the rent due under this lease shall increase to an amount equal to the annual fair market rental rate for the underlying property. This annual fair market rental rate shall be paid on a monthly basis and shall be subject to adjustment on a two-year period.

If Landlord and Tenant are unable to agree on the fair market rental rate for the underlying property, the fair market rental rate shall be determined by a committee of three (3) appraisers, one (1) of whom will be chosen by Landlord, one (1) of whom will be chosen by Tenant, and one (1) of whom will be chosen by mutual agreement of the two (2) previously-selected appraisers. The cost of this appraisal shall be shared equally by Landlord and Tenant.

2. Place of Payment. Rent shall be payable at such place as Landlord may specify in writing from time to time, and a place once specified as the place for the payment of rent shall be such until it shall have been changed by written notice given

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unto Tenant by Landlord, in the manner hereinafter prescribed for the giving of notice.

3. Net Lease. It is the purpose and intent of Landlord and Tenant that the rent hereinabove provided to be paid to Landlord by Tenant be absolutely net to Landlord, so that this Lease shall, except as hereinafter provided to the contrary, yield net to Landlord the rent as hereinabove provided, and that all costs, expenses and obligations of every kind and nature whatsoever relating to the leased premises, or any improvements thereon, which may arise or become due during the term of this Lease, shall be paid by Tenant and that Landlord shall be indemnified and saved harmless by Tenant from and against the same. Nothing herein contained shall be deemed to require Tenant to pay or discharge any liens or mortgages of any character whatever which may hereafter be placed upon the leased premises by the affirmative act of Landlord.

#### ARTICLE IV

##### Additional Construction by Landlord

The Landlord reserves the right during the term of this lease to construct additional improvements upon the property leased to Tenant. These additional improvements must be of compatible structure and compatible use to the use by Tenant of the leased premises. The Landlord shall be allowed to adjoin to existing walls of the improvements currently existing on the premises and being leased to Tenant. Any such new improvement constructed by Landlord must not interfere with the access to Tenant's improvements. Landlord also agrees to provide Tenant

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with additional replacement property equal to the amount utilized by the improvements and associated parking should the improvements and associated parking unreasonably restrict the parking and premises needed by Tenant.

In the event Landlord elects to proceed with the construction of additional improvements on the leased premises, copies of plans for the proposed improvements will be submitted to Tenant at least thirty days before the entering into of any contract for construction of the improvements for the purpose of allowing Tenant time to review the impact of the proposed improvements upon the Tenant's use of the property. In the event Tenant shall object to the proposed improvements based on incompatibility of use or structure, interference with access, or failure to provide additional needed land for parking or other uses, Landlord will not proceed with the entering into of any contract for construction prior to the withdrawal of Tenant's objection, which withdrawal will not unreasonably be withheld.

#### ARTICLE V

##### Payment of Taxes

1. Tenant's Obligations. Except as hereinafter provided in Article V, Tenant covenants and agrees with Landlord that Tenant shall timely pay, all taxes, assessments, water and sewer rents, rates and charges, transit taxes, charges for public utilities, excises, levies, licenses and permit fees and other governmental charges of any kind and nature whatsoever which at any time during the term of this Lease may become due.

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2. Obligations Altered. Nothing herein contained shall require Tenant to pay municipal, state or federal income taxes assessed against Landlord; municipal, state or federal capital levy, estate, succession, inheritance or transfer taxes of Landlord; or, corporate franchise taxes imposed upon any corporate owner of the fee of the leased premises.

3. Method of Payment. The parties agree that Tenant shall pay the taxes and other charges as enumerated in this Article of the Lease and shall upon Landlord's requests deliver official receipts evidencing such payments to Landlord at the place at which rental payments are required to be made. If, however, Tenant desires to contest the validity of any tax or tax claim, Tenant may do so without being in default hereunder as to Tenant's obligation to pay taxes, provided Tenant gives Landlord notice of Tenant's intention to do so and, if required by Landlord, at the sole option of Landlord, furnishes Landlord with a bond, with a surety made by a surety company qualified to do business in the state of Alaska, or pays cash to a recognized escrow agent in Alaska, one-and-one-half (1-1/2) times the amount of the tax item or items intended to be contested, conditioned to pay such tax or tax items when the validity thereof shall have been determined.

4. Tenant's Default. In the event that Tenant shall fail to make any of the payments required in this Article, Landlord may, at its option, pay the same, and the money so paid, including reasonable attorneys' fees and other actual costs, together with interest on all such amounts at the rate of ten

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percent (10%) per annum, or such other lower rate which may be legal under any applicable usury laws, shall be repaid by Tenant to Landlord upon the demand of Landlord, and the payment thereof may be collected or enforced by Landlord in the same manner as though such amount were an installment of rent specifically required by the terms of this Lease.

5. Pro-ration. The foregoing notwithstanding, the parties hereto understand and agree that the taxes, if any, for the first and last years of the term herein shall be pro-rated proportionately between Landlord and Tenant.

#### ARTICLE VI

##### Pro-ration of Certain Assessments

1. During Initial Term. Any assessment for sewer, water, public utilities or other governmental assessments increasing the value of the reversion (the term "reversion" shall be deemed to mean Landlord's interest after the end of this Lease), or tending to increase the value of the reversion, shall, if falling within the first twenty-five (25) years of the term of this Lease, be paid by Tenant.

2. Pro-ration Schedule. Any such assessment which is assessed or which commences to benefit the reversion during the twenty-sixth (26th) through the thirty-fifth (35th) year shall, at the sole option of Tenant, be pro-rated as follows. In the year in which the following number of years of the term remain, Tenant and Landlord shall each pay the percentage of the assessment listed under their respective names below.

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<u>Years Remaining</u>	<u>Tenant to Pay</u>	<u>Landlord to Pay</u>
10	90%	10%
9	80%	20%
8	70%	30%
7	60%	40%
6	50%	50%
5	40%	60%
4	30%	70%
3	20%	80%
2	10%	90%
1	0%	100%

#### ARTICLE VII

##### Landlord's Interest Not Subject to Mechanics' Liens

1. No Lien. All persons to whom these presents may come are put on notice of the fact that Tenant shall never, under any circumstances, have the power to subject the interest of Landlord in the leased premises to any mechanics' or materialman's lien or liens of any kind, unless a specific provision to the contrary, authorizing in specific terms the creation of such lien or liens, is elsewhere herein contained.

2. Release of Lien. Tenant covenants and agrees with Landlord that Tenant will not permit or suffer any lien or claim of any kind (except for a mortgage created pursuant to Article XIV hereinafter contained) to be filed or claimed against the interest of Landlord in the leased premises during the continuance of this Lease. If such lien be claimed or filed, it shall be the duty of Tenant, within thirty (30) days of such claim having been filed among the public records of the Bethel Recording District, Fourth Judicial District, State of Alaska, to cause the leased premises to be released from such claim, either

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by payment, by the posting of bond or by the payment unto the court of the amount necessary to relieve and release the leased premises from such claim, or in any other manner which, as a matter of law, will result in releasing Landlord and the title of Landlord from such claim.

#### ARTICLE VIII

##### Rights and Remedies of Landlord

1. Governing Law. All of the rights and remedies of the respective parties hereto shall be governed by the provisions of this instrument and by the laws of the state of Alaska, as such laws relate to the respective rights and duties of landlords and tenants.

2. Rights of Landlord. During the continuance of this Lease, Landlord shall have all rights and remedies which this Lease and the laws of the state of Alaska assure to it. All rights and remedies accruing to Landlord shall be cumulative; that is, Landlord may pursue such rights as the law and this Lease afford it in whatever order Landlord desires and the law permits, without being compelled to resort to any one (1) remedy in advance of any other.

#### ARTICLE IX

##### Indemnification of Landlord Against Liability

1. Indemnification by Tenant. Except as otherwise herein provided, Tenant covenants and agrees with Landlord that, during the entire term of this Lease, Tenant will indemnify,

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defend and save Landlord harmless against any and all claims, debts, demands or obligations which may be made against Landlord or against Landlord's title in the leased premises, arising by reason of or in connection with the negligence or any alleged act or omission of Tenant or any person claiming by, through or under Tenant; and if it becomes necessary for Landlord to defend any action seeking to impose such liability, Tenant will pay Landlord all costs of court and attorneys' fees incurred by Landlord in effecting such defense, in addition to any other sums which Landlord may be called upon to pay by reason of the entry of a judgment against Landlord in the litigation in which such claim is asserted.

2. Insurance. From the time when this Lease commences, Tenant will cause to be written a policy or policies of insurance in the form generally known as public liability and/or owners', landlord and tenant policies insuring Tenant against any and all claims and demands made by any person or persons whomsoever for injuries received in connection with the operation and maintenance of the leased premises and the improvements and buildings located on the leased premises. Each class of which policies shall have been written within limits of not less than \$500,000.00 for damages incurred or claimed by any one (1) person for bodily injury or otherwise, plus \$100,000.00 for damages to property, and for not less than \$1 million for damages incurred or claimed by more than one (1) person for bodily injury or otherwise, plus \$100,000.00 for damages to property. All such policies shall name Tenant and Landlord, as their respective

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interests may appear, as the persons assured by such policies, and the original or a duplicate original of each such policy or policies shall be delivered by Tenant to Landlord promptly upon the writing of such policies, together with adequate evidence of the fact that the premiums are paid.

3. Term. Tenant shall procure such policies of insurance for periods of from one (1) to five (5) years, as Tenant shall elect, and shall procure renewals thereof from time to time at least twenty (20) days before the expiration of any similar policy then existing, and if Tenant fails to do so, Landlord may procure any such insurance for such periods as Landlord shall elect, and Tenant shall, on demand, reimburse Landlord for all outlays for such insurance.

4. Termination of Leasehold. On the expiration of the final term granted hereunder, Landlord shall pay to Tenant the amount of the then-unearned premiums on all insurance then carried by Tenant covering or affecting only the leased premises. Tenant shall neither do nor suffer anything to be done whereby any of the insurance required by the provisions of this Article shall or may be invalidated in whole or in part.

#### ARTICLE X

##### Fire and Wind Damage Insurance

1. Tenant's Obligation. Tenant covenants and agrees with Landlord that from and after the time when this Lease commences, Tenant will keep insured any and all buildings and improvements upon the leased premises against all loss or damage

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by fire and windstorm, and what is generally termed in the insurance trade as "extended coverage", which said insurance will be maintained in an amount which will be sufficient to prevent any party in interest from being or becoming a co-insurer on any part of the risk, which amount shall not be less than eighty percent (80%) of the full insurable value (the term "insurable value" shall be deemed to mean the cost of replacement of the structure), and all such policies of insurance shall include the name of Landlord as one (1) of the parties insured thereby and shall fully protect both Landlord and Tenant, as their respective interests may appear. In the event of the destruction of said buildings or improvements by fire, windstorm or other casualty for which insurance shall be payable and as often as such insurance money shall have been paid to Landlord and Tenant, said sums so paid shall be deposited in a bank account of Landlord and Tenant in a bank located within the state of Alaska, designated by Tenant, and shall be made available to Tenant for the reconstruction or repair, as the case may be, of any building or buildings damaged or destroyed by fire, windstorm or other casualty for which insurance money shall be payable, and shall be paid out by Landlord and Tenant from said joint account from time to time on the estimate of any reliable architect, licensed in the state of Alaska, having jurisdiction of such reconstruction and repair, certifying that the amount of such estimate is being applied to the payment of the reconstruction or repair and at a reasonable cost thereof; provided, however, that it first be made to appear to the satisfaction of Landlord that the total amount

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of money necessary to provide for the reconstruction or repair of any building or buildings destroyed or injured as aforesaid, according to the plans adopted therefor, has been provided by Tenant for such purpose and its application for such purpose is assured. Tenant shall have the option of not rebuilding the damaged or destroyed improvements and should Tenant determine to not rebuild, all insurance proceeds shall belong to Tenant so long as Tenant removes all improvements and returns the surface of the leased premises to a buildable condition. If Tenant elects to rebuild or repair, Tenant shall rebuild and repair the same in such a manner that the building or improvement so rebuilt and repaired, and the personal property so replaced or repaired, shall be of the same or higher value as the said building or improvement and the personal property upon the leased premises prior to such damage or destruction, and shall have the same rebuilt and ready for occupancy within fifteen (15) months from the time when the loss or destruction occurred. The fifteen-month period for reconstruction shall be enlarged by delays caused without fault or neglect on the part of Tenant by acts of God, strikes, lock-outs or other conditions (other than matters of finance) beyond Tenant's control.

2. Delivery of Policies. The originals of all such insurance policies shall be delivered to Landlord by Tenant, along with the receipted bills evidencing the fact that the premiums therefor are paid, but nothing herein contained shall be construed as prohibiting Tenant from financing the premiums where the terms of the policies are for three (3) or more years, and in

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such event, the receipts shall evidence it to be the fact that the installment premium payment or payments are paid at or before their respective maturities. However, where there is a mortgage on the leased premises, created pursuant to the provisions contained in Article XIV of this Lease, and if, under the terms of such mortgage, it is obligatory upon Tenant to cause the originals of the policies to be delivered to the mortgagee, then Tenant shall deliver to Landlord duplicate certificates of such policies. The policies or duplicate certificates thereof, as the case may be, shall be delivered by Tenant to Landlord at least ten (10) days prior to the effective date of the policies.

3. Effect of Mortgage Subrogation. All of the provisions herein contained relative to the disposition of payments from insurance companies are subject to the fact that if any mortgagee holding a mortgage created pursuant to the provisions of Article XIV hereof elects, in accordance with the terms of such mortgage, to require that the proceeds of the insurance be paid to the mortgagee on account of such mortgage, then such payment shall be made.

4. Damages; Insurance Proceeds; Joint Bank Account. It is agreed that any excessive money received from insurance remaining in the joint bank account after the reconstruction or repair of such building or buildings, if there be no default on the part of Tenant in the performance of the covenants herein, shall be paid to Tenant.

5. Direct Repayment. The foregoing notwithstanding, in the event the insurance proceeds are the sum of \$25,000.00 or

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less, then such proceeds shall be paid directly to Tenant without the necessity of creating the joint bank account as hereinabove set forth, and Tenant shall use such funds to make the replacement or repairs as required hereunder.

#### ARTICLE XI

##### Assignment

1. Written Assignment; Filing. This Lease is not assignable without the express written consent of Landlord. Any approved assignment shall not relieve Tenant of any obligations to Landlord under this Lease. Consent of the Landlord to any assignment of this Lease shall not be unreasonably withheld.

2. Notice. Landlord and Tenant each hereby covenant and agree with the other that they will, within twenty (20) days after written notice shall have been given one by the other requiring a statement of the status of this Lease, give such statement truthfully and in writing, so as to show whether this Lease is in good standing, and if it is not, the particulars in which it is not, and failure within such period of twenty (20) days so to give such written reply shall constitute a representation that this Lease is in good standing, which representation any person, within twenty (20) days after the expiration of said twenty-day period, may rely upon as being true and correct. Notice and the subsequent reply shall be deemed given and the time shall begin to run when, respectively, such notice and the consequent reply are deposited in the United States certified mails, with sufficient postage prepaid thereon

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to carry them to their addressed destinations, and they shall be addressed to Landlord and Tenant at the places and in the manner prescribed as being the places and the manner for giving notice. Such notice shall contain, verbatim, all of the language set forth in this Section 2.

## ARTICLE XII

### Condemnation

Eminent Domain: Cancellation. It is understood and agreed that if, at any time during the continuance of this Lease, the leased premises or the improvements or building or buildings located thereon, or any portion thereof, be taken, appropriated or condemned by reason of eminent domain, there shall be such division of the proceeds and awards in such condemnation proceedings and such abatement of the rent and other adjustments made as shall be just and equitable under the circumstances. If Landlord and Tenant are unable to agree upon what division, annual abatement of rent or other adjustments are just and equitable within thirty (30) days after such award has been made, then the findings in dispute shall, by appropriate proceedings, be submitted to a court having jurisdiction of the subject matter of such controversy in the Fourth Judicial District of the State of Alaska for its decision and determination of the matters in dispute. If the legal title to the entire leased premises be wholly taken by condemnation, this Lease shall be canceled and only the obligation to apportion the proceeds shall survive.

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## ARTICLE XIII

## Construction

1. Building Not Mandatory. This Lease is executed with the understanding and agreement that Tenant is not obligated to construct any buildings or improvements upon the leased premises, but if Tenant desires to construct, reconstruct or add to any building or buildings on the leased premises, or any portion thereof, such building or buildings will be commercial buildings and must be done with the consent of and with approval of plans by Landlord. Said consent and approval shall not be unreasonably withheld.

2. Tenant to Bear Expenses. If and when Tenant desires to construct, reconstruct or add to any building, Tenant covenants and agrees that the building or buildings must be constructed and paid for wholly at the expense of Tenant.

3. Financial Commitment. Before commencing the building, Tenant agrees that it will have arranged for financing so that at all times there will be available to Tenant sufficient funds to pay for the costs of construction of the proposed building or buildings.

## ARTICLE XIV

## Mortgage of Leasehold

1. Right to Mortgage. In addition to other rights hereinafter provided, Tenant may not, without Landlord's consent, which consent shall not be unreasonably withheld, mortgage its interest in this Lease, and not mortgage shall extend to or

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affect the fee, the reversionary interest or the estate of Landlord in and to any land or buildings or improvements now or hereafter erected on the leased premises.

(a) No mortgage of this Lease or assignment hereof shall be binding upon Landlord in the enforcement of its rights under this Lease, nor shall Landlord be deemed to have any notice thereof, unless and until a fully conformed copy of each instrument effecting such mortgage or assignment, in form proper for recording, shall have been delivered to Landlord.

(b) If the holder of any such mortgage shall give Landlord, before any default shall have occurred in this Lease, a written notice containing the name and post office address of each holder, Landlord shall thereafter give to such holder a copy of each notice of default by Tenant at the same time as any such notice of default shall be given by Landlord to Tenant. The copy of such notice of default shall, in each instance, be deemed duly given to the holder of such mortgage when deposited in the United States certified mail, with sufficient postage prepaid thereon to carry it to its addressed destination, and it shall be addressed to the holder at the place and in the manner prescribed as being the place and the manner for giving notice.

(c) Landlord will accept performance by the holder of any such mortgage of any term of this Lease required to be performed by Tenant, with the same force and

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effect as though performed by Tenant, if at the time of such performance, Landlord shall be furnished with evidence satisfactory to Landlord of the interest in the leased property claimed by the person, firm or corporation tendering such performance or payment. The holder of such mortgage shall have ten (10) days after receipt of any such notice of default within which to cure any default in the payment of rent required to be paid under this Lease and a reasonable time within which to cure any other default.

2. Right to Mortgage; Mortgage Extension of Default.

Tenant and every successor Tenant may assign its interest in this Lease only with Landlord's prior consent, which consent shall not be unreasonably withheld, provided that no other mortgage is outstanding at the time such mortgage is granted. If Tenant or any successor or assign shall mortgage this leasehold, then so long as such mortgage shall remain in effect, the following provisions will apply:

(a) There shall be no cancellation, surrender, acceptance of surrender or modification of this Lease without the prior written consent of the leasehold mortgagee.

(b) Landlord shall, upon serving Tenant with any notice of default or any other notice under this Lease, simultaneously serve a copy of such notice upon the leasehold mortgagee, and no notice of such default shall be deemed to have been duly given unless and until a

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copy thereof has been so served. The mortgagee shall hereupon have the same time within which to remedy or cause to be remedied the defaults complained of as is allowed to Tenant, and Landlord shall accept such performance by or at the instigation of the mortgagee as if such performance had been accomplished by Tenant.

(c) For the purpose of this Article, no default on the part of Tenant in the performance of work to be performed or acts to be done or conditions to be remedied, which cannot reasonably be completed within the grace period, shall be deemed to exist if steps shall, in good faith, have been promptly commenced to rectify the same and shall be prosecuted to completion with diligence and continuity.

(d) Anything herein contained notwithstanding, while such leasehold mortgage remains in effect, if, before the expiration of ten (10) days after the date of service of a notice to terminate this Lease for any reason whatsoever, the leasehold mortgagee shall have paid to Landlord all rent and shall have complied, or shall engage in the work of complying, with the requirements of this Lease, by reason of which default such notice has been sent, then Landlord shall not be entitled to terminate this Lease and any such notice of termination theretofore given shall be void and of no effect.

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(e) If Landlord elects to terminate this Lease by reason of any default of Tenant, the leasehold mortgagee shall not only have and be subrogated to all rights of Tenant with respect to curing such default, but shall also have the right to postpone and extend the specified date for the termination of this Lease, as fixed by Landlord in its notice of termination, for a period of not more than six (6) months, provided that:

(1) The mortgagee shall cure any then-existing default and, meanwhile, pay the rent and perform all of the other requirements of this Lease required to be performed by Tenant;

(2) No further defaults shall accrue hereunder during such extended period; and,

(3) The mortgagee forthwith takes steps to acquire Tenant's interest in this Lease by foreclosure of its mortgage or otherwise.

(f) The name of the leasehold mortgagee may be added to the "loss payable endorsement" of any and all insurance policies required to be carried by Tenant hereunder. Subject to the provisions of any fee mortgage, Landlord will make available jointly to Tenant and to the leasehold mortgagee all insurance or condemnation proceeds to which Tenant may be entitled hereunder for purposes of restoration of the leased premises.

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(q) Landlord, within ten (10) days after a request in writing by Tenant or the leasehold mortgagee, shall furnish a written statement, duly acknowledged, that this Lease is in full force and effect and that there is no default hereunder by Tenant, or if there is a default, such statement shall specify the default which Landlord claims to exist.

3. Termination; Assumption. In case of the termination of this Lease by reason of the happening of any event of default, Landlord shall give notice thereof to any leasehold mortgagee who shall have notified Landlord of its name and address pursuant to the terms of this Lease, which notice shall be addressed to such leasehold mortgagee at the address last furnished to Landlord as hereinabove provided. Landlord shall, on the written request of such leasehold mortgagee made any time within thirty (30) days after the mailing of such notice, execute and deliver a new lease of the leased premises to such leasehold mortgagee, or its designee or nominee, for the remainder of the term of this Lease, at the rent and upon the covenants, conditions, limitations and agreements herein contained, provided that such leasehold mortgagee shall have paid to Landlord all rent and other charges due under this Lease up to and including the date of the commencement of the term of such new lease, together with all expenses, including reasonable attorneys' fees, incident to the execution and delivery of such new lease, but nothing herein contained shall be deemed to impose any obligation on the part of Landlord to deliver physical possession of the leased premises to

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such leasehold mortgagee. Any such designee or nominee of a leasehold mortgagee shall be a corporation qualified to do business in the state of Alaska. No leasehold mortgagee shall be entitled to become the owner of this Lease by foreclosure, or by assignment in lieu of foreclosure, unless such leasehold mortgagee, or its designee or nominee, shall first have delivered to Landlord an assumption agreement, executed in recordable form, pursuant to which such leasehold mortgagee, or a corporate designee or nominee of such leasehold mortgagee, assumes the performance of all of the terms, covenants and conditions of this Lease.

#### ARTICLE XV

##### Default

1. Effect of Default by Tenant. It is further covenanted and agreed by and between the parties hereto that in case, at any time, a default shall be made by Tenant in the payment of any of the rents herein provided for upon the day such rent becomes due and payable and remains due and unpaid for a period of thirty days, or if Tenant shall fail to perform any of the other covenants of this Lease by it to be kept and performed it shall and may be lawful for Landlord, upon election, to declare the lease term ended (except in the case provided for herein in Article XIV in the event of a mortgage holder secured by the Lease) and to re-enter upon the leased premises and the building or buildings and improvements situated thereon, or any part thereof or thereon, either with or without process of law, Tenant hereby waiving any demand for possession of such leased

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premises and any and all buildings and improvements then situated thereon, or Landlord may have such other remedy as the law and this instrument may afford. Tenant covenants and agrees that upon the termination of the lease term, at such election of Landlord or in any other way, Tenant will surrender and deliver up the leased premises peaceably to Landlord, or the agent or attorney of Landlord, immediately upon the termination of the lease term; and if Tenant, its agent, attorney or tenants, shall hold such leased premises, or any part thereof, one (1) day after the same should be surrendered according to the terms of this Lease, it shall be deemed guilty of forcible detainer of the leased premises under the statutes and shall be subject to eviction or removal.

2. Landlord-Tenant Relationship Only: The parties understand and agree that the relationship between them is that of landlord and tenant, and Tenant specifically acknowledges that all statutory proceedings in the state of Alaska regulating the relationship of landlord and tenant respecting collection of rent or possession of the premises accrue to the Landlord hereunder.

3. Landlord's Remedies. Nothing herein contained shall be construed as authorizing Landlord to declare this Lease in default, however, where the default consists in the non-payment of rent, security, insurance premiums or taxes until such non-payment, in violation of the terms of this Lease, shall have continued for thirty (30) days after the respective due dates for payment of such rent, security, insurance premiums and taxes, and where the alleged default consists of some violation other than

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the non-payment of rent, security, insurance premiums or taxes, Landlord may not declare this Lease in default until such violation shall have continued for thirty (30) days after Landlord shall have given Tenant written notice of such violations.

4. Default Period. All default and grace periods shall be deemed to run concurrently and not consecutively.

#### ARTICLE XVI

##### Repair Obligations

Tenant covenants and agrees with Landlord that during the continuance of this Lease, Tenant will keep in a good state of repair any and all buildings, furnishings, fixtures and equipment which are brought or constructed or placed upon the leased premises by Tenant, nor will Tenant suffer or permit any waste or neglect of any building or other property to be committed, and that Tenant will repair, replace and renovate such property as often as may be necessary in order to keep the buildings and other property which are the subject matter of this Lease in good repair and condition.

Tenant shall not permit the accumulation of waste or refuse matter or permit anything to be done upon the leased premises which would invalidate or prevent the procurement of any insurance policies which may be at any time required. Tenant shall not obstruct or permit the obstruction of the street or sidewalk and shall keep the sidewalk and curb adjoining the leased premises clean and free of snow and ice.

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## ARTICLE XVII

## Additional Covenants of Tenant

1. Legal Use. Tenant covenants and agrees with Landlord that the premises will be used for legal purposes only.

2. Termination. Tenant covenants and agrees with Landlord that at the termination of this Lease, Tenant will peaceably and quietly deliver possession of the leased premises and all improvements, including any furnishings, fixtures and equipment which Tenant may have brought, placed or constructed upon the premises pursuant to the provisions of Article XII of this Lease, to Landlord.

## ARTICLE XVIII

## Landlord's Right of Entry

Landlord and its agents shall have the right to enter upon the leased premises at all reasonable times to examine the condition and use thereof, provided only that such right shall be exercised in such a manner as not to interfere with Tenant in the conduct of Tenant's business on such leased premises; and if the leased premises are damaged by fire, windstorm or by any other casualty which causes the leased premises to be exposed to the elements, then Landlord may enter upon the leased premises to make emergency repairs, but if Landlord exercises its option to make emergency repairs, such act or acts shall not be deemed to excuse Tenant from its obligation to keep the premises in good repair and Tenant shall, upon demand of Landlord, immediately

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reimburse Landlord for the cost and expense of such emergency repairs.

## ARTICLE XIX

### Miscellaneous

1. Quiet Enjoyment. Tenant, upon paying the rent and all other sums and charges to be paid by it as herein provided, and observing and keeping all covenants, warranties, agreements and conditions of this Lease on its part to be kept, shall quietly have and enjoy the leased premises during the terms of this Lease without hindrance or molestation by Landlord.

Landlord shall not encumber the leased premises or permit the leased premises to be encumbered, except as Landlord is required to do so under the provisions of this Lease.

2. Force Majeure. In the event that Landlord or Tenant shall be delayed, hindered in or prevented from the performance of any act required hereunder by reason of the acts of God, strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive government laws or regulations, riots, insurrection, the act, failure to act or default of the other party, war or other reasons beyond its control, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

3. Further Assurances. Either party shall, without charge, at any time and from time to time hereafter, within ten (10) days after the written request of the other, certify by

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written instrument, duly-executed and acknowledged, to any mortgagee or purchaser or proposed mortgagee or proposed purchaser, or any other person, firm or corporation specified in such request:

(a) As to whether this Lease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment.

(b) As to the validity and force and effect of this Lease, in accordance with its tenor as then constituted.

(c) As to the existence of any default hereunder.

(d) As to the existence of any offsets, counterclaims or defenses thereto on the part of such other party.

(e) As to the commencement and expiration dates of the term of this Lease.

(f) As to any other matters as may reasonably be so requested.

Any such certificate may be relied upon by the party who requested it and by any other person, firm or corporation to whom the same may be exhibited or delivered, and the contents of such certificate shall be binding on the party executing the same.

4. Duplicates; Recordation. The parties will at any time, at the request of either one, promptly execute duplicate originals of an instrument, in recordable form, which will constitute a short form of lease, setting forth a description of

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the leased premises, the term of this Lease and any other portions thereof, excepting the rental provisions, as either party may request.

5. Consent Not to be Unreasonably Withheld. Whenever Tenant requests any consent, permission or approval which may be required or desired by Tenant pursuant to the provisions hereof, Landlord shall not unreasonably withhold or postpone the grant of such consent, permission or approval. If Tenant requests such consent, permission or approval and Landlord does not notify Tenant of its express disapproval thereof within forty-five (45) days after the receipt of such request, setting forth its reasons therefor, such consent, permission or approval shall be deemed to have been granted.

6. Right of First Refusal to Purchase.

(a) Landlord agrees not to sell or grant options with respect to, or otherwise dispose of, the leased premises during the term of this Lease unless Landlord shall:

(1) Have received a bona fide arm's-length offer from an unaffiliated party for such sale or disposition;

(2) Have notified Tenant in writing of the identity and address of the offeror and all of the provisions of such offer; and,

(3) Afford to Tenant the prior option to purchase or to otherwise acquire the leased

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premises on the same provisions as those contained in the offer.

(b) Such option shall be exercisable by written notice given within the thirty (30) days next following the receipt by Tenant of Landlord's notice of such offer, which shall be given by Landlord within ten (10) days after receipt of such offer. If Tenant shall fail to exercise its option and if Landlord shall not thereafter sell or dispose of the leased premises pursuant to the provisions of such offer, the foregoing prohibition against sale or other disposition by Landlord shall continue in full force and effect and Tenant's foregoing option shall thereafter apply to any subsequent offer on the same terms as set forth hereinabove.

(c) The notice provided in Section 7(b) hereinabove shall set forth therein the time of closing and a place of closing. The time of closing shall be designated in the notice of exercise, but not later than sixty (60) days after the giving of such notice.

(d) At such closing conference:

(1) Tenant shall pay to Landlord (by good certified check or an official check of a bank or trust company) the applicable purchase price;

(2) Landlord shall convey good and marketable title to the leased premises to Tenant, free and clear of all encumbrances and title defects other

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than those which arose at Tenant's request or by virtue of Tenant's tenancy; and,

(3) Landlord and Tenant shall execute any and all documents which may be necessary to effectuate such closing and the transfer of title contemplated hereunder.

7. Federal Income Tax Deductions. Only Tenant shall have the right to take deductions on its tax returns with respect to such buildings, structures, improvements, changes, alterations, repairs, additions and installations and the depreciation thereof.

8. Covenants Running With Land. All covenants, promises, conditions and obligations herein contained or implied by law are covenants running with the land and shall attach and bind and inure to the benefit of Landlord and Tenant and their respective heirs, legal representatives, successors and assigns, except as otherwise provided herein.

9. No Waiver. No waiver of a breach of any of the covenants in this Lease contained shall be construed to be a waiver of any succeeding breach of the same covenant.

10. Arrears. All arrearages in the payment of rent shall bear interest from the date when due and payable at the rate of ten percent (10%) per annum, or such lower rate as may be legal under any applicable usury laws, until paid.

11. Written Modifications. No modification, release, discharge or waiver of any provisions hereof shall be of any

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force, effect or value unless in writing, signed by the party to be charged or its duly authorized agent or attorney.

12. Entire Agreement. This instrument contains the entire agreement between the parties as of this date and the execution hereof has not been induced by either party by representations, promises or understandings not expressed herein, and there are no collateral agreements, stipulations, promises or undertakings whatsoever upon the respective parties in any way touching the subject matter of this instrument which are not expressly contained in this instrument.

13. Notices. When either party desires to give notice to the other in connection with and according to the terms of this Lease, such notice shall be given by certified mail and it shall be deemed given when it shall have been deposited in the United States mails, with sufficient postage prepaid thereon to carry it to its addressed destination, and such notices shall be addressed as follows:

To Landlord:                   City of Bethel  
                                      P.O. Box 388  
                                      Bethel, Alaska 99559

To Tenant:                      Orutsararmuit Native Council  
                                      P.O. Box 927  
                                      Bethel, Alaska 99559

Nothing herein contained shall be construed as prohibiting the parties from changing the place at which notice is thenceforth to be given, but no such change shall be effective unless and until it shall have been accomplished by written notice given in the manner set forth in this Section.

14. Liability Continued. All references to Landlord and Tenant mean thereby the persons who, from time to time, occupy the positions of Landlord and Tenant, respectively, although this shall not be construed as relieving a person of any liability incurred by them by reason of or in connection with their having been Landlord or Tenant at one time.

15. Use of Terms. As used herein, the singular includes the plural, the male gender includes the female and "mortgage", "mortgagor" and "mortgagee" includes deed of trust, trustor and beneficiary.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Ground Lease the day and year first above written.

CITY OF BETHEL

By: Marge Bainter  
Its: Marge "Landlord"

ORUTSARARMUIT NATIVE COUNCIL

By: Edward Hoffman, Sr  
Its: Edward Hoffman "Tenant"

STATE OF ALASKA )  
Fourth Judicial District ) ss.  
)

THIS IS TO CERTIFY that on this 26<sup>th</sup> day of February, 1985, before me, the undersigned, a Notary Public in and for Alaska, personally appeared Edward Hoffman, Sr., to me known and known to me to be the Chairman of the Orutsararmuit Native Council corporation named in the foregoing instrument, and he acknowledged to me that he had, in his official capacity aforesaid, executed the foregoing instrument as the free act and deed of the said corporation for the uses and purposes therein stated.

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WITNESS my hand and official seal the day and year in this certificate first above written.

Gordon F. Silinski

NOTARY PUBLIC in and for Alaska  
My commission expires: 7/14/88

STATE OF ALASKA )  
 : ss  
Fourth Judicial District )

THIS IS TO CERTIFY that on this 26<sup>th</sup> day of February, 1985, before me, the undersigned, a Notary Public in and for Alaska, personally appeared John Angiak, to me known and known to me to be the Executive Director of the Orutsaramuit Native Council, appearing in the foregoing instrument, and he acknowledged to me that he signed the same for and on behalf of said ~~corporation~~ corporation freely and voluntarily and by authority of said corporation for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Gordon F. Silinski

Notary Public, State of Alaska  
My Commission Expires: 7/14/88

STATE OF ALASKA )  
 : ss  
Fourth JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on the 15<sup>th</sup> day of November 1985, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared MARCE Bainton, to me and known and known to me to be MAYOR of the City of Bethel, appearing in the foregoing instrument, and he/she acknowledged to me that he/she signed the same for and on behalf of said corporation, freely and voluntarily and by authority of said corporation for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Marce Bainton

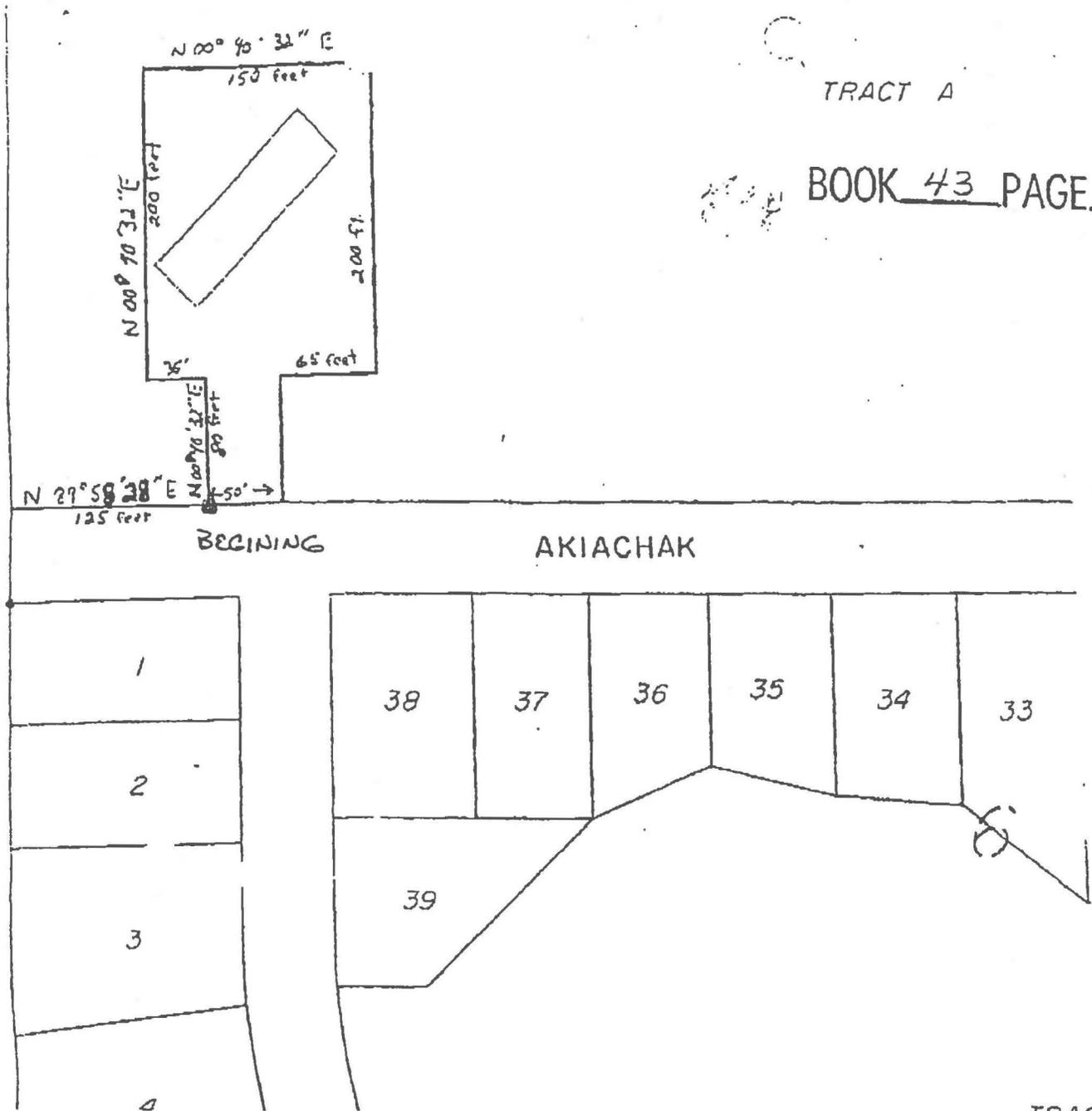
Notary Public, State of Alaska  
My Commission Expires: July '86

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## EXHIBIT A

## LEGAL DESCRIPTION

Commencing at the SW corner of Tract A of Block 9.  
U.S.S. 3770, Northwest Addition, Bethel Townsite, thence  
N 89 58' 28" E a distance of 125 feet to the true point  
of beginning, thence N 00 40' 32" E a distance of 80  
feet, thence S 89 58' 28" W a distance of 35 feet,  
thence N 00 40' 32" E a distance of 200 feet, thence N  
89 58' 28" E a distance of 150 feet, thence S 00 40' 32"  
W a distance of 200 feet, thence S 89 58' 28" W a  
distance of 65 feet, thence S 00 40' 32" W a distance of  
80 feet, thence S 89 58' 28" W a distance of 50 feet to  
the true point of beginning.



TRACT A

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BEGINING

AKIACHAK

TRAC:

# Supporting Documentation for New Business Item A

## City of Bethel Action Memorandum

Action memorandum No.	17-74		
Date action introduced:	November 28, 2017	Introduced by:	Peter Williams, City Manager
Date action taken:	November 28, 2017	X	Approved                      Denied
Confirmed by:	<i>KM</i>		

**Action Title:** Direct Administration to prepare and submit a FY 2019 Community Transportation Grant application to fund the operation of the Bethel Transit System with \$70,100 from the City's FY 2019 Budget as local match.

**Attachment(s):** Bethel Public Transit System Budget from FY 2018 City of Bethel Budget; Public Transit Budget Worksheet for Proposed FY 2019 Grant Application.

Department/Individual:	Initials:	Remarks:
Administration	<i>PW</i>	<i>Approved</i>
Finance	<i>[Signature]</i>	
Public Works	<i>[Signature]</i>	<i>APPROVED</i>

Amount of fiscal impact:		Account information:
	No fiscal impact at this time.	
	Funds in City Budget.	
\$70,100	Requires funding in FY 2019 Budget.	56-50

### Summary Statement

The FY 2019 Community Transportation Grant application period is now open. The grant application deadline is January 19, 2018. The Transit Office typically provides notice of awards in May-June 2018 for the performance period: July 1, 2018 to June 30, 2019.

The City projects an FY 2019 Transit Budget of \$511,653. The City plans to fund the transit system by collecting \$33,000 in farebox revenue, requesting \$408,553 in grant funds, and providing \$70,100 in cash match.

The transit budget would fund one full-time transit manager and two full-time drivers. The budget would fund the purchase of one new 14-passenger transit vehicle. The budget also contains \$70,757 in administrative overhead (\$53,576 Administrative and \$17,181 in Information Technology).

The Transit Office at the Alaska Department of Transportation and Public Facilities confirmed that it is acceptable for the transit manager to drive the bus occasionally, as long as the City pays for the drive time from the grant-funded operating budget, not the administration budget.

Once the grant is announced by the State, City Administration will present to Council another Action Memorandum to approve and accept the grant award and direct the City Manager to sign it.

**Bethel Public Transit System Fund Summary  
(56-50)**

	FY 2014 Actuals	FY 2015 Actuals	FY16 Actuals (Pre-Audit)	FY17 Approved Budget	FY18 Approved Budget
<b>Operating Revenues:</b>					6.15
<b>Local Sources</b>	98,796	65,915	73,856	80,580	80,580
<b>Grants</b>	229,570	228,391	220,621	250,597	250,597
<b>Fares</b>	39,883	33,030	34,559	33,000	33,000
	368,249	327,337	329,041	364,177	364,177
<b>Operating Expenses for Services:</b>	(399,996)	(320,883)	(334,517)	(310,020)	(406,057)
Operating Income (Loss) B4 Depreciation	(31,747)	6,454	(5,476)	54,157	(41,880)
<b>Non-Cash Expenses:</b>					
Depreciation and Amortization	30,276	32,643	36,900	17,646	17,646
<b>Total Non-cash Expense</b>	30,276	32,643	36,900	17,646	17,646
Income (Loss)	(62,023)	(26,189)	(42,376)	36,511	(59,526)
<b>City of Bethel Funding</b>	(31,747)	-	(65,352)	(26,423)	(122,460)

**Memorandum of Understanding**

**Between the**

**ORUTSARARMUIT NATIVE COUNCIL**

**and the**

**CITY OF BETHEL**

**PINKY'S PARK BOARDWALK LIGHTING PROJECT**

**ARTICLE I. PURPOSE**

This Memorandum of Understanding (MOU) is entered into by and between the Orutsararmuit Native Council (ONC), and the City of Bethel (COB). The purpose of this Agreement is to utilize the ONC Tribal Transportation Program (TIP) construction funds as reimbursement to the City, for the purchase and installation of LED streetlights along a section of boardwalk in Pinky's Park, which is in the community of Bethel, Alaska.

The ONC and the COB each recognize responsibilities and interests in the establishment of cooperative relationships that meet the needs of both the Tribal and City governments.

**ARTICLE II. STATEMENT OF WORK**

In this Memorandum of Understanding, the Parties agree to the following:

THE ORUTSARARMIUT NATIVE COUNCIL SHALL:

1. Make Tribal Transportation Program funding available in an amount not to exceed Eighty Nine Thousand Dollars (\$89,000).
2. Reimburse the COB for actual costs and expenditures associated with this project within ten (10) business days from receipt of invoices and/or receipts.

THE CITY OF BETHEL SHALL:

1. Arrange for Alaska Village Electric Cooperative (AVEC) to complete the following tasks:
  - a. Install utility poles at appropriate distances along the boardwalk from the baseball diamond to Owl Park such that when the LED 120s are attached, the section of boardwalk is lit sufficiently for safe pedestrian passage. Additional utility poles may need to be installed in order to provide power to the poles to be installed along the boardwalk. All poles installed are part of this project.

- b. Provide electric power to each pole that carries an LED 120 streetlight.
  - c. Attach one City-provided LED 120 light to the top of each pole needed to provide light to the boardwalk.
2. Complete the project by September 30, 2018 and provide ONC with all documentation regarding expenditures for “Pinky’s Park Boardwalk Lighting Project” no later than October 10, 2018.
  3. The City agrees that trail maintenance funds to be reimbursed by ONC will only have been used for allowable activities under TIP regulations, 25 C.F.R. Part 170, and applicable federal laws.

**ARTICLE III. TERMS OF UNDERSTANDING DURATION OF UNDERSTANDING**

This Agreement shall take effect upon approval of all Parties and shall remain in effect until submission of final receipt and reimbursement thereof, unless it is terminated earlier as per the terms of this Agreement.

**REVISION OF UNDERSTANDING**

The terms of this MOU may be revised by mutual consent of all Parties, by issuance of a written amendment, signed and dated by the proper representative of each government.

**TERMINATION OF UNDERSTANDING**

This Agreement may be terminated by either Party, with or without cause, upon ten (10) days written notice. Any expenses incurred prior to the termination notice shall be reimbursed, per the terms of this Agreement.

**ARTICLE IV. EFFECTIVE DATE**

IN WITNESS WHEREOF, the City of Bethel and the Orutsararmuit Native Council, through their authorized representatives, execute this Agreement on dates set forth below.

CITY OF BETHEL

ORUTSARARMIUT NATIVE COUNCIL

\_\_\_\_\_  
Peter A. Williams, City Manager

\_\_\_\_\_  
Ron Hoffman, Executive Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**BETHEL PUBLIC TRANSIT SYSTEM REVENUES  
(56-50)**

Revenue Sources		FY14 Actuals	FY15 Actuals	FY16 Actuals (Pre-Audit)	FY17 Approved Budget	FY18 Approved Budget
<b>Local Sources:</b>						6.15
40-408	Contributed Support by ONC	98,796	65,915	13,980	-	-
40-409	Contributed Support by City of Bethel			59,876	80,580	80,580
	<b>Total</b>	98,796	65,915	73,856	80,580	80,580
<b>Federal Sources:</b>						
41-413	Section 5311 Grant	229,570	228,391	220,621	250,597	250,597
	<b>Total</b>	229,570	228,391	220,621	250,597	250,597
<b>Charges for Services:</b>						
43-420	Charges for Services	-	-	-	-	-
43-422	Bus Fares	19,702	13,625	12,943	20,500	20,500
43-423	Bus Fares - Prepaid	20,181	19,405	21,616	12,500	12,500
	<b>Total</b>	39,883	33,030	34,559	33,000	33,000
<b>Miscellaneous:</b>						
49-484	Donations		-	5	-	-
	<b>Total</b>	-	-	5	-	-
	<b>TOTAL REVENUE</b>	368,249	327,337	329,041	364,177	364,177

<b>Bethel Public Transit System (56-50)</b>		<b>FY14 Actuals</b>	<b>FY15 Actuals</b>	<b>FY16 Actuals (Pre-Audit)</b>	<b>FY 2017 Approved Budget</b>	<b>FY18 Approved Budget</b>
<b>PERSONNEL:</b>						6.15
	<b>Total Personnel</b>	253,412	198,813	220,549	221,023	298,627
<b>MATERIALS, SUPPLIES, &amp; SERVICES</b>						
545	Training/Travel	-		525	500	500
561	Supplies	10,607	5,272	6,483	2,000	3,500
600	Tires/Wheels/Chains	8,285	7,192	5,465	5,000	2,500
602	Gasoline/Diesel/Oil	39,894	35,481	29,407	29,990	25,000
621	Electricity	9,943	8,218	6,645	9,000	9,500
622	Telephone	601	174	33	457	200
623	Heating Fuel	22,685	11,916	9,887	9,000	9,000
626	Water/Sewer/Garbage	3,167	6,243	4,452	6,000	1,200
646	Drug Testing/Background Checks	1,032		776	2,000	1,000
661	Vehicle Maint/Repair (Int. Svc. Fund 57)	24,369	16,285	24,743	0	20,250
669	Other Purchased Services	-	451	497	1,500	3,500
683	Minor Equipment	3,184	7,162	2,521	2,500	3,000
721	Insurance	5,581	6,745	7,171	9,000	9,000
724	Dues & Subscriptions	250			250	300
727	Advertising	-	689	464	500	1,500
799	Miscellaneous	50	75	30	300	300
996	Administrative Overhead - IT	16,936	16,168	14,869	11,000	17,181
998	Administrative Overhead					53,576
	<b>Total MS&amp;S</b>	146,584	122,070	113,968	88,997	107,430
	<b>Total Operating Expenses</b>	399,996	320,883	334,517	310,020	406,057

## Bethel Public Transit System (56-50)

			FY17 Budget	FY18 Budget
<b>PERSONNEL</b>				6.15
R6I	29101	Transit Manager	70,152	70,152
R4	29102	Driver	36,636	42,730
R4	29103	Driver		39,710
R4	29201	Driver- Part-Time (25 hours/week)	25,441	-
R4	29202	Driver- Part-Time (25 hours/week)	-	-
		<b>Wages</b>	106,788	152,592
R4	29901	Driver- On Call (budgeted at 12 hours/week)	12,380	-
		Overtime	-	-
		<b>Subtotal</b>	12,380	-
		<b>Total Wages</b>	119,168	152,592
		Leave Cashout/Payout @ 5% of Base Wages	5,339	7,630
		Social Security @ 6.2% of PT Wages	768	-
		Medicare @ 1.45% of Total Wages	1,728	2,213
		Unemployment Ins @ 2.23% of Wages (W/ \$39,800 cap)	1,157	2,661
		Employee Group Health Benefit - \$2,160/mo/FTE @ 3	38,400	77,760
		Workers' Compensation @ 6.0803/\$100 of Total Wages	15,000	9,278
		PERS 22% of FTE Wages (> 15 hrs)	23,493	33,570
		Utility Benefit @ \$380/mo @ 3	15,969	12,924
		<b>BENEFITS &amp; TAXES</b>	101,854	146,035
		<b>TOTAL PERSONNEL</b>	221,023	298,627

Agency: City of Bethel - Bethel Transit System

EXPENSES	Estimated FY 2019	TOTAL	Explanation
<b>ADMINISTRATIVE EXPENSES</b>			
Wages/Salaries (Management Staff)	\$ 70,152	\$ 70,152	Estimates based on actual salaries.
Fringe Benefits	\$ 56,268	\$ 56,268	Estimates based on actual salaries.
Training/Travel	\$ -	\$ -	
Purchased Administrative Services	\$ 1,500	\$ 1,500	
Telephone	\$ 200	\$ 200	
Administrative Overhead - Information Technology	\$ 17,181	\$ 17,181	
Administrative Overhead	\$ 53,576	\$ 53,576	
Electricity	\$ 9,500	\$ 9,500	
Heating Fuel	\$ 9,000	\$ 9,000	
Water/Sewer/Garbage	\$ 1,200	\$ 1,200	
Drug & Alcohol Testing/Background Checks	\$ 1,000	\$ 1,000	
Insurance Premiums	\$ 9,000	\$ 9,000	
Dues & Subscriptions	\$ 300	\$ 300	
Office Equipment Rental & Repair	\$ -	\$ -	
Marketing & Advertising	\$ 500	\$ 500	
Materials & Supplies	\$ 2,000	\$ 2,000	
Uniforms	\$ -	\$ -	
Drug and Alcohol Testing	\$ 1,000	\$ 1,000	
In-kind Expenses, list:			
Wages	\$ -	\$ -	
Rent	\$ -	\$ -	
Utilities	\$ -	\$ -	
Supplies	\$ -	\$ -	
Advertising	\$ -	\$ -	
Other (requires explanation)	\$ -	\$ -	
Other Administrative Costs (requires explanation)	\$ -	\$ -	
<b>Subtotal Administrative Expenses</b>	<b>\$ 232,377</b>	<b>\$ 232,377</b>	
<b>OPERATING EXPENSES</b>			
Wages/Salaries (drivers & dispatch)	\$ 59,115	\$ 59,115	Estimates based on actual salaries.
Fringe Benefits	\$ 82,691	\$ 82,691	Estimates based on actual salaries.
Purchased Transportation Services	\$ -	\$ -	
Licensing Fees (dispatch software, AVL software)	\$ -	\$ -	
Fuel	\$ 25,000	\$ 25,000	
Depreciation (Non-ACT and FTA-funded Assets Only)	\$ -	\$ -	
In-kind Expenses, list:	0	0	
Wages	\$ -	\$ -	
Fuel	\$ -	\$ -	
Other (requires explanation)	\$ -	\$ -	
Other Operating Costs	\$ -	\$ -	
<b>Subtotal Operating Expenses</b>	<b>\$ 166,806</b>	<b>\$ 166,806</b>	
<b>MAINTENANCE EXPENSES</b>			
Wages/Salaries (Mechanics & Technicians)		\$ -	No breakout for this item.
Fringe Benefits		\$ -	No breakout for this item.
Contracted Services (Maintenance)	\$ 20,550	\$ 20,550	City Shop maintenance/Contracted maintenance/Parts/Misc.
Leasing Costs (Maintenance/Storage Facility)	\$ -	\$ -	City owns shop.
Lubricants (Oil, Transmission Fluid, etc.)	\$ -	\$ -	Contained in "fuel" category.
Tires	\$ 2,800	\$ 2,800	
Minor Equipment	\$ 3,000	\$ 3,000	
In-kind Expenses, list:			
Wages	\$ -	\$ -	
Rent	\$ -	\$ -	
Contracted Maintenance	\$ -	\$ -	
Supplies	\$ -	\$ -	
Other (requires explanation)	\$ -	\$ -	
Other Maintenance Costs (requires explanation)	\$ -	\$ -	
<b>Subtotal Maintenance Expenses</b>	<b>\$ 26,350</b>	<b>\$ 26,350</b>	

Agency: City of Bethel - Bethel Transit System

<b>CAPITAL EXPENSES</b>			
Standard body cutaway transit vehicle	\$ 78,395	\$ 78,395	
Shipping by barge from Seattle to Bethel	\$ 7,725	\$ 7,725	
<b>Subtotal Capital Expenses</b>	<b>\$ 86,120</b>	<b>\$ 86,120</b>	
<b>TOTAL EXPENSES</b>			
	<b>\$ 511,653</b>	<b>\$ 511,653</b>	
<b>SURPLUS (DEFICIT)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	

Agency: City of Bethel - Bethel Transit System

**INSTRUCTIONS:** Enter revenue, expenses and rides in the corresponding green cells below. Explain estimates for each line item, ie. "We anticipate an annual 10% increase in Borough subsidies or a 2% inflation factor has been added to each year."

REVENUE	Estimated 2018	TOTAL	Explanation
<b>FTA FUNDS</b>			
5311 Funding			
Administration	\$ 211,393	\$ 211,393	
Operations	\$ 94,846	\$ 94,846	Include maintenance expenses billed at operating ratio (56.86 / 43.14)
Maintenance		\$ 23,971	Include maintenance billed at capital ratio (90.97 / 9.03)
5307 Funding	\$ 78,343	\$ 78,343	
Other FTA Funding	\$ -	\$ -	
Tribal Transit Program	\$ -	\$ -	
<b>Subtotal FTA Funds</b>	<b>\$ 408,553</b>	<b>\$ 408,553</b>	
<b>NON-FTA FUNDS</b>			
Alaska Mental Health Trust Authority		\$ -	
Alaska State General Funds		\$ -	
Medicaid (50% State)	\$ -	\$ -	
Medicaid (50% Federal)	\$ -	\$ -	
Tribal Transportation Program (IRR/TTP)	\$ -	\$ -	
Temporary Assistance for Needy Families (TANF)	\$ -	\$ -	
Older Americans Act	\$ -	\$ -	
Other Contracted Services Income	\$ -	\$ -	
Local Subsidies/Match	\$ 70,100	\$ 70,100	
Donations	\$ -	\$ -	
Fare Contributions	\$ -	\$ -	
Advertising Revenue	\$ -	\$ -	
Other Income (requires explanation)	\$ -	\$ -	
In-Kind Match (calculated based on in-kind expenditures)			
Wages	\$ -	\$ -	
Rent	\$ -	\$ -	
Fuel	\$ -	\$ -	
Utilities	\$ -	\$ -	
Contracted Maintenance	\$ -	\$ -	
Supplies	\$ -	\$ -	
Advertising	\$ -	\$ -	
Other (requires explanation)	\$ -	\$ -	
<b>Subtotal Non-FTA Funds</b>	<b>\$ 70,100</b>	<b>\$ 70,100</b>	
<b>FAREBOX REVENUES</b>	<b>\$ 33,000</b>	<b>\$ 33,000</b>	
<b>TOTAL REVENUE</b>	<b>\$ 511,653</b>	<b>\$ 511,653</b>	



# Supporting Documentation for New Business Item D, Water and Sewer Rate Increases

Rural Development

May 9, 2016

Anchorage field office

510 L Street,  
Suite 410  
Anchorage, AK  
99501

Ann Capela, City Manager  
City of Bethel  
PO Box 1388  
Bethel, AK

Voice 907-271-2424

**SUBJECT:** Sewage lagoon jetty/sewer haul trucks  
Wastewater Application  
Loan - \$913,000  
Grant -\$1,669,358

Dear Ms. Capela:

This letter establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan and grant will be administered on behalf of the Rural Utilities Service (RUS) by the Alaska staff of USDA Rural Development, of which is referred to throughout this letter as the Agency. Any changes in project cost, source of funds, scope of project, or any other significant changes in the project or applicant must be reported to and concurred in by the Agency by written amendment to this letter. If significant changes are made without obtaining such concurrence, the Agency may discontinue processing of the application.

You must meet all conditions set forth under Section III - Conditions Required Prior to Advertising for Bids within 6 months of this letter. If you have not met these conditions, the Agency reserves the right to discontinue the processing of your application.

If you agree to meet the conditions set forth in this letter and desire further consideration be given to your application, please complete and return the following forms within 30 days:

Form RD 1942-46, "Letter of Intent to Meet Conditions"  
Form RD 1940-1, "Request for Obligation of Funds"

The loan and grant will be considered approved on the date Form RD 1940-1, "Request for Obligation of Funds," is signed by the approving official. Thus, this letter in itself does not constitute loan and/or grant approval, nor does it ensure that funds are or will be available for the project. Once the Form 1940-1 is signed and remitted back to the Agency, the request will be processed and the loan and grant funds will be approved and obligated.

Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel and accountant. All parties may access information and regulations referenced in this letter at our website located at [www.rd.usda.gov](http://www.rd.usda.gov).

The conditions are as follows:

USDA is an equal opportunity provider, employer, and lender.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).

The City of Bethel must maintain and keep in place the ordinance that automatically increases the sewer rates by 3 percent on an annual basis. It is required that the ordinance be maintained, at least, through the 2018 rate increase.

Technical assistance is available to help you evaluate and complete a rate analysis on your system. This assistance is available free to your organization. If you are interested please contact our office for information.

22. **Permits** –The owner or responsible party will be required to obtain all applicable permits for the project, prior to advertisement for bids. The consulting engineer must submit written evidence that all applicable permits required prior to construction have been obtained with submission to the Agency of the final plans, specifications, and bid documents.

23. **Vulnerability Assessment/Emergency Response Plan (VA/ERP)** – The Agency requires all financed water and wastewater systems to have a VA/ERP in place. Borrowers with existing systems must provide a certification that a VA/ERP has been completed prior to advertising for bids. The documents are not submitted to the Agency. For new systems, see Section V of this Letter of Conditions. For VA/ERP requirements throughout the life of the loan, see Section VII. Technical assistance at no cost is available in preparing these documents.

24. **Bid Authorization** - Once all the conditions outlined in Section III of this letter have been met, the Agency will authorize you to advertise the project for construction bids. Such advertisement must be in accordance with applicable State statutes.

#### **SECTION IV - REQUIREMENTS PRIOR TO START OF CONSTRUCTION**

25. **Bid Tabulation** – Immediately after bid opening, you must provide the Agency with (a) bid tabulation, and (b) your engineer's evaluation of bids and recommendations for contract awards. If the Agency agrees that the construction bids received are acceptable, adequate funds are available to cover the total project costs, and all the requirements of Section III of this letter have been satisfied, the Agency will authorize you to issue the Notice of Award.

**Cost Overruns.** If bids are higher than expected, or if unexpected construction problems are encountered, you must utilize all options to reduce cost overruns. Negotiations, redesign, use of bidding alternatives, rebidding or other means will be considered prior to commitment of subsequent funding by the Agency. Any requests for subsequent funding to cover cost overruns will be contingent on the availability of funds. Cost overruns exceeding 20% of the development cost at time of loan or grant approval or where the scope of the original purpose has changed will compete for funds with all other applications on hand as of that date.

26. **Contract Review** – Your attorney will certify that the executed contract documents, including performance and payment, if required, are adequate and that the persons executing these documents have been properly authorized to do so in accordance with RUS Instruction 1780.61(b).

Once your attorney has certified that they are acceptable, the contract documents will be submitted to the Agency for its concurrence. The Notice to Proceed cannot be issued until the Agency has concurred in the construction contracts.