



# City of Valdez

212 Chenega Ave.  
Valdez, AK 99686

## Meeting Agenda

### City Council

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Tuesday, August 19, 2025

7:00 PM

Council Chambers

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#### Regular Meeting

#### WORK SESSION AGENDA - 5:30 PM

*Transcribed minutes are not taken for Work Sessions. Audio is available upon request.*

1. [2025-2026 City of Valdez Ports & Harbors Commission Goals and Meeting Calendar](#)

#### REGULAR AGENDA - 7:00 PM

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

IV. SWEAR-IN CITY COUNCIL APPOINTEE

V. PUBLIC BUSINESS FROM THE FLOOR

VI. CONSENT AGENDA

1. [Appointments to the Valdez Consortium Library Board, Applicants: Carl Oberg and Michael "Jay" Stevens](#)
2. [Acceptance of Resignation of Library Board Member Sadie Blancaflor](#)
3. [Approval of Liquor License Renewal - 369 BPO Elks Lodge #2537](#)
4. [Approval of Liquor License Renewal - Valdez Food Cache #5612](#)
5. [Approval of Liquor License Renewal - Growler Bay Brewing Company #5634](#)
6. [Approval of Liquor License Renewal - Nat Shack #5932](#)
7. [Approval of Renewal of Marijuana Dispensary License - Herbal Outfitters LLC #10173](#)

## VII. NEW BUSINESS

1. [Approval of Revised Child Care Start Up and Operating Grant Programs and INNOVATION Grant Expense Categories](#)
2. [Approval of the 2024 Financial Audit](#)
3. [Discussion Item: Purchase of Lot 3, Tract K - Mineral Creek Industrial Park to Secure Dedicated Snow Storage for the City of Valdez](#)

## VIII. RESOLUTIONS

1. [#25-34 - Amending the 2025 City Budget by Transferring \\$4,500,000 of 2022 General Obligation Bond Proceeds to Municipal Well #5 Project](#)
2. [#25-35 - Renaming the Valdez Container Terminal as the "Ryan J. Sontag Valdez Container Terminal"](#)
3. [#25-36 - Establishing Council Priorities for the 2026 Operating Budget](#)

## IX. REPORTS

1. [Monthly Treasury Report: May 2025](#)
2. [Monthly Treasury Report: June 2025](#)
3. [Report: 2025 ADEC Solid Waste Program Inspection - City of Valdez Landfills](#)
4. [Report: Issuance of Temporary Land Use Permit #25-09 for Granite Construction Company for a 1.9-acre Portion of Tract C1 ASLS 79-116 owned by the City of Valdez](#)
5. [Verbal Report: Monthly Projects Update](#)

## X. CITY MANAGER / CITY CLERK / CITY ATTORNEY / MAYOR REPORTS

## 1. City Manager Report

1. [City Manager Report](#)

## 2. City Clerk Report

## 3. City Attorney Report

## 4. City Mayor Report

XI. COUNCIL BUSINESS FROM THE FLOOR

XII. ADJOURNMENT



## Legislation Text

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**File #:** 25-0371, **Version:** 1

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**ITEM TITLE:**

2025-2026 City of Valdez Ports & Harbors Commission Goals and Meeting Calendar

**SUBMITTED BY:** Jeremy Talbott, Ports & Harbors Director

**FISCAL NOTES:**

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

**RECOMMENDATION:**

Staff recommends that the City Council provide feedback to the Ports & Harbors Commission on the adopted goals and meeting calendar to ensure alignment with Council's strategic direction.

**SUMMARY STATEMENT:**

Background:

The Ports & Harbors Commission has completed a goal-setting process for the remainder of 2025 and all of 2026. At its August 14, 2025 regular meeting, the Commission formally adopted six strategic goals with supporting work plans and performance indicators, as well as a goal-focused meeting calendar to guide Commission activities through December 2026. These goals align with the City's operational, strategic, and seasonal priorities for the Port, Harbor, and Airport facilities under the Commission's purview.

The purpose of this Joint Work Session is to review the adopted Commission goals and calendar, receive feedback from the City Council, and ensure alignment with Council priorities, the Valdez Comprehensive Plan, Economic Development Plan, and Waterfront Master Plan.





## Valdez Ports & Harbors Commission Goals (2025–2026)

Final Draft – For Approval August 14, 2025

### GOAL 1: Strengthen Commission Commitment and Meeting Consistency

Objective: Restore meeting regularity, affirm the commitment of each commissioner, and institutionalize a clear timeline for Commission business aligned with the City’s operational and planning calendar.

#### Work Plan:

- Maintain monthly meetings (target 1st or 3rd Monday, excluding major holidays).
- Establish annual Ports & Harbors Commission work session to set goals, and an annual work session with City Council to review goals.
- Develop annual meeting calendar and agenda themes aligned with City budget, planning, and seasonal operations.

#### Performance Indicators:

- Minimum of 10 meetings held annually.
- Annual goals adopted by Q3.
- Meeting calendar and agenda timeline approved by Q1.

### GOAL 2: Implement an Annual Revenue Review

Objective: Ensure consistent evaluation of Port and Harbor revenue streams, including tariff rates, usage trends, and opportunities for enhanced revenue generation to support long-term infrastructure, strategic goals, and service needs.

#### Work Plan:

- Phase I: Revenue Analysis (Jan–Mar 2026)
  - January: Staff presents annual revenue breakdown and comparisons.
  - February: Commission reviews tariff, fees, leases, services.
  - March: Identify targets for revenue improvements.
- Phase II: Recommendation & Budget Alignment (Apr–Jun 2026)



- April: Develop revenue recommendations.
- May: Submit recommendations to City Administration.
- June-August: Review responses from Council/Manager.

#### Performance Indicators:

- Annual revenue report reviewed.
- Recommendations completed by end of Q2.
- Strategic trends and long-term service needs addressed.

### GOAL 3: Manage the Waterfront Master Plan by Prioritizing Infrastructure and Projects

Objective: Keep the Waterfront Master Plan actionable by focusing on infrastructure preservation and implementing high-priority projects.

#### Work Plan:

- Conduct annual review of plan progress (Q4).
- Evaluate staff-generated small works project list before Q3.
- Review City Capital Improvement Project (CIP) list in Q2.
- Recommend infrastructure priorities aligned with the Master Plan and Strategic Plan.

#### Performance Indicators:

- Waterfront Plan reviewed annually.
- Prioritized project list submitted before CIP deadline.
- Infrastructure gaps and opportunities documented.
- Ensure plan is updated every 5-7 years.

### GOAL 4: Align Commission Activities with Strategic and Economic Plans

Objective: Ensure Commission actions align with the Valdez Comprehensive Plan, Economic Development Plan, and Council priorities through active monitoring and timely recommendations.



### Work Plan:

- Cross-reference Commission initiatives with City strategic plans during work sessions.
- Invite Planning and Economic Development staff to participate in Q2–Q3 meetings.
- Submit a brief alignment report with Commission goals to City Council by Q3.

### Performance Indicators:

- Annual alignment report submitted.
- At least one joint session or update held with Planning/Econ Dev staff.
- At least one new initiative supported by existing plans.

## GOAL 5: Focus on Seasonal Operations and Continuous Improvement

Objective: Use peak summer operational periods to evaluate airport, harbor, and port performance and recommend improvements based on observed challenges and user input.

### Work Plan:

- Identify Q3 operational challenges (July–September).
- Schedule post-season review in October.
- Recommend improvements for next season during Q4.

### Performance Indicators:

- Operational improvement memo submitted by November.
- User/stakeholder feedback documented annually.
- At least two new efficiency or safety recommendations proposed.

## GOAL 6: Increase Safety and Decrease Congestion in Port and Harbor Facilities

Objective: Address navigation safety and congestion issues in the Valdez Harbors and Ports – especially during the busy summer fishing and visitor season. Advance infrastructure solutions such as the Sea Otter Dock to ease large vessel presence in the North Harbor Basin and to have alternate locations for cruise dockings. Engage stakeholders to address current large vessel safety challenges and near misses.



## Work Plan:

- Phase I: Assessment (Q2 2026)
  - Gather feedback from staff, vessel operators, and Prince William Sound Safety Committee.
  - Identify congestion trends and dock conflicts.
  - Focus on cruise-related displacement of tenders into harbor areas.
- Phase II: Strategic Infrastructure Advocacy (Q3–Q4 2026)
  - Support Sea Otter Dock project development.
  - Recommend vessel traffic flow improvements and signage enhancements.
  - Collaborate with Community Development and Economic Development on design and funding strategies (grants).

## Performance Indicators:

- Safety/congestion assessment report completed.
- Two stakeholder engagement sessions held.
- Formal recommendation for Sea Otter Dock project submitted.



## Valdez Ports & Harbors Commission Goal-Focused Meeting Calendar (Aug 2025 – Dec 2026)

Month	Goal-Focused Agenda Topics
August 2025	<ul style="list-style-type: none"><li>- GOAL 1: Annual Commission work session to set/confirm goals</li><li>- GOAL 4: Prepare for joint Council work session</li></ul>
September 2025	<ul style="list-style-type: none"><li>- GOAL 5: Begin post-season planning for operational improvements</li><li>- GOAL 6: Gather stakeholder feedback on congestion and safety</li></ul>
October 2025	<ul style="list-style-type: none"><li>- GOAL 5: Post-season operational review</li><li>- GOAL 3: Annual Waterfront Master Plan review</li><li>- GOAL 6: Finalize safety and congestion assessment report</li></ul>
November 2025	<ul style="list-style-type: none"><li>- GOAL 5: Finalize operational improvement recommendations</li><li>- GOAL 1: Draft Commission calendar and agenda themes for next year</li></ul>
December 2025	<ul style="list-style-type: none"><li>- GOAL 1: Approve upcoming year's goals and meeting schedule</li><li>- No regular meeting unless needed</li></ul>
January 2026	<ul style="list-style-type: none"><li>- GOAL 2: Staff presents annual revenue breakdown &amp; rate comparison study</li><li>- GOAL 2: Begin Annual Revenue Review – tariff, fees, leases, services</li></ul>
February 2026	<ul style="list-style-type: none"><li>- GOAL 2: Continue Annual Revenue Review</li></ul>



	<ul style="list-style-type: none"><li>- GOAL 2: Discuss potential rate adjustments</li><li>- GOAL 3: Review prior year small works project closeouts</li></ul>
March 2026	<ul style="list-style-type: none"><li>- GOAL 2: Finalize revenue recommendations for Council/City Administration</li><li>- GOAL 6: Review winter safety and congestion observations</li></ul>
April 2026	<ul style="list-style-type: none"><li>- GOAL 4: Align Commission activities with Strategic &amp; Economic Plans – initial review</li><li>- GOAL 3: Begin Waterfront Master Plan annual review preparation</li></ul>
May 2026	<ul style="list-style-type: none"><li>- GOAL 4: Continue alignment review with Strategic &amp; Economic Plans</li><li>- GOAL 3: Review preliminary CIP project list for waterfront priorities</li></ul>
June 2026	<ul style="list-style-type: none"><li>- GOAL 3: Finalize prioritized CIP recommendations</li><li>- GOAL 4: Submit alignment report with Commission goals to City Council</li><li>- GOAL 4: Joint work session with City Council prior to annual retreat</li></ul>
July 2026	<ul style="list-style-type: none"><li>- GOAL 5: Seasonal operational monitoring – peak period</li><li>- GOAL 6: Identify congestion and maneuverability issues during fishing &amp; cruise season</li></ul>
August 2026	<ul style="list-style-type: none"><li>- GOAL 1: Annual Commission work session to set/confirm goals</li><li>- GOAL 6: Mid-season safety and congestion review</li></ul>
September 2026	<ul style="list-style-type: none"><li>- GOAL 5: Begin post-season planning for operational improvements</li></ul>



	<ul style="list-style-type: none"><li>- GOAL 6: Gather stakeholder feedback on congestion and safety</li></ul>
October 2026	<ul style="list-style-type: none"><li>- GOAL 5: Post-season operational review</li><li>- GOAL 3: Annual Waterfront Master Plan review</li><li>- GOAL 6: Finalize safety and congestion assessment report</li></ul>
November 2026	<ul style="list-style-type: none"><li>- GOAL 5: Finalize operational improvement recommendations</li><li>- GOAL 1: Draft Commission calendar and agenda themes for next year</li></ul>
December 2026	<ul style="list-style-type: none"><li>- GOAL 1: Approve upcoming year's goals and meeting schedule</li></ul>



## Legislation Text

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**File #:** 25-0355, **Version:** 1

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**ITEM TITLE:**

Appointments to the Valdez Consortium Library Board, Applicants: Carl Oberg and Michael “Jay” Stevens

**SUBMITTED BY:** Elise Sorum-Birk, Deputy City Clerk

**FISCAL NOTES:**

Expenditure Required: n/a

Unencumbered Balance: n/a

Funding Source: n/a

**RECOMMENDATION:**

Appoint applicants.

**SUMMARY STATEMENT:**

The City Clerk’s Office advertised for two vacancies on the Library Board following the expiration of three terms (numbers adjusted due to bard composition change).

The following two current members have reapplied to fill the upcoming regular vacancies:

- Carl Oberg
- Michael “Jay” Stevens

If appointed, they will each serve a full three-year term expiring August 31, 2028.

The third expiring term is currently filled by Lester Greene, who was appointed to fill a vacancy on City Council on August 3, 2025, and due to this, he will be removed from his position of Library Board once sworn in to City Council.

Application materials are attached.



**Application Form**

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**Profile**

Michael

First Name

Stevens

Last Name

mjstevens907@gmail.com

Email Address

**Valdez Mailing Address (PO BOX # or HCI BOX #)**

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PO Box 2527

632 Copper Drive

Home Address

Suite or Apt

Valdez

City

AK

State

99686

Postal Code

Home: 9072556701

Primary Phone

Home: 9072556701

Alternate Phone

Prince William Sound College

Employer

Administrative Manager

Occupation

**Which Boards would you like to apply for?**

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Library Board: Submitted

Question applies to multiple boards

**Required Time Commitment: All board/committee members and commissioners are expected to (1) be physically present at most, if not all, board/committee or commission meetings and (2) review agenda materials prior to arriving for the meeting to be best prepared for discussion and decision making. Are you aware of the time commitment involved in serving on this particular board, committee, or commission? Are you willing and able to commit to regular meetings plus work sessions every month for your full term?**

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As I have served for the past 3 years, I know the required time commitments and am willing and able to meet those again.

Question applies to multiple boards

**Regular attendance at meetings by commissioners/board members is crucial to the commission/board's ability to conduct business. Attendance for commissioners/board members is tracked. Under current City Council policy, the seat of a board/committee member or commissioner will be considered vacant following three consecutive absences from regular meetings. At that time, the member will be asked to either resign or be removed by formal action of Council to allow other interested citizens a chance to serve. Are you committed to in-person attendance at most, if not all, commission/board meetings? Do you understand you must provide your commission/board staff as much notice as possible if you must be absent to ensure a quorum is available to conduct commission/board business?**

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Yes

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**How did you learn about this vacancy?**

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☒ I am a Current Board/Committee/Commission Member

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## **Interests & Experience**

**Why are you interested in serving on a City of Valdez board or commission?**

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I would like to continue my work on the Library Board with the purpose of helping to aid and fulfill the goals and mission of the Valdez Consortium Library.

**Please outline your education, work, and volunteer experience which will assist you in serving on a City of Valdez board/commission.**

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I earned my Bachelor's degree in Geological Engineering from the University of Alaska Fairbanks. Throughout my 10 years at PWSC, I joined the Library Board at the behest of board members who saw the Board's roster dwindle during Covid. In the 3 years I've served, I've worked alongside other dedicated board members to grow the board and reinvigorate the community's support for our local library, reviving the annual Book Basket auction, and affirming the support of the library's great youth and young adult programming.

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Upload a Resume or Letter of Interest

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Application Form

Profile

Carl

First Name

Oberg

Last Name

Email Address

Valdez Mailing Address (PO BOX # or HCI BOX #)

Home Address

City

Primary Phone

Alternate Phone

Suite or Apt

State

Postal Code

Mission First Operations

Employer

Nonprofit Controller

Occupation

Which Boards would you like to apply for?

Library Board: Submitted

Question applies to multiple boards

**Required Time Commitment: All board/committee members and commissioners are expected to (1) be physically present at most, if not all, board/committee or commission meetings and (2) review agenda materials prior to arriving for the meeting to be best prepared for discussion and decision making. Are you aware of the time commitment involved in serving on this particular board, committee, or commission? Are you willing and able to commit to regular meetings plus work sessions every month for your full term?**

Yes I am aware of the time commitment and I am willing and able to commit to these meetings. I work remotely from my home and leave Valdez for business approximately four times per year for meetings. I have been a member of this board for one term now and wish to go to a second term.

Question applies to multiple boards

**Regular attendance at meetings by commissioners/board members is crucial to the commission/board's ability to conduct business. Attendance for commissioners/board members is tracked. Under current City Council policy, the seat of a board/committee member or commissioner will be considered vacant following three consecutive absences from regular meetings. At that time, the member will be asked to either resign or be removed by formal action of Council to allow other interested citizens a chance to serve. Are you committed to in-person attendance at most, if not all, commission/board meetings? Do you understand you must provide your commission/board staff as much notice as possible if you must be absent to ensure a quorum is available to conduct commission/board business?**

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Yes, I am committed to in person attendance and will notify of absences.

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**How did you learn about this vacancy?**

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☒ Word of Mouth

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## **Interests & Experience**

**Why are you interested in serving on a City of Valdez board or commission?**

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I have been a Library Board member for 3 years and wish to continue that work, having formed a good partnership with DL and the Library Staff.

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**Please outline your education, work, and volunteer experience which will assist you in serving on a City of Valdez board/commission.**

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In addition to my existing Library Board experience, I am also a trained and experience nonprofit executive with a concern for literacy and education.

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[COberg\\_Resume\\_Oct\\_2024.pdf](#)

Upload a Resume or Letter of Interest

## **Carl L. Oberg**

### **Mission First Operations**

**April 2019 to July 2022, May 2023 to Present**

*Senior Accountant / Senior Controller*

*Virtual*

- Outsourced accountant and Fractional CFO to a dozen nonprofit clients, 501c3s and 501c4s. 990 preparer for several smaller clients. 50-state charitable solicitation registration.
- Consultant to company leadership in securing new business and expanding services offered.

### **Mountain States Legal Foundation**

**April 2019 to May 2023**

*Chief Operating Officer / Director of Finance*

*Denver, CO / Remote*

- Responsible for the full scope of accounting, financial, and administrative duties necessary to operate a non-profit public-interest law firm with \$3m in revenues and over \$10m in assets.
- Duties include annual budget creation, audit and 990 management, state solicitation registration, board reporting, payroll, accounts payable, and revenue reconciliation.
- In January 2023, took on COO role, encompassing Communications and Development management, enabling the President to focus on fundraising.

### **CliftonLarsonAllen, LLP**

**September 2018 to March 2019**

*Nonprofit Controller, Shared Services Center*

*Minneapolis, MN*

- Managed 3 Team Leads and 12 staff accountants, providing accounting services to over 100 nonprofits.
- Widely varying clients in both size and complexity. Issues included: timely preparation of month-end financials, cash-flow and endowment management, and budget creation and guidance.
- Duties included: onboarding of new clients, workflow and client assignment to staff, and client management.

### **AlternativePAC**

**April 2017 to August 2019**

*Treasurer*

*Washington, DC*

- SuperPAC. Duties included FEC reporting when necessary as well as ongoing financial monitoring.

### **Ceterus, Inc.**

**April 2015 to August 2018**

*Director of Nonprofits*

*Charleston, SC*

- Managed staff of 4 who handled the accounting and back-office activities of over 40 different 501c3, 501c4 and 501c6 nonprofits across the country, several with international components.
- Nonprofit client services include accounting, payroll, tax and regulatory compliance, and audit preparation.
- Clients vary in size from less than \$100,000/year to over \$15 million/year.
- Experienced in both private and government grant reporting financials.
- Clients included: Foundation for Government Accountability, State Policy Network, Foundation for Economic Education, Civitas Institute, America's Future Foundation.

### **Foundation for Economic Education (FEE)**

**June 2010 to April 2015**

*Chief Operating Officer, then Director of Finance*

*Atlanta, GA*

- Transformed 65 year-old organization with implementation of new branding and mission statement, new demographic focus, new programming, and new direction and tone all while staying true to its original purpose and principles.
- Completed 100% staff turnover, filling all positions with self-starting non-profit entrepreneurs.
- Hired driven, new fundraising staff and achieved at least 12% donation growth in last two years.
- Increased FEE's net assets by \$800k since FY2010 while increasing expenditures by \$200k and dramatically expanding the number and scope of programming.

### **Americans for Prosperity Foundation**

**June 2009 to May 2010**

*Policy Associate*

*Arlington, VA*

- Responsible for all state-level policy writing aimed at engaging and motivating activists. Includes op-eds, press releases, media talking points and website content. Regular blogger.

- Researching, updating, and publishing new State Competitiveness Booklets containing information on economic growth, state tax policy, state spending, and debt data.

**The Cato Institute**

*Research Intern*

**June 2008 to August 2008**

*Washington, DC*

- Researched topics such as Chinese product safety, Central American Free Trade Agreement progress, and foreign direct investment into the U.S. for Cato's Center for Trade Policy Studies.

**Woodrow Wilson International Center for Scholars**

*2008 Research Intern*

**January 2008 to May**

*Washington, DC*

- Assisted scholar writing a [book on labor and environmental issues](#) in free trade agreements.

**U.S. Department of Commerce**

*International Trade Specialist-Middle East*

**September 2001 to December 2007**

*Washington, DC*

- Monitored foreign government compliance with bilateral and multilateral trade agreements.
- Promoted business opportunities in post-conflict Iraq, primarily through [www.trade.gov/iraq](http://www.trade.gov/iraq).
- Re-energized the [U.S.-Egypt Business Council](#).

**Veridian Corporation (now part of General Dynamics)**

*2001*

*Associate Program Analyst*

**July 1997 to September**

*Arlington, VA and Lexington Park, MD*

- Managed the budgets of Foreign Military Sales cases to Turkey, Singapore and Israel totaling over \$10 million for the Joint Strike Fighter (JSF)/F-35 Program.
- Developed multi-million dollar pricing packages for the F/A-18E/F Super Hornet.

**George Mason University**

*Master of Arts in Economics*

**May 2009**

*Fairfax, VA*

**George Mason University**

*Master of Arts in International Commerce and Policy*

**January 2002**

*Fairfax, VA*

**American University**

*Bachelor of Arts in International Studies*

**May 1997**

*Washington, DC*

**American Institute of Certified Public Accountants (AICPA)**

*Member, Non-CPA Affiliate*

**October 2021 to Present**

**Valdez Consortium Library Advisory Board**

*Secretary*

**October 2022 to Present**

*Valdez, AK*

**Valdez Lodge #4, F. & A.M. of Alaska**

*Member and Officer, Freemason since 2018*

**September 2022 to Present**

*Valdez, AK*

**History You'll Never Read**

*Podcast Author and Host*

**May 2018 to August 2019**

**Notary Public, State of Alaska**

**July 2023 to Present**

**FCC, Amateur Radio license, K0BER**

**March 2018 to Present**

**Estonian E-residency**

**April 2017 to April 2022**

**Inman Mews Homeowners Association**

*Board Member*

**January 2014 to December 2016**

*Atlanta, GA*



## Legislation Text

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**File #:** 25-0356, **Version:** 1

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**ITEM TITLE:**

Acceptance of Resignation of Library Board Member Sadie Blancaflor

**SUBMITTED BY:** Elise Sorum-Birk, Deputy City Clerk

**FISCAL NOTES:**

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

**RECOMMENDATION:**

Accept resignation.

**SUMMARY STATEMENT:**

Section XIII.E.19 of Council Policies and Procedures (re: citizens advisory groups) states “*Any member wishing to resign from a citizen advisory group prior to the completion of their full term shall provide written notice to their staff liaison who will forward such notice to the City Clerk’s Office for processing and formal acceptance by City Council*”.

Library Board Member Sadie Blancaflor submitted her resignation to the Library Board and Clerk’s Office by email on August 1, 2025.

Blancaflor’s term was set to expire in August 2026. The Clerk’s Office will advertise this partial vacancy.

## Elise Sorum-Birk

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**From:** Sadie Blancaflor [REDACTED]  
**Sent:** Friday, August 1, 2025 8:00 AM  
**To:** Lester Greene; to: Wendy Langseth; DL Womble; Carl Oberg; Sam Campbell; Jay Stevens; Kent Runion  
**Cc:** Sara Baker; Elise Sorum-Birk  
**Subject:** Resignation from Library Board

Dear Valdez Library Board:

I regret to inform you that I am resigning from the Library Board, effective August 15. I am moving to NM for the foreseeable future to spend time with my grandmother, who is in late stage heart failure.

I've loved being on the Board and being part of the library's important new direction, but life is calling me elsewhere at this time.

Sadie

**Sadie Blancaflor** | *she, her*  
[REDACTED]





## Legislation Text

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**File #:** 25-0357, **Version:** 1

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**ITEM TITLE:**

Approval of Liquor License Renewal - 369 BPO Elks Lodge #2537

**SUBMITTED BY:** Elise Sorum-Birk, CMC, Deputy City Clerk

**FISCAL NOTES:**

Expenditure Required: n/a

Unencumbered Balance: n/a

Funding Source: n/a

**RECOMMENDATION:**

[Click here to enter text.](#)

**SUMMARY STATEMENT:**

A local governing body may protest the approval of an applicant pursuant to AS 04.11.480 by furnishing the director and the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of the notice.

Following notification of a new license or renewal of an existing license by the Alcohol & Marijuana Control Office, the City Clerk's office submits all license applications to the city council for approval. The Police Chief is notified of the request and is provided with the opportunity to express any concerns with the issuance or re-issuance of the license.

Please see attached information provided by the AMCO office regarding this application.



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,  
and Economic Development

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

July 14, 2025

From: [Alcohol.licensing@alaska.gov](mailto:Alcohol.licensing@alaska.gov); [amco.localgovernmentonly@alaska.gov](mailto:amco.localgovernmentonly@alaska.gov);

Licensee: Valdez BPO Elks Lodge #2537  
DBA: BPO Elks Lodge #2537  
VIA email: 2537bookkeeper@gmail.com;  
CC: None  
Local Government 1: Valdez  
Local Government 2: Unorganized Borough  
Via Email: [spierce@valdezak.gov](mailto:spierce@valdezak.gov); [esorumbirk@valdezak.gov](mailto:esorumbirk@valdezak.gov);

Community Council: n/a  
Via Email: n/a

Re: Club License #369 Combined Renewal Notice for 2025-2026 Renewal Cycle

<b>License Number:</b>	#369
<b>License Type:</b>	Club
<b>Licensee:</b>	Valdez BPO Elks Lodge #2537
<b>Doing Business As:</b>	BPO Elks Lodge #2537
<b>Physical Address:</b>	339 Fairbanks Street Valdez, AK, 99686
<b>Designated Licensee:</b>	Suzanne Koklich
<b>Phone Number:</b>	907-835-2537; 907-255-7337
<b>Email Address:</b>	2537bookkeeper@gmail.com;

☒ License Renewal Application

☐ Endorsement Renewal Application

**Dear Licensee:**

Our staff has reviewed your application after receiving your application and the required fees. Your renewal documents appear to be in order, and I have determined that your application is complete for purposes of AS 04.11.510, and AS 04.11.520.

Your application is now considered complete and will be sent electronically to the local governing body(s), your community council if your proposed premises are in Anchorage or certain locations in the Matanuska-Susitna Borough, and to any non-profit agencies who have requested notification of applications. The local governing body(s) will have 60 days to protest the renewal of your license.

Your application will be scheduled for the **September 16<sup>th</sup>, 2025** board meeting for Alcoholic Beverage Control Board consideration. The address and call-in number for the meeting will be posted on our home page. The board will not grant or deny your application at the meeting unless your local government waives its right to protest per AS 04.11.480(a).

Please feel free to contact us through the [Alcohol.licensing@alaska.gov](mailto:Alcohol.licensing@alaska.gov) email address if you have any questions.

**Dear Local Government:**

We have received completed renewal applications for the above-listed licenses within your jurisdiction. This is the notice required under AS 04.11.480. A local governing body may protest the issuance, renewal, relocation, or transfer to another person of a license with one or more endorsements, or issuance of an endorsement by sending the director and the applicant a protest and the reasons for the protest in a clear and concise statement within 60 days of the date of the notice of filing of the application. A protest received after the 60-day period may not be accepted by the board, and no event may a protest cause the board to reconsider an approved renewal, relocation, or transfer.

To protest any application(s) referenced above, please submit your written protest for each within 60 days to AMCO and provide proof of service upon the applicant and proof that the applicant has had a reasonable opportunity to defend the application before the meeting of the local governing body. If you have any questions, please email [amco.localgovernmentonly@alaska.gov](mailto:amco.localgovernmentonly@alaska.gov).

**Dear Community Council (Municipality of Anchorage and Mat-Su Borough only)**

We have received a completed renewal application for the above-listed license (see attached application documents) within your jurisdiction. This letter serves to provide written notice to the above-referenced entities regarding the above application, as required under AS 04.11.310(b) and AS 04.11.525.

Please contact the local governing body with jurisdiction over the proposed premises for information regarding the review of this application. Comments or objections you may have about the application should first be presented to the local governing body.

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

Sincerely,  
Alysha Pacarro, Licensing Examiner II  
For  
Kevin Richard, Director



Document reference ID : 4959

## Renewal Application Summary

<b>Application ID:</b>	4959
<b>License No:</b>	369
<b>License Type applied for Renewal:</b>	Club License (CL)
<b>Licensee Name:</b>	Valdez Bpo Elks Lodge #2537
<b>Application Status:</b>	In Review
<b>Application Submitted On:</b>	12/31/2024 12:22 PM AKST

## Entity Information

---

<b>Business Structure:</b>	Non Profit
<b>FEIN/SSN Number:</b>	
<b>Alaska Entity number (CBPL):</b>	15693D
<b>Alaska Entity Formed Date:</b>	
<b>Home State:</b>	

## Entity Contact Information

---

<b>Entity Address:</b>	PO Box 1607, Valdez, AK, 99686
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## Renewal Information

---

**Are there any changes to your ownership structure that have not been reported to AMCO prior to this application?:**

No

**As set forth in AS 04.11.330, how many hours did you operate during the first calendar year for this renewal period?:**

The license was regularly operated continuously throughout the first calendar year for this renewal period.

**As set forth in AS 04.11.330, how many hours did you operate during the second calendar year for this renewal period?:**

The license was regularly operated continuously throughout the second calendar year for this renewal period.

**Please select the seasonality:**

Year-round

**Has any person or entity in this application been convicted or disciplined for a violation of Title 04, 3 AAC 304 or 305, or a local ordinance adopted under AS 04.21.010 in the preceding two calendar years?:**

No

**Have any notices of violation or citations been issued for this license during the preceding two years?:**

No

## Attestations

---

As an applicant for a liquor license renewal, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 305, and that this application, including all accompanying schedules and statements, are true, correct, and complete.

I agree to provide all information required by the Alcoholic Beverage Control Board or requested by AMCO staff in support of this application and understand that failure to do so by any deadline given

to me by AMCO staff will result in this application being returned and the license being potentially expired if I do not comply with statutory or regulatory requirements.


I certify that in accordance with AS 04.11.450, no one other than the licensee(s), as defined in AS 04.11.260, has a direct or indirect financial interest in the licensed business.

I certify that this entity is in good standing with Corporations, Business and Professional Licensing (CBPL) and that all entity officials and stakeholders are current and I have provided AMCO with all required changes of the ownership structure of the business license and have provided all required documents for any new or changes of officers.

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check identification of patrons have completed an alcohol server education course approved by the ABC Board and keep current, valid copies of their course completion cards on the licensed premises during all working hours, if applicable for this license type as set forth in AS 04.21.025 and 3 AAC 305.700.

I hereby certify that I am the person herein named and subscribing to this application and that I have read the complete application, and I know the full content thereof. I declare that all of the information contained herein, and evidence or other documents submitted are true and correct. I understand that any falsification or misrepresentation of any item or response in this application, or any attachment, or documents to support this application, is sufficient grounds for denying or revoking a license/permit. I further understand that it is a Class A misdemeanor under Alaska Statute 11.56.210 to falsify an application and commit the crime of unsworn falsification.

Signature

 Suzanne L. Kokulich  
Secretary 7-10-25  
① 1:45pm  
②

This application was digitally signed by : Kristen B Reid on 12/31/2024 12:26 PM AKST

## Payment Info

Payment Type : CC

Payment Id: 91ca5a7a-7157-4759-a609-cb992ecec773

Receipt Number: 101005645

Payment Date: 12/31/2024 12:27 PM AKST



Document reference ID : 4959

# Licensing Application Summary

Application ID:	4959
Applicant Name:	Valdez Bpo Elks Lodge #2537
License Type applied for:	Club License (CL) (AS 04.09.220)
Application Status:	In Review
Application Submitted On:	12/31/2024 12:22 PM AKST

## Entity Information

---

Business Structure:	Non Profit
Alaska Entity Number (CBPL):	15693D

## Entity Contact Information

---

Entity Address:	PO Box 1607, Valdez, AK, 99686, USA
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## Ownership / Principal Party Details

---

Principal Parent Entity	Principal Party	Role	%Ownership
Valdez Bpo Elks Lodge #2537	Lester Greene	Treasurer	
Valdez Bpo Elks Lodge #2537	Roy Robertson	President	
Valdez Bpo Elks Lodge #2537	Suzanne Koklich	Secretary	
Valdez Bpo Elks Lodge #2537	Jamie Berg	Vice President	

## Premises Address

---

**Address:** 339 Fairbanks Street, Valdez, AK, 99686, USA

**Does the proposed site include a valid street address?** Yes

## Basic Business information

---

**Business/Trade Name:** BPO Elks Lodge #2537

## Local Government and Community Council Details

---

**City/Municipality** Valdez

**Borough** Unorganized Borough

## Attestations

---

I certify that all proposed licensees (as defined in AS 04.11.260) and affiliates have been listed on this application.

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

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check the identification of a patron will complete an approved alcohol server education course, if required by AS 04.21.025, and, while selling or serving alcoholic beverages, will carry or have available to show a current course card or a photocopy of the card certifying completion of approved alcohol server education course, if required by 3 AAC 305.700.

I agree to provide all information required by the Alcoholic Beverage Control Board in support of this application.

I hereby certify that I am the person herein named and subscribing to this application and that I have read the complete application, and I know the full content thereof. I declare that all of the information contained herein, and evidence or other documents submitted are true and correct. I understand that any falsification or misrepresentation of any item or response in this application, or any attachment, or documents to support this application, is sufficient grounds for denying or revoking a license/permit. I further understand that it is a Class A misdemeanor under Alaska Statute 11.56.210 to falsify an application and commit the crime of unsworn falsification.

I certify that all proposed licensees have been listed with Division of Corporation, Business, and Professional Licensing.



I certify that I and any individual identified in the business entity ownership section of this application, has or will read AS 04 and its implementing regulations.

I certify that in accordance with AS 04.09.220(c) the club, fraternal organization, patriotic organization, or social organization listed as the licensee in this application has been chartered by a state or national organization for a period of 10 consecutive years before the application for a license, or has been chartered by a national organization that has maintained a chartered club or organization in the state for a period of at least 20 years.

## Signature

---

This application was digitally signed by : Kristen B Reid on 12/31/2024 12:26 PM AKST

## Payment Info

---

Payment Type : CC

Payment Id: 91ca5a7a-7157-4759-a609-cb992ecec773

Receipt Number: 101005645

Payment Date: 12/31/2024 12:27 PM AKST



## Legislation Text

---

**File #:** 25-0358, **Version:** 1

---

**ITEM TITLE:**

Approval of Liquor License Renewal - Valdez Food Cache #5612

**SUBMITTED BY:** Elise Sorum-Birk, CMC, Deputy City Clerk

**FISCAL NOTES:**

Expenditure Required: n/a

Unencumbered Balance: n/a

Funding Source: n/a

**RECOMMENDATION:**

[Click here to enter text.](#)

**SUMMARY STATEMENT:**

A local governing body may protest the approval of an applicant pursuant to AS 04.11.480 by furnishing the director and the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of the notice.

Following notification of a new license or renewal of an existing license by the Alcohol & Marijuana Control Office, the City Clerk's office submits all license applications to the city council for approval. The Police Chief is notified of the request and is provided with the opportunity to express any concerns with the issuance or re-issuance of the license.

Please see attached information provided by the AMCO office regarding this application.



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,  
and Economic Development

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

August 4, 2025

From: [Alcohol.licensing@alaska.gov](mailto:Alcohol.licensing@alaska.gov); [amco.localgovernmentonly@alaska.gov](mailto:amco.localgovernmentonly@alaska.gov);

Licensee: Valdez Food Cache LLC

DBA: Valdez Food Cache

VIA email: [vfcache@outlook.com](mailto:vfcache@outlook.com)

CC: None

Local Government 1: Valdez

Local Government 2: Unorganized Borough

Via Email: [spierce@valdezak.gov](mailto:spierce@valdezak.gov); [esorumbirk@valdezak.gov](mailto:esorumbirk@valdezak.gov)

Re: Package Store License #5612 Combined Renewal Notice for 2025-2026 Renewal Cycle

<b>License Number:</b>	#5612
<b>License Type:</b>	Package Store
<b>Licensee:</b>	Valdez Food Cache LLC
<b>Doing Business As:</b>	Valdez Food Cache
<b>Physical Address:</b>	301 Egan Dr Valdez, AK 99686
<b>Designated Licensee:</b>	Raymond Stock
<b>Phone Number:</b>	(907) 242-1428
<b>Email Address:</b>	<a href="mailto:vfcache@outlook.com">vfcache@outlook.com</a>

☒ License Renewal Application

☐ Endorsement Renewal Application

**Dear Licensee:**

Our staff has reviewed your application after receiving your application and the required fees. Your renewal documents appear to be in order, and I have determined that your application is complete for purposes of AS 04.11.510, and AS 04.11.520.

Your application is now considered complete and will be sent electronically to the local governing body(s), your community council if your proposed premises are in Anchorage or certain locations in the Matanuska-Susitna Borough, and to any non-profit agencies who have requested notification of applications. The local governing body(s) will have 60 days to protest the renewal of your license.

Your application will be scheduled for the **September 16<sup>th</sup>, 2025** board meeting for Alcoholic Beverage Control Board consideration. The address and call-in number for the meeting will be posted on our home

page. The board will not grant or deny your application at the meeting unless your local government waives its right to protest per AS 04.11.480(a).

Please feel free to contact us through the [Alcohol.licensing@alaska.gov](mailto:Alcohol.licensing@alaska.gov) email address if you have any questions.

**Dear Local Government:**

We have received completed renewal applications for the above-listed licenses within your jurisdiction. This is the notice required under AS 04.11.480. A local governing body may protest the issuance, renewal, relocation, or transfer to another person of a license with one or more endorsements, or issuance of an endorsement by sending the director and the applicant a protest and the reasons for the protest in a clear and concise statement within 60 days of the date of the notice of filing of the application. A protest received after the 60-day period may not be accepted by the board, and no event may a protest cause the board to reconsider an approved renewal, relocation, or transfer.

To protest any application(s) referenced above, please submit your written protest for each within 60 days to AMCO and provide proof of service upon the applicant and proof that the applicant has had a reasonable opportunity to defend the application before the meeting of the local governing body. If you have any questions, please email [amco.localgovernmentonly@alaska.gov](mailto:amco.localgovernmentonly@alaska.gov).

**Dear Community Council (Municipality of Anchorage and Mat-Su Borough only)**

We have received a completed renewal application for the above-listed license (see attached application documents) within your jurisdiction. This letter serves to provide written notice to the above-referenced entities regarding the above application, as required under AS 04.11.310(b) and AS 04.11.525.

Please contact the local governing body with jurisdiction over the proposed premises for information regarding the review of this application. Comments or objections you may have about the application should first be presented to the local governing body. If you have any questions, please email [Alcohol.licensing@alaska.gov](mailto:Alcohol.licensing@alaska.gov)

Sincerely,  
Kyle Helie, Licensing Examiner II  
For  
Kevin Richard, Director



Document reference ID : 4742

## Licensing Application Summary

**Application ID:** 4742

**Applicant Name:** Valdez Food Cache Llc

**License Type applied for:** Package Store License(PSL) (AS 04.09.230)

**Application Status:** In Review

**Application Submitted On:** 12/19/2024 08:57 AM AKST

### Entity Information

---

**Business Structure:** Limited liability company

**Alaska Entity Number (CBPL):** 10036878

### Entity Contact Information

---

**Entity Address:** P.O. Box 336, Valdez, AK, 99686, USA

### Ownership / Principal Party Details

---

Principal Parent Entity	Principal Party	Role	%Ownership
Valdez Food Cache Llc	Raymond Iv Stock	Member	50
Valdez Food Cache Llc	Rick L. Simpson	Member	50

### Premises Address

---

**Address:** 301 Egan Drive, Valdez, AK, 99686, USA

Does the proposed site include a valid street address? Yes

## Basic Business information

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**Business/Trade Name:** Valdez Food Cache

## Local Government and Community Council Details

---

**City/Municipality** Valdez

**Borough** Unorganized Borough

## Attestations

---

I certify that all proposed licensees (as defined in AS 04.11.260) and affiliates have been listed on this application.

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

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check the identification of a patron will complete an approved alcohol server education course, if required by AS 04.21.025, and, while selling or serving alcoholic beverages, will carry or have available to show a current course card or a photocopy of the card certifying completion of approved alcohol server education course, if required by 3 AAC 305.700.

I agree to provide all information required by the Alcoholic Beverage Control Board in support of this application.

I hereby certify that I am the person herein named and subscribing to this application and that I have read the complete application, and I know the full content thereof. I declare that all of the information contained herein, and evidence or other documents submitted are true and correct. I understand that any falsification or misrepresentation of any item or response in this application, or any attachment, or documents to support this application, is sufficient grounds for denying or revoking a license/permit. I further understand that it is a Class A misdemeanor under Alaska Statute 11.56.210 to falsify an application and commit the crime of unsworn falsification.

I certify that all proposed licensees have been listed with Division of Corporation, Business, and Professional Licensing.

I certify that I and any individual identified in the business entity ownership section of this application, has or will read AS 04 and its implementing regulations.

## Signature

---

This application was digitally signed by : Raymond Stock on 12/19/2024 08:58 AM AKST

## Payment Info

---

Payment Type : CC

Payment Id: cca4f2b7-275a-4b17-8b60-958f9d98d17d

Receipt Number: 100993748

Payment Date: 12/19/2024 08:59 AM AKST



Document reference ID : 4742

## Renewal Application Summary

<b>Application ID:</b>	4742
<b>License No:</b>	5612
<b>License Type applied for Renewal:</b>	Package Store License(PSL)
<b>Licensee Name:</b>	Valdez Food Cache Llc
<b>Application Status:</b>	In Review
<b>Application Submitted On:</b>	12/19/2024 08:57 AM AKST

## Entity Information

---

<b>Business Structure:</b>	Limited liability company
<b>FEIN/SSN Number:</b>	
<b>Alaska Entity number (CBPL):</b>	10036878
<b>Alaska Entity Formed Date:</b>	
<b>Home State:</b>	

## Entity Contact Information

---

<b>Entity Address:</b>	P.O. Box 336, Valdez, AK, 99686
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## Renewal Information

---

**Are there any changes to your ownership structure that have not been reported to AMCO prior to this application?:**

No

**Do you intend to sell alcoholic beverages and ship them to another location in response to written solicitation in the next two years?:**

No

**As set forth in AS 04.11.330, how many hours did you operate during the first calendar year for this renewal period?:**

The license was regularly operated continuously throughout the first calendar year for this renewal period.

**As set forth in AS 04.11.330, how many hours did you operate during the second calendar year for this renewal period?:**

The license was regularly operated continuously throughout the second calendar year for this renewal period.

**Please select the seasonality:**

Year-round

**Has any person or entity in this application been convicted or disciplined for a violation of Title 04, 3 AAC 304 or 305, or a local ordinance adopted under AS 04.21.010 in the preceding two calendar years?:**

No

**Have any notices of violation or citations been issued for this license during the preceding two years?:**

No

## Attestations

---

As an applicant for a liquor license renewal, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 305, and that this application, including all accompanying schedules and statements, are true, correct, and complete.

I agree to provide all information required by the Alcoholic Beverage Control Board or requested by AMCO staff in support of this application and understand that failure to do so by any deadline given to me by AMCO staff will result in this application being returned and the license being potentially expired if I do not comply with statutory or regulatory requirements.

I certify that in accordance with AS 04.11.450, no one other than the licensee(s), as defined in AS 04.11.260, has a direct or indirect financial interest in the licensed business.

I certify that this entity is in good standing with Corporations, Business and Professional Licensing (CBPL) and that all entity officials and stakeholders are current and I have provided AMCO with all required changes of the ownership structure of the business license and have provided all required documents for any new or changes of officers.

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check identification of patrons have completed an alcohol server education course approved by the ABC Board and keep current, valid copies of their course completion cards on the licensed premises during all working hours, if applicable for this license type as set forth in AS 04.21.025 and 3 AAC 305.700.

I hereby certify that I am the person herein named and subscribing to this application and that I have read the complete application, and I know the full content thereof. I declare that all of the information contained herein, and evidence or other documents submitted are true and correct. I understand that any falsification or misrepresentation of any item or response in this application, or any attachment, or documents to support this application, is sufficient grounds for denying or revoking a license/permit. I further understand that it is a Class A misdemeanor under Alaska Statute 11.56.210 to falsify an application and commit the crime of unsworn falsification.

## Signature

---

This application was digitally signed by : Raymond Stock on 12/19/2024 08:58 AM AKST

## Payment Info

---

Payment Type : CC

Payment Id: cca4f2b7-275a-4b17-8b60-958f9d98d17d

Receipt Number: 100993748

Payment Date: 12/19/2024 08:59 AM AKST



## Legislation Text

---

**File #:** 25-0359, **Version:** 1

---

**ITEM TITLE:**

Approval of Liquor License Renewal - Growler Bay Brewing Company #5634

**SUBMITTED BY:** Elise Sorum-Birk, CMC, Deputy City Clerk

**FISCAL NOTES:**

Expenditure Required: n/a

Unencumbered Balance: n/a

Funding Source: n/a

**RECOMMENDATION:**

[Click here to enter text.](#)

**SUMMARY STATEMENT:**

A local governing body may protest the approval of an applicant pursuant to AS 04.11.480 by furnishing the director and the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of the notice.

Following notification of a new license or renewal of an existing license by the Alcohol & Marijuana Control Office, the City Clerk's office submits all license applications to the city council for approval. The Police Chief is notified of the request and is provided with the opportunity to express any concerns with the issuance or re-issuance of the license.

Please see attached information provided by the AMCO office regarding this application.



Document reference ID : 4634

## Licensing Application Summary

**Application ID:** 4634

**Applicant Name:** Growler Bay Brewing Company Llc

**License Type applied for:** Brewery Manufacturer License (BML) (AS 04.09.020)

**Application Status:** In Review

**Application Submitted On:** 12/12/2024 05:01 PM AKST

### Entity Information

---

**Business Structure:** Limited liability company

**Alaska Entity Number (CBPL):** 10015833

### Entity Contact Information

---

**Entity Address:** PO Box 3716, Valdez, AK, 99686, USA

### Ownership / Principal Party Details

---

Principal Parent Entity	Principal Party	Role	%Ownership
Growler Bay Brewing Company Llc	Paul Langley	Member	49
Growler Bay Brewing Company Llc	Rhonda Langley	Member	51

### Premises Address

---

**Address:** 224 Galena Street, Valdez, AK, 99686, USA

Does the proposed site include a valid street address? Yes

## Basic Business information

---

**Business/Trade Name:** Growler Bay Brewing Company

## Local Government and Community Council Details

---

**City/Municipality** Valdez

**Borough** Unorganized Borough

## Attestations

---

I certify that all proposed licensees (as defined in AS 04.11.260) and affiliates have been listed on this application.

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

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check the identification of a patron will complete an approved alcohol server education course, if required by AS 04.21.025, and, while selling or serving alcoholic beverages, will carry or have available to show a current course card or a photocopy of the card certifying completion of approved alcohol server education course, if required by 3 AAC 305.700.

I agree to provide all information required by the Alcoholic Beverage Control Board in support of this application.

I hereby certify that I am the person herein named and subscribing to this application and that I have read the complete application, and I know the full content thereof. I declare that all of the information contained herein, and evidence or other documents submitted are true and correct. I understand that any falsification or misrepresentation of any item or response in this application, or any attachment, or documents to support this application, is sufficient grounds for denying or revoking a license/permit. I further understand that it is a Class A misdemeanor under Alaska Statute 11.56.210 to falsify an application and commit the crime of unsworn falsification.

I certify that all proposed licensees have been listed with Division of Corporation, Business, and Professional Licensing.

I certify that I and any individual identified in the business entity ownership section of this application, has or will read AS 04 and its implementing regulations.

## Signature

---

This application was digitally signed by : Paul Langley on 12/12/2024 05:03 PM AKST

## Payment Info

---

Payment Type : CC

Payment Id: dab9d531-9ae8-4eda-bb1f-cdae74c5d7eb

Receipt Number: 100988084

Payment Date: 12/12/2024 05:09 PM AKST



Document reference ID : 4634

## Renewal Application Summary

<b>Application ID:</b>	4634
<b>License No:</b>	5634
<b>License Type applied for Renewal:</b>	Brewery Manufacturer License (BML)
<b>Licensee Name:</b>	Growler Bay Brewing Company Llc
<b>Application Status:</b>	In Review
<b>Application Submitted On:</b>	12/12/2024 05:01 PM AKST

## Entity Information

---

<b>Business Structure:</b>	Limited liability company
<b>FEIN/SSN Number:</b>	
<b>Alaska Entity number (CBPL):</b>	10015833
<b>Alaska Entity Formed Date:</b>	
<b>Home State:</b>	

## Entity Contact Information

---

<b>Entity Address:</b>	PO Box 3716, Valdez, AK, 99686
------------------------	--------------------------------



## Renewal Information

---

**Are there any changes to your ownership structure that have not been reported to AMCO prior to this application?:**

No

**As set forth in AS 04.11.330, how many hours did you operate during the first calendar year for this renewal period?:**

The license was regularly operated continuously throughout the first calendar year for this renewal period.

**As set forth in AS 04.11.330, how many hours did you operate during the second calendar year for this renewal period?:**

The license was regularly operated continuously throughout the second calendar year for this renewal period.

**Please select the seasonality:**

Year-round

**Has any person or entity in this application been convicted or disciplined for a violation of Title 04, 3 AAC 304 or 305, or a local ordinance adopted under AS 04.21.010 in the preceding two calendar years?:**

No

**Have any notices of violation or citations been issued for this license during the preceding two years?:**

No

## Attestations

---

As an applicant for a liquor license renewal, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 305, and that this application, including all accompanying schedules and statements, are true, correct, and complete.

I agree to provide all information required by the Alcoholic Beverage Control Board or requested by AMCO staff in support of this application and understand that failure to do so by any deadline given

to me by AMCO staff will result in this application being returned and the license being potentially expired if I do not comply with statutory or regulatory requirements.

I certify that in accordance with AS 04.11.450, no one other than the licensee(s), as defined in AS 04.11.260, has a direct or indirect financial interest in the licensed business.

I certify that this entity is in good standing with Corporations, Business and Professional Licensing (CBPL) and that all entity officials and stakeholders are current and I have provided AMCO with all required changes of the ownership structure of the business license and have provided all required documents for any new or changes of officers.

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check identification of patrons have completed an alcohol server education course approved by the ABC Board and keep current, valid copies of their course completion cards on the licensed premises during all working hours, if applicable for this license type as set forth in AS 04.21.025 and 3 AAC 305.700.

I hereby certify that I am the person herein named and subscribing to this application and that I have read the complete application, and I know the full content thereof. I declare that all of the information contained herein, and evidence or other documents submitted are true and correct. I understand that any falsification or misrepresentation of any item or response in this application, or any attachment, or documents to support this application, is sufficient grounds for denying or revoking a license/permit. I further understand that it is a Class A misdemeanor under Alaska Statute 11.56.210 to falsify an application and commit the crime of unsworn falsification.

## Signature

---

This application was digitally signed by : Paul Langley on 12/12/2024 05:03 PM AKST

## Payment Info

---

Payment Type : CC

Payment Id: dab9d531-9ae8-4eda-bb1f-cdae74c5d7eb

Receipt Number: 100988084

Payment Date: 12/12/2024 05:09 PM AKST



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,  
and Economic Development

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

August 4, 2025

From: [Alcohol.licensing@alaska.gov](mailto:Alcohol.licensing@alaska.gov); [amco.localgovernmentonly@alaska.gov](mailto:amco.localgovernmentonly@alaska.gov);

Licensee: **Growler Bay Brewing Company LLC**  
DBA: Growler Bay Brewing Company  
VIA email: [plaksala@gmail.com](mailto:plaksala@gmail.com)  
Local Government 1: Valdez  
Local Government 2: Unorganized Borough  
Via Email: [spierce@valdezak.gov](mailto:spierce@valdezak.gov); [esorumbirk@valdezak.gov](mailto:esorumbirk@valdezak.gov)

Re: Brewery Manufacturer License #5634 Combined Renewal Notice for 2025-2026 Renewal Cycle

<b>License Number:</b>	#5634
<b>License Type:</b>	Brewery Manufacturer
<b>Licensee:</b>	Growler Bay Brewing Company LLC
<b>Doing Business As:</b>	Growler Bay Brewing Company
<b>Physical Address:</b>	224 Galena Dr Valdez, AK 99686
<b>Designated Licensee:</b>	Paul Langley
<b>Phone Number:</b>	(907) 255-5191
<b>Email Address:</b>	<a href="mailto:plaksala@gmail.com">plaksala@gmail.com</a>

☒ License Renewal Application

☐ Endorsement Renewal Application

**Dear Licensee:**

Our staff has reviewed your application after receiving your application and the required fees. Your renewal documents appear to be in order, and I have determined that your application is complete for purposes of AS 04.11.510, and AS 04.11.520.

Your application is now considered complete and will be sent electronically to the local governing body(s), your community council if your proposed premises are in Anchorage or certain locations in the Matanuska-Susitna Borough, and to any non-profit agencies who have requested notification of applications. The local governing body(s) will have 60 days to protest the renewal of your license.

Your application will be scheduled for the **September 16<sup>th</sup>, 2025** board meeting for Alcoholic Beverage Control Board consideration. The address and call-in number for the meeting will be posted on our home page. The board will not grant or deny your application at the meeting unless your local government waives its right to protest per AS 04.11.480(a).

Please feel free to contact us through the [Alcohol.licensing@alaska.gov](mailto:Alcohol.licensing@alaska.gov) email address if you have any questions.

**Dear Local Government:**

We have received completed renewal applications for the above-listed licenses within your jurisdiction. This is the notice required under AS 04.11.480. A local governing body may protest the issuance, renewal, relocation, or transfer to another person of a license with one or more endorsements, or issuance of an endorsement by sending the director and the applicant a protest and the reasons for the protest in a clear and concise statement within 60 days of the date of the notice of filing of the application. A protest received after the 60-day period may not be accepted by the board, and no event may a protest cause the board to reconsider an approved renewal, relocation, or transfer.

To protest any application(s) referenced above, please submit your written protest for each within 60 days to AMCO and provide proof of service upon the applicant and proof that the applicant has had a reasonable opportunity to defend the application before the meeting of the local governing body. If you have any questions, please email [amco.localgovernmentonly@alaska.gov](mailto:amco.localgovernmentonly@alaska.gov).

**Dear Community Council (Municipality of Anchorage and Mat-Su Borough only)**

We have received a completed renewal application for the above-listed license (see attached application documents) within your jurisdiction. This letter serves to provide written notice to the above-referenced entities regarding the above application, as required under AS 04.11.310(b) and AS 04.11.525.

Please contact the local governing body with jurisdiction over the proposed premises for information regarding the review of this application. Comments or objections you may have about the application should first be presented to the local governing body.

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

Sincerely,  
Kyle Helie, Licensing Examiner II  
For  
Kevin Richard, Director



## Legislation Text

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**File #:** 25-0360, **Version:** 1

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**ITEM TITLE:**

Approval of Liquor License Renewal - Nat Shack #5932

**SUBMITTED BY:** Elise Sorum-Birk, CMC, Deputy City Clerk

**FISCAL NOTES:**

Expenditure Required: n/a

Unencumbered Balance: n/a

Funding Source: n/a

**RECOMMENDATION:**

[Click here to enter text.](#)

**SUMMARY STATEMENT:**

A local governing body may protest the approval of an applicant pursuant to AS 04.11.480 by furnishing the director and the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of the notice.

Following notification of a new license or renewal of an existing license by the Alcohol & Marijuana Control Office, the City Clerk's office submits all license applications to the city council for approval. The Police Chief is notified of the request and is provided with the opportunity to express any concerns with the issuance or re-issuance of the license.

Please see attached information provided by the AMCO office regarding this application.



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

Alaska Alcoholic Beverage Control Board

## Form AB-17: 2025/2026 General Renewal Application

- This form and any required supplemental forms must be completed, **signed by the licensee**, and postmarked no later than December 31, 2024, per AS 04.11.270, 3 AAC 305.050, with all required fees paid in full, or a non-refundable \$500.00 late fee applies.
- Any complete application for renewal and required fees that have not been postmarked, emailed, or submitted through AK-ACCIS by February 28, 2025, will result in expiration of the alcoholic beverage license per AS 04.11.540.
- All fields of this application must be deemed complete by AMCO staff and must be accompanied by the mandatory fees and all documents required, or the application will be returned without being processed, per AS 04.11.270.
- Receipt and/or processing of renewal payments by AMCO staff neither indicates nor guarantees in any way that an application will be deemed complete, renewed, or that it will be scheduled for the next ABC Board meeting.

### Section 1 - Establishment Contact Information

Doing Business As:	Net Shack	License #:	5932
If your mailing address has changed, write the NEW address below:			
Mailing Address:	Po Box 154		
City:	Valdez	State:	AK
		ZIP:	99686

### Section 2 - Licensee Contact Information

**Contact Licensee:** The individual listed below must be part of the ownership structure of the licensee listed in Section 1. This person will be the designated point of contact regarding this license unless the Optional contact is completed.

Contact Licensee:	Natalie Gabler	Contact Phone:	503-943-9714
Contact Email:	thenatshack@gmail.com		

**Optional:** If you wish for AMCO staff to communicate with anyone other than the Contact Licensee (such as legal counsel) about your license, list their information below:

Name of Contact:	Alec Hafford	Contact Phone:	907-831-0327
Contact Email:	the natshack@gmail.com		

### Section 3 - Renewal of Endorsement or Endorsements

Do you have an active endorsement(s) associated to the license you are renewing? If no skip to the next section.  
If **YES** answer **ONE** of the below questions in the affirmative:

1. I will renew **ALL** of my active endorsement or endorsements.
2. I will **NOT** renew **ANY** of my active endorsement or endorsements.
3. I want to renew one or more of my active endorsement or endorsements and I am listing here the endorsement or endorsements I do **NOT** want to renew.

YES NO

<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

Endorsement Not Renewing		Endorsement Not Renewing	
Endorsement Not Renewing		Endorsement Not Renewing	





#### Section 4 – for Package Stores ONLY: Written Order Information

**Package Stores ONLY:** Do you intend to sell alcoholic beverages and ship them to another location in response to written solicitation in calendar years 2025 and/or 2026? If so, if you have not already done so, you will need to apply for a Shipping Endorsement here: <https://accis.license365.com/#>

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

#### Section 5 – Ownership Structure Certification

Did the ownership structure of the licensed business change in 2023/2024?

YES	NO
<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

If **Yes** and you have **NOT** notified AMCO, you will need to apply for a Change of Officials here: <https://accis.license365.com/#>

If **No**, certify the statement below by initialing the box to the right of the statement:

I certify that the ownership structure of the business who owns this alcohol license did not change in any way during the calendar years 2023 or 2024.

NE

#### Section 6 – License Operation

Unless you continuously operated (more than 240 hours) in 2023 or 2024, check ONE BOX for EACH CALENDAR YEAR that best describes how this alcoholic beverage license was operated as set forth in AS 04.11.330:

1. The license was **only operated during a specified time (seasonal)** each year. (Not to exceed 6 months per year)  
*If your seasonal operation dates have changed, list them below:*

\_\_\_\_\_ to \_\_\_\_\_

2023	2024
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

2. The license was only operated to meet the minimum requirement of 240 total hours each calendar year.  
*A complete AB-30: Proof of Minimum Operation Checklist, and all documentation and corresponding fee must be provided with this form, or through AK-ACCIS here: <https://accis.license365.com/#>*

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

3. The license was not operated at all or was operated less than the minimum requirement of 240 total hours each year, during one or both calendar years. *A complete Form AB-29: Waiver of Operation Application and corresponding fees must be submitted with this application for each calendar year during which the license was not operated. You may submit this through AK-ACCIS here: <https://accis.license365.com/#>*

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

#### Section 7 - Violations and Convictions

Have any Notices of Violation been issued for this license in 2023 or 2024?

Has any person or entity in this application been convicted of a violation of Title 04, 3AAC 304, 3 AAC 305 or a local ordinance adopted under AS 04.21.010 in 2023 or 2024?

YES	NO
<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>

**If you checked YES, you MUST attach a list of all Notices of Violation and/or Convictions per AS 04.11.270(a)(2). If you are unsure if you have received any Notices of Violation, contact the office before submitting this form.**

#### Section 8 – Certifications

As an applicant for a liquor license renewal, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 305, and that this application, including all accompanying schedules and statements, are true, correct, and complete.



Alcohol and Marijuana Control Office  
550 W 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501

[alcohol.licensing@alaska.gov](mailto:alcohol.licensing@alaska.gov)

<https://www.commerce.alaska.gov/web/amco>

Phone: 907.269.0350

- I agree to provide all information required by the Alcoholic Beverage Control Board or requested by AMCO staff in support of this application and understand that failure to do so by any deadline given to me by AMCO staff will result in this application being returned and the license being potentially expired if I do not comply with statutory or regulatory requirements.
- I certify that in accordance with AS 04.11.450, no one other than the licensee(s), as defined in AS 04.11.260, has a direct or indirect financial interest in the licensed business.
- I certify that this entity is in good standing with Corporations, Business and Professional Licensing (CBPL) and that all entity officials and stakeholders are current, and I have provided AMCO with all required changes of the ownership structure of the business license and have provided all required documents for any new or changes of officers.
- I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check identification of patrons have completed an alcohol server education course approved by the ABC Board and keep current, valid copies of their course completion cards on the licensed premises during all working hours, if applicable for this license type as set forth in AS 04.21.025 and 3 AAC 305.700.
- I hereby certify that I am the person herein named and subscribing to this application and that I have read the complete application, and I know the full content thereof. I declare that all of the information contained herein, and evidence or other documents submitted are true and correct. I understand that any falsification or misrepresentation of any item or response in this application, or any attachment, or documents to support this application, is sufficient grounds for denying or revoking a license/permit. I further understand that it is a Class A misdemeanor under Alaska Statute 11.56.210 to falsify an application and commit the crime of unsworn falsification.

Natalie Gabler  
Printed name of licensee

Natalie Gabler  
Signature of licensee

**Restaurant and Eating Place** applications must include a completed AB-33: Restaurant Receipts Affidavit  
**Sporting Activity/Recreational Site** applications must include a completed AB-36: Sporting Activity/Recreational Site Statement  
**Beverage Dispensary Tourism** applications must include a completed AB-37: Beverage Dispensary Tourism Statement  
**Wholesale** applications must include a completed AB-25: Supplier Certification  
**Common Carrier vessel** applications must include a current safety inspection certificate

Manufacturer Direct Shipment Licensees must apply for renewal through the  
AK-ACCIS online system here: <https://accis.elicense365.com/#>

**New This Renewal- Endorsement Fee(s) and Paper Application Fee:**

**Endorsement** renewals will require the biennial \$200.00 fee per endorsement. **Multiple Fixed Counter Endorsements** require ONE \$200.00 biennial fee regardless of how many fixed counters are attached to the license.

**This paper form requires an additional submission fee of \$150.00 per 3 AAC 305.165(10).**  
Avoid additional fees and apply through AK-ACCIS here: <https://accis.elicense365.com/#>

All renewal and supplemental forms are available online:  
<https://www.commerce.alaska.gov/web/amco/AlcoholLicenseApplication.aspx>

**FOR OFFICE USE ONLY**

License Fee:	\$ 625.00	Application Fee:	\$ 300.00	Misc. Fee:	\$ 500.00 Late Fee
Endorsement Fee:	\$	Paper Form Fee	\$150.00		\$
Total Fees Due:				\$ 1,425.00	





Alcohol and Marijuana Control Office

550 W 7<sup>th</sup> Avenue, Suite 1600

Anchorage, AK 99501

[alcohol.licensing@alaska.gov](mailto:alcohol.licensing@alaska.gov)

<https://www.commerce.alaska.gov/web/amco>

Phone: 907.269.0350

## Alaska Alcoholic Beverage Control Board

### Form AB-33: 2025/2026 Renewal Restaurant Receipts Affidavit

#### What is this form?

A restaurant or eating place licensee must file a complete copy of this form along with its 2025/2026 license renewal application, in order to provide evidence to the Alcoholic Beverage Control Board that this licensed restaurant's receipts from the sale of food upon the licensed premises constitute no less than 50% of the gross receipts (food + alcohol sales) of the licensed premises for each calendar year in 2023 and 2024, as currently required by AS 04.09.210(e) and AS 04.09.360(g). This form is confidential.

This form must be completed and submitted with Form AB-17 to AMCO's main office before a license renewal application may be reviewed.

#### Section 1 – Establishment Information

This form is being submitted for the following license:

Licensee:	Nat Shack LLC	License #:	5932
License Type:	Restaurant eating Place		
Doing Business As:	Nat Shack		

#### Section 2 – Gross Receipts for 2023 and 2024

Please fill out the following information carefully, contact AMCO staff if you have questions regarding this form. Enter the dollar amounts of the food and gross (food + alcohol) receipts on the licensed premises and calculate the percentage of gross revenue that is from food sales on the licensed premises for each calendar year. (Food Revenue ÷ Gross Revenue x 100 = %)

\$ [REDACTED]	÷	\$ [REDACTED]	X 100 =	95.07	%
2023 Food Sales		2023 Food + Alcohol Sales		2023 Percent from Food	

\$ [REDACTED]	÷	\$ [REDACTED]	X 100 =	96.5	%
2024 Food Sales		2024 Food + Alcohol Sales		2024 Percent from Food	

I declare under penalty of perjury that this form, including all accompanying schedules and statements, is true, correct, and complete.

Natalie Gabler  
Printed name of licensee

Natalie Gabler  
Signature of licensee



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,  
and Economic Development

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

August 12, 2025

From: [Alcohol.licensing@alaska.gov](mailto:Alcohol.licensing@alaska.gov); [amco.localgovernmentonly@alaska.gov](mailto:amco.localgovernmentonly@alaska.gov);

Licensee: **Nat Shack LLC**

DBA: Nat Shack

VIA email: [alecholford99@hotmail.com](mailto:alecholford99@hotmail.com); [thenatshack@gmail.com](mailto:thenatshack@gmail.com);

CC: None

Local Government 1: Valdez

Local Government 2: Unorganized Borough

Via Email: [spierce@valdezak.gov](mailto:spierce@valdezak.gov); [esorumbirk@valdezak.gov](mailto:esorumbirk@valdezak.gov);

Community Council: n/a

Via Email: n/a

Re: Restaurant or Eating Place – Seasonal License #5932 Combined Renewal Notice for 2025-2026 Renewal Cycle

<b>License Number:</b>	#5932
<b>License Type:</b>	Restaurant or Eating Place – Seasonal
<b>Licensee:</b>	Nat Shack LLC
<b>Doing Business As:</b>	Nat Shack
<b>Physical Address:</b>	239 N. Harbor Drive, Valdez, AK, 99686
<b>Designated Licensee:</b>	Natalie Gabler
<b>Phone Number:</b>	503-943-9714; 907-831-0327
<b>Email Address:</b>	<a href="mailto:alecholford99@hotmail.com">alecholford99@hotmail.com</a> ; <a href="mailto:thenatshack@gmail.com">thenatshack@gmail.com</a> ;

☒ **License Renewal Application**

☐ **Endorsement Renewal Application**

**Dear Licensee:**

Our staff has reviewed your application after receiving your application and the required fees. Your renewal documents appear to be in order, and I have determined that your application is complete for purposes of AS 04.11.510, and AS 04.11.520.

Your application is now considered complete and will be sent electronically to the local governing body(s), your community council, if your proposed premises are in Anchorage or certain locations in the Matanuska-

Susitna Borough, and to any non-profit agencies who have requested notification of applications. The local governing body(s) will have 60 days to protest the renewal of your license.

Your application will be scheduled for the **September 16<sup>th</sup>, 2025** board meeting for Alcoholic Beverage Control Board consideration. The address and call-in number for the meeting will be posted on our home page. The board will not grant or deny your application at the meeting unless your local government waives its right to protest per AS 04.11.480(a).

Please feel free to contact us through the [Alcohol.licensing@alaska.gov](mailto:Alcohol.licensing@alaska.gov) email address if you have any questions.

### **Dear Local Government:**

We have received completed renewal applications for the above-listed licenses within your jurisdiction. This is the notice required under AS 04.11.480. A local governing body may protest the issuance, renewal, relocation, or transfer to another person of a license with one or more endorsements, or issuance of an endorsement by sending the director and the applicant a protest and the reasons for the protest in a clear and concise statement within 60 days of the date of the notice of filing of the application. A protest received after the 60-day period may not be accepted by the board, and in no event may a protest cause the board to reconsider an approved renewal, relocation, or transfer.

To protest any application(s) referenced above, please submit your written protest for each within 60 days to AMCO and provide proof of service upon the applicant and proof that the applicant has had a reasonable opportunity to defend the application before the meeting of the local governing body. If you have any questions, please email [amco.localgovernmentonly@alaska.gov](mailto:amco.localgovernmentonly@alaska.gov).

### **Dear Community Council (Municipality of Anchorage and Mat-Su Borough only)**

We have received a complete renewal application for the above-listed license (see attached application documents) within your jurisdiction. This letter serves to provide written notice to the above-referenced entities regarding the above application, as required under AS 04.11.310(b) and AS 04.11.525.

Please contact the local governing body with jurisdiction over the proposed premises for information regarding the review of this application. Comments or objections you may have about the application should first be presented to the local governing body. If you have any questions, please email [Alcohol.licensing@alaska.gov](mailto:Alcohol.licensing@alaska.gov)

Sincerely,  
Alysha Pacarro, Licensing Examiner II  
For  
Kevin Richard, Director



## Legislation Text

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**File #:** 25-0361, **Version:** 1

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**ITEM TITLE:**

Approval of Renewal of Marijuana Dispensary License - Herbal Outfitters LLC #10173

**SUBMITTED BY:** Elise Sorum-Birk, Deputy City Clerk

**FISCAL NOTES:**

Expenditure Required: n/a

Unencumbered Balance: n/a

Funding Source: n/a

**RECOMMENDATION:**

[Click here to enter text.](#)

**SUMMARY STATEMENT:**

A local governing body may protest the approval of an applicant pursuant to AS 04.11.480 by furnishing the director and the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of the notice.

Following notification of a new license or renewal of an existing license by the Alcohol & Marijuana Control Office, the City Clerk's office submits all license applications to the city council for approval. The Police Chief is notified of the request and is provided the opportunity to express any concerns with the issuance or re-issuance of the license.

Please see attached information provided by the AMCO office regarding this application.

License Number: 10173

License Status: Active-Operating

License Type: Retail Marijuana Store

Doing Business As: HERBAL OUTFITTERS, LLC

Business License Number: 1032590

Designated Licensee: Richard Ballow

Email Address: rcballow54@gmail.com

Local Government: Valdez

Local Government 2:

Community Council:

Latitude, Longitude: 61.130067, -146.352804

Physical Address: 165 Fairbanks Drive  
Lower Floor  
Valdez, AK 99686  
UNITED STATES

Licensee #1	Entity Official #1
Type: Entity	Type: Individual
Alaska Entity Number: 10035911	Name: Richard Ballow
Alaska Entity Name: Herbal Outfitters, LLC	
Phone Number: 907-255-0223	
Email Address: rcballow54@gmail.com	
Mailing Address: PO Box 2911 Valdez, AK 99686 UNITED STATES	Phone Number: 907-255-0223
	Email Address: rcballow54@gmail.com
	Mailing Address: PO Box 2911 Valdez, AK 99686 UNITED STATES

*Note: No affiliates entered for this license.*





Alaska Marijuana Control Board

**Form MJ-20: 2025-2026 Renewal Application Certifications**

**Why is this form needed?**

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

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

**Section 1 – Establishment Information**

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

Licensee:	Herbal Outfitters, LLC	License Number:	10173		
License Type:	Retail Marijuana Store				
Doing Business As:	Herbal Outfitters, LL				
Premises Address:	165 Fairbanks Drive, Lower Floor				
City:	Valdez	State:	AK	ZIP:	99686

**Section 2 – Individual Information**

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

Name:	Richard Charles Ballow
Title:	Owner Operator

**Section 3 – Violations & Charges**

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

Initials

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

--

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

--

I certify that a notice of violation has not been issued for this license between July 1, 2024, and June 30, 2025.

--

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

Initials

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

--



## Form MJ-20: 2025-2026 Renewal Application Certifications

## Section 5 – Certifications

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

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

Initials

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

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

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

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

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

Initial this box if you are submitting an original fingerprint card and the applicable fees to AMCO for AMCO to obtain criminal justice information and a national criminal history record required by AS 17.38.200 and 3 AAC 306.035(d). If I have multiple marijuana licenses being renewed, I understand one fingerprint card and fee will suffice for all marijuana licenses being renewed.

If multiple licenses are held, list all license numbers below:

I hereby certify that I am the person herein named and subscribing to this application and that I have read the complete application, and I know the full content thereof. I declare that all of the information contained herein, and evidence or other documents submitted are true and correct. I understand that any falsification or misrepresentation of any item or response in this application, or any attachment, or documents to support this application, is sufficient grounds for denying or revoking a license/permit. I further understand that it is a Class A misdemeanor under Alaska Statute 11.56.210 to falsify an application and commit the crime of unsworn falsification.

Richard Charles Bellow  
Printed name of licensee

Richard Charles Bellow  
Signature of licensee





THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,  
and Economic Development

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

July 17, 2025

Licensee: Herbal Outfitters, LLC  
DBA: Herbal Outfitters, LLC  
VIA email: [rcballow54@gmail.com](mailto:rcballow54@gmail.com)  
Local Government: Valdez  
Via Email: [spierce@valdezak.gov](mailto:spierce@valdezak.gov); [esorumbirk@valdezak.gov](mailto:esorumbirk@valdezak.gov)  
Community Council:  
Via Email:

BCC: [amco.admin@alaska.gov](mailto:amco.admin@alaska.gov)

Re: Retail Marijuana Store License Type License Combined Renewal Notice

<b>License Number:</b>	#10173
<b>License Type:</b>	Retail Marijuana Store
<b>Licensee:</b>	Herbal Outfitters, LLC
<b>Doing Business As:</b>	Herbal Outfitters, LLC
<b>Physical Address:</b>	165 Fairbanks Drive Lower Floor Valdez, AK 99686
<b>Designated Licensee:</b>	Richard Ballow
<b>Phone Number:</b>	907-255-0223
<b>Email Address:</b>	<a href="mailto:rcballow54@gmail.com">rcballow54@gmail.com</a>

☒ License Renewal Application

☐ Endorsement Renewal Application

**Dear Licensee:**

After reviewing your renewal documents, AMCO staff has deemed the application complete for the purposes of 3 AAC 306.035(c).

Your application will now be sent electronically, in its entirety, to your local government, your community council (if your proposed premises is in Anchorage or certain locations in the Mat-Su Borough), and to any non-profit agencies who have requested notification of applications. The local government has 60 days to protest your application per 3 AAC 306.060.



At the May 15, 2017 Marijuana Control Board meeting, the board delegated to AMCO Director the authority to approve renewal applications. However, the board is required to consider this application independently if you have been issued any notices of violation for this license, if your local government protests this application, or if a public objection to this application is received within 30 days of this notice under 3 AAC 306.065.

If AMCO staff determines that your application requires independent board consideration for any reason, you will be sent an email notification regarding your mandatory board appearance. Upon final approval, your 2025/2026 license will be provided to you during your annual inspection. If our office determines that an inspection is not necessary, the license will be mailed to you at the mailing address on file for your establishment.

Please feel free to contact us through the [marijuana.licensing@alaska.gov](mailto:marijuana.licensing@alaska.gov) email address if you have any questions.

**Dear Local Government:**

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

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

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

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

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

Sincerely,



Kevin Richard, Director  
907-269-0350



## Legislation Text

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**File #:** 25-0362, **Version:** 1

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**ITEM TITLE:**

Approval of Revised Child Care Start Up and Operating Grant Programs and INNOVATION Grant Expense Categories

**SUBMITTED BY:** Martha Barberio, Economic Development Director

**FISCAL NOTES:**

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

**RECOMMENDATION:**

Approve revision of child care start up and operating grant programs and INNOVATION grant expense categories.

**SUMMARY STATEMENT:**

In response to the community's ongoing child care needs and the success of the City's investment through the 2024 Community INNOVATION Grant, administered by thread, the City of Valdez launched local Child Care Start-Up and Operating Grant Programs to encourage the creation and sustainability of licensed providers.

To ensure this program remains flexible and responsive to local needs, and that funds are expended before the grant deadline of December 31, 2025, administration proposes the following revisions:

Remove monetary cap from the Start-Up Grant Program

- Current policy: Start-up grants are capped at \$50,000 per recipient.
- Revision: Eliminate the cap and allow award amounts to be determined based on demonstrated need, scale of service, and availability of funding.
  - Removing the cap allows more meaningful support for providers incurring high upfront costs (e.g., facility renovations, licensing compliance) and aligns with community need and economic development goals.

Eliminate select qualifying restrictions on Operating Grant recipients

- Current policy: Operating grant eligibility includes specific financial or enrollment thresholds.
- Revision: Remove restrictive qualifiers to expand eligibility for sustainable providers.

Add “legally exempt” childcare providers as eligible applicants

- Revision: Update the eligibility language to include legally exempt providers operating within the bounds of state law.
- Legally exempt programs include tribal, Head Start and Department of Defense programs and play an important role in the child care ecosystem.
- Providing additional support for the creation of these programs in Valdez is an appropriate use of grant funds.

Additionally, due to the constraints of the Community INNOVATION Grant and limited applicants, administration proposes to reallocate potentially unusable funds to the “Renovation and Design” budget category. This category was proposed at \$300,000 but was unfunded at the time of grant award. Updated grant guidance provided by thread staff indicates that design work is a qualifying grant expense. \$238,000 will be used for the design of the childcare center at the old district office building. This was originally funded along with the HHES remodel with City funds. Additional monies are needed for the Construction Administration and inspection (C/A) services during construction. Utilizing the grant funds for the district office design will free up the City funds for C/A services.

With this reallocation, adequate funding will still be available for currently known providers’ needs within the other grant programs.



## 2025 City of Valdez Child Care Operating Grant

The City of Valdez (COV) Child Care Operating Grant is supplemental funding support for licensed child care programs located in Valdez. Funding is based on the number of children served at each qualifying child care program. Monthly grants will be paid to programs by the COV based on reported information.

The COV will determine eligibility on a month-to-month basis. To qualify for these operating grants, child care businesses must:

- Be licensed by the state of Alaska to provide child care or operating a legally exempt program;
- Be eligible for state of Alaska, military, or tribal child care assistance payments;
- Provide care for children in the age range of 6 weeks to 5 years;
- Submit child enrollment, employee information, and other operational data as requested to the COV using agency-prescribed forms when requested.

Monthly Subsidy Amounts		
Full-time Infant/Toddler (0-35 months)	Full-time Preschool (35 months to K)	Full-time Employee
\$400	\$400	\$300

All information provided by the child care program will remain confidential and may be used as aggregate in data collection and determining trends among child care programs in the COV.

Program Name: \_\_\_\_\_

Month of Care Provided: \_\_\_\_\_

Program Phone Number: \_\_\_\_\_

Program Administrator: \_\_\_\_\_

**Statement of Truth:** *By signing below, I certify that the information provided on this form for the period indicated is true and accurate. Falsification of any information on this form can result in a repayment of funds, and the inability to receive future grants, reimbursements, or incentives.*

Printed Name of Applicant: \_\_\_\_\_

Signature of Applicant: \_\_\_\_\_

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



## Valdez Child Care Start-Up Grant Application

### **Program Description**

Child care is essential to a thriving community, supporting families, employers, and economic growth. Valdez faces a child care shortage that limits workforce participation and strains families. To address this, the City of Valdez has created the Child Care Start-Up Grant program, providing reimbursement-based funding to help establish sustainable child care businesses. By expanding capacity and improving access, this initiative aims to strengthen the workforce and foster long-term economic development, ensuring families have the resources they need to thrive.

### **Program Goals**

- Increase the availability of licensed child care options in Valdez to meet the needs of families.
- Support the community's economic stability by enabling parents to enter or remain in the workforce.
- Foster sustainable child care businesses that enhance Valdez's long-term economic and social vitality.

### **Eligible Participants**

Individuals or entities planning to establish new child care facilities or programs within the City of Valdez.

### **Grant Amounts**

Grants per applicant will support eligible project costs as reimbursements. Please note: Depending on available funding for the grant program, the grants awarded may be less than the amount requested in the project application.

### **Eligible Costs**

Grant funds may be used to reimburse costs associated with starting a licensed childcare program. Some examples include Licensing and regulatory fees, Staff training and certification, Equipment, and furniture for childcare spaces, Facility renovations to meet fire marshal or other licensing standards, and other Initial operational costs, such as insurance or management software programs.

### **Ineligible Costs:**

Grant funds cannot be used for Personal expenses unrelated to the childcare business, Non-essential facility upgrades, or ongoing operational costs after start-up (e.g., utilities, wages).

### **Application Requirements and Process**

- Submit a completed application form, including a clear and actionable project description.
- Attach all required documentation, including forms attached to this application and receipts for eligible costs.



## Valdez Child Care Start-Up Grant Application

### **Completed grants are to be submitted to:**

City of Valdez, Economic Development Department Email: [mbarberio@valdezak.gov](mailto:mbarberio@valdezak.gov)

Drop off:

City of Valdez, Attn: Economic Development Department, 212 Chenega Ave., Valdez, AK 99686

### **Required Supporting Documents**

- Proof of intent documentation (e.g., fire marshal correspondence, childcare licensing application, personal attestation, or proof of legally exempt status)
- Business license
- Financial Self-Assessment Questionnaire (will be provided to applicants)
- Personal references

### **Grant Reimbursement Process:**

Approved applicants will receive reimbursement upon submitting eligible receipts and documentation demonstrating compliance with the grant award scope.

Funds will be disbursed within 30 days of verification.

### **Selection Criteria:**

Applications will be evaluated based on:

- Alignment with program goals to address the child care shortage.
- Feasibility and sustainability of the proposed plan.
- Demonstrated understanding of licensing requirements and child care standards.
- Community impact and ability to serve full-time, year-round care needs.

**If you need assistance completing this form, please get in touch with Blue Shibler at 907-723-9970 or by email at [bshibler@aeys-sea.org](mailto:bshibler@aeys-sea.org)**

\*This grant is subject to grant funding availability



## Valdez Child Care Start-Up Grant Application

### Grant Program Application Form

Business Name

Contact Information (email, phone number, address)

Provide a thorough overview of your child care start-up proposal. Describe the age groups and number of children you aim to serve, your proposed facility and location, your plan for recruiting and retaining staff, and how the grant funds will support start-up costs. Include a realistic timeline for launching your program and explain how your project will address community needs and support families in Valdez. Include details about your progress on the child care licensing process and fire code approval. Be clear and detailed, as this description is key to evaluating your application.

Valdez Child Care Start-Up Grant Application



Budget Details (breakdown costs, total project cost, other funding sources)

Please describe the budget for your project and break down the costs into detailed line items.

Item Description: _____	Amount: \$ _____
Item Description: _____	Amount: \$ _____
Item Description: _____	Amount: \$ _____
Item Description: _____	Amount: \$ _____
Item Description: _____	Amount: \$ _____
TOTAL PROJECT COST: \$ _____	

Less in-kind or other funding contributed: \$ \_\_\_\_\_

**Total Grant Reimbursement Request: \$ \_\_\_\_\_**

Please attach additional pages or alternate budget documents as needed.





## Legislation Text

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**File #:** 25-0363, **Version:** 1

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**ITEM TITLE:**

Approval of the 2024 Financial Audit

**SUBMITTED BY:** Barb Rusher, Comptroller

**FISCAL NOTES:**

Expenditure Required: n/a

Unencumbered Balance: n/a

Funding Source: n/a

**RECOMMENDATION:**

Approve the 2024 Financial Audit.

**SUMMARY STATEMENT:**

The attached documents represent final-draft Financial Audit deliverables by Altman Rogers & Company.

Attachments:

- 2024 Financial Statements
- Letter to the Board
- Federal and Single Audit Compliance Reports

CITY OF VALDEZ, ALASKA

Management's Discussion and Analysis,  
Basic Financial Statements,  
Required Supplementary Information and  
Supplementary Information  
(With Independent Auditor's Report Thereon)

Year Ended December 31, 2024

CITY OF VALDEZ, ALASKA

Management's Discussion and Analysis,  
Basic Financial Statements,  
Required Supplementary Information and  
Supplementary Information  
(With Independent Auditor's Report Thereon)

Year Ended December 31, 2024

**CITY OF VALDEZ, ALASKA**

**TABLE OF CONTENTS**

	<b><u>Exhibit</u></b>	<b><u>Page</u></b>
<b>Independent Auditor's Report</b>		1-4
<b>Management's Discussion and Analysis (MD&amp;A)</b>		5-12
<b>Basic Financial Statements:</b>		
Government-Wide Financial Statements:		
Statement of Net Position	A-1	13-14
Statement of Activities	B-1	15
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	16
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	C-2	17
Statement of Revenues, Expenditures and Changes in Fund Balances	D-1	18
Reconciliation of Statement of Revenues, Expenditures and Change in Fund Balances of Governmental Funds to the Statement of Activities	D-2	19
Proprietary Funds:		
Statement of Net Position	E-1	20
Statement of Revenues, Expenses and Changes in Net Position	E-2	21
Statement of Cash Flows	E-3	22
Notes to Financial Statements		23-59
<b>Required Supplementary Information:</b>		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Original and Final Budget and Actual: General Fund	F-1	60
Public Employees' Retirement System:		
Schedule of the City's Proportionate Share of the Net Pension Liability	G-1	61
Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset)	G-2	62
Schedule of the City's Contributions (Pension)	G-3	63
Schedule of the City's Contributions (OPEB)	G-4	64
Notes to Required Supplementary Information		65-66

**CITY OF VALDEZ, ALASKA**

**TABLE OF CONTENTS, Continued**

	<b><u>Exhibit</u></b>	<b><u>Page</u></b>
<b>Supplementary Information:</b>		
General Fund:		
Combining Balance Sheet	H-1	67
Combining Schedule of Revenues, Expenditures and Change in Fund Balances	H-2	68
Other Governmental Funds:		
Combining Balance Sheet	I-1	69
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	I-2	70
State of Alaska, Department of Health –		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:		
Comprehensive Behavioral Health Treatment and Recovery FY24 – 162-266-24014	J-1	71
Comprehensive Behavioral Health Treatment and Recovery FY25 – 162-266-25014	J-2	72
Adult Rural Peer Support FY24 – 162-200-24002	J-3	73

## **Independent Auditor's Report**

Honorable Mayor and City Council  
City of Valdez, Alaska  
Valdez, Alaska

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Valdez, Alaska, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Valdez, Alaska's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Valdez, Alaska, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Providence Valdez Medical Center Enterprise Fund, which represent 99%, 100%, and 97%, respectively, of the assets, net position, and revenues of the Business-type Activities as of December 31, 2024. We did not audit the financial statements of Providence Valdez Counseling Center Enterprise Fund, which represent 1%, 0%, and 3%, respectively, of the assets, net position, and revenues of the Business-type Activities as of December 31, 2024. We did not audit the financial statements of Valdez Museum and Historical Archive Association Inc., a nonmajor governmental fund, which represent 3%, 3%, and 4%, respectively, of the assets, fund balance, and revenues of the aggregate remaining fund information, and >1%, >1%, and >1%, respectively, of the assets, net position, and revenues of the Governmental Activities as of December 31, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Valdez, Alaska, is based solely on the report of the other auditors.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Valdez, Alaska, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Providence Valdez Medical Center, Providence Valdez Counseling Center, and Valdez Museum and Historical Archive Association Inc. were not audited in accordance with *Government Auditing Standards*.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Valdez, Alaska's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Valdez, Alaska's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Valdez, Alaska's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule, Schedules of City's Proportionate Share of the Net Pension and OPEB Liability and Asset and Contributions for the Public Employees' Retirement System, and Notes to Required Supplementary Information on pages 5-12, 60, 61-64, and 65-66, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Valdez, Alaska's basic financial statements. The accompanying "Supplementary Information", which includes the General Fund: Combining Balance Sheet and Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances; Other Governmental Funds: Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances; and the State of Alaska, Department of Health – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the reports of the other auditors, the "Supplementary Information" is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Honorable Mayor and City Council  
City of Valdez, Alaska

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

In accordance with *Government Auditing Standards*, we have also issued our report dated Month XX, 2025, on our consideration of the City of Valdez, Alaska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Valdez, Alaska's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Valdez, Alaska's internal control over financial reporting and compliance.

Anchorage, Alaska  
Month XX, 2025

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# CITY OF VALDEZ, ALASKA

## Management's Discussion and Analysis

December 31, 2024

The management of the City of Valdez offers readers of the City's financial statements this discussion and analysis of the financial activities of the City of Valdez for the fiscal year ending December 31, 2024.

### Financial Highlights

- The assets and deferred outflow of resources of the City of Valdez governmental activities exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$696MM. Of this amount, \$84MM (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's governmental funds reported combined fund balances of \$415MM, a net decrease of \$10MM driven mainly by a decrease in the General City Capital Project Fund.
- The unassigned fund balance for the General Fund was \$12.7 MM, or 21% of total General Fund fiscal year 2024 expenditures, a reduction from \$14.0MM or 25% of total General Fund fiscal year 2023 expenditures as stated in the 2023 Financial Audit.
- The City's total long-term debt was \$73.3MM, a net decrease of \$3.4MM from the prior year.
- The 2024 Financial Statements reflect Providence Valdez Medical Center (PVMC) and Providence Valdez Counseling Center (PVCC) categorized as Enterprise Funds and are reported under the Primary Government as Business-Type Activities.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements, which are comprised of the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains 4) required supplementary information, and 5) additional supplemental information. The discussion section is designed to be a narrative overview of these components. The following is an analysis of both the government-wide and fund financial statements.

### Government-wide Financial Statements Discussion

The government-wide financial statements are designed to provide readers with a broad overview of the finances of the City, in a manner similar to a private-sector business. They include two distinct statements: a *statement of net position* and a *statement of activities*.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Valdez is improving or declining.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

## Management's Discussion and Analysis, Continued

Both of the government-wide financial statements distinguish functions of the City of Valdez that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Valdez include general government, public safety, public works, public services, port, harbor, utility, airport, museum, and education. The business-type activities of the City of Valdez reflect healthcare operations. The government-wide financial statements include the City of Valdez itself (known as the primary government), as well as one legally separate component unit of the City; Valdez City Schools. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

In addition, the City owns a museum, hospital, and counseling center. These entities are reported as blended component units. All four entities prepare separately issued financial statements, which are available by contacting the respective organizations. (See Note 1 to the financial statements.)

**Fund Financial Statements Discussion**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Valdez, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Valdez can be divided into two categories: *governmental funds* and *proprietary funds*.

*Governmental funds* – Governmental funds are used to account for essentially the same functions as reported in the government-wide financial statements as governmental activities. However, unlike the government-wide statements, governmental fund financial statements focus on near-term inflows and outflows of unreserved resources as well as the balances of unreserved resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term liquidity and financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City of Valdez maintains nine individual governmental funds. Four of these funds are considered major funds in 2024: the General Fund, the Permanent Fund, the General City Capital Project Fund, and the Airport Special Revenue Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for these four major funds. Data from the other non-major funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is available upon request.

Management's Discussion and Analysis, Continued

The City of Valdez adopts an annual appropriated budget for its General Fund and its other governmental funds. Budgetary comparison statements have been provided as required supplementary information for the General Fund to demonstrate compliance with this budget.

*Proprietary funds* - There are two different types of proprietary funds: enterprise funds and internal service funds.

*Enterprise funds* – Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Valdez currently has two enterprise funds: Providence Valdez Medical Center (PVMC) Enterprise Fund and Providence Valdez Counseling Center (PVCC) Enterprise Fund.

*Internal service funds* – are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund for its employee benefit self-insured health plan. Because this service benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements. The City does not adopt an annual appropriated budget for the employee benefit self-insured health plan internal service fund due to its unpredictable utilization and claims volatility. The City limits its exposure to excessive claims expense through the use of stop-loss reinsurance. The Valdez City School District also participates in the health plan.

*Fiduciary funds* - This category of fund is to account for those assets that are held in trust and so do not support the government's other activities. The City does not currently report any fiduciary funds.

#### **Notes and Other Information Discussion**

*Notes to the financial statements* - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

#### **Government-wide Financial Statements Analysis**

##### ***Statement of Net Position***

The trend of changes to net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$721MM at the close of 2024, up from \$700MM at the close of 2023. This increase is primarily a result of growth of the Valdez Permanent Fund, a financial resource which strongly augments the Net Position of the City in peer comparison.

## CITY OF VALDEZ, ALASKA

## Management's Discussion and Analysis, Continued

The City uses its capital assets to provide services to citizens; consequently, these assets are not available for future spending. The net investment in capital assets of the City reflects its investment in capital assets (e.g. land, buildings, equipment and infrastructure), less any related debt used to acquire those assets that remains outstanding, adjusted for debt issued but not yet spent (e.g. unspent bond proceeds). Although the City's investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The following reflects the condensed statement of net position for 2023 and 2024.

		Governmental Activities	
		2023	2024
Current Assets	\$	440,655,866	428,509,282
Noncurrent Assets		326,078,234	348,713,123
Total Assets		766,734,100	777,222,405
Deferred Outflows of Resources		2,060,182	1,743,642
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$</b>	<b>768,794,282</b>	<b>778,966,047</b>
Current Liabilities	\$	13,357,608	12,124,725
Long-Term Liabilities		70,548,544	66,940,765
Total Liabilities		83,906,152	79,065,490
Deferred Inflows of Resources		4,264,148	4,186,083
Total Liabilities and Deferred Inflows of Resources		88,170,300	83,251,573
Net Position			
Net Investment in Capital Assets		294,405,683	306,410,232
Restricted		300,627,161	305,371,073
Unrestricted		85,591,138	83,933,169
Total Net Position		680,623,982	695,714,474
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$</b>	<b>768,794,282</b>	<b>778,966,047</b>

Of the \$696MM total net position; \$306MM (44%), is invested in capital assets; \$305MM (44%) is restricted and mostly comprised of investments in the Permanent Fund; the remaining balance of \$84MM (12%) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

## CITY OF VALDEZ, ALASKA

## Management's Discussion and Analysis, Continued

**Statement of Activities**

The following condensed table of changes in net position displays the revenues and expenses for 2023 and 2024.

	Governmental Activities	
	2023	2024
<b>Revenues</b>		
Program Revenues		
Charges for Services	\$ 5,488,763	4,723,219
Operating Grants and Contributions	5,454,423	4,949,733
Capital Grants and Contributions	2,831,030	5,829,776
General Revenues		
Property and Hotel Taxes	50,184,964	51,762,466
Payment in Lieu of Taxes	763,175	805,367
Grants and Entitlements not restricted	1,259,433	711,426
Investment Income	36,754,382	31,390,250
Other	1,427,183	717,065
<b>Total Revenues</b>	<b>104,163,353</b>	<b>100,889,302</b>
<b>Expenses</b>		
General Government	17,790,859	20,639,786
Public Safety	8,714,909	10,932,671
Public Works	11,757,945	21,268,385
Public Service	5,260,043	5,949,562
Port	3,454,923	3,513,534
Harbor	4,119,468	4,362,870
Utility	1,731,984	2,855,466
Airport	590,704	581,415
Education	13,967,845	13,967,305
Hospital and Health Care	454,498	456,436
Museum	781,409	776,634
Interest on Long-Term Debt	2,152,039	1,769,746
<b>Total Expenses</b>	<b>70,776,626</b>	<b>87,073,810</b>
<b>Transfers</b>	-	1,275,000
Change in Net Position	33,386,727	15,090,492
Net Position, Beginning of Year	647,237,255	680,623,982
<b>Net Position, End of Year</b>	<b>\$ 680,623,982</b>	<b>695,714,474</b>

Governmental activities increased the net position of the City of Valdez by \$15.1MM in fiscal year 2024, driven primarily by \$31.4MM of investment gains, of which \$24.5MM were in the Permanent Fund. The increase to net position was offset by increased expenditure on funds previously appropriated for the Sewer Force Main Project.

## Management's Discussion and Analysis, Continued

Providence Valdez Medical Center (PVMC) and Providence Valdez Counseling Center (PVCC) are presented as Enterprise Funds as of December 31, 2024. Comparative information for the Business-type Activities' Statement of Net Position and Statement of Activities is not presented in the Management's Discussion and Analysis.

### Governmental Fund Financial Analysis

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental funds* - The focus of the governmental funds of the City of Valdez is to provide information on near term inflows, outflows, and remaining balances at year-end. Unassigned resources are those resources available for spending at the end of the fiscal year. Such information is useful in assessing the financing requirements of the City of Valdez. In particular, unassigned fund balance may serve as a useful measure of a government's ability to meet the expenditures of the current period.

As of the end of the 2024 fiscal year, the governmental funds of the City reported combined ending fund balances of \$415MM, a combined net decrease of \$10MM over 2023 balances. The decrease is due exclusively to expenditure on previously appropriated Capital Projects monies as all other fund balances have grown over this period. \$13MM, or 3% of this total amount constitutes unassigned fund balance. The remainder of fund balance is nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending because it has already been dedicated to some other purpose: liquidate contracts of the prior period; pay debt service; generate income for the growth of the Permanent Fund; provide working capital; or for a variety of other purposes.

A summary of governmental funds and fund balances follows:

	2023	2024
Governmental Funds		
Permanent Fund	\$ 269,563,938	290,116,647
General Fund	82,404,021	84,051,033
Capital Project Fund	55,780,504	22,281,649
Other Funds	17,109,168	18,133,276
<b>Total Fund Balances</b>	<b>424,857,631</b>	<b>414,582,605</b>

The General Fund is the main operating fund of the City of Valdez. At the end of the 2024 fiscal year, unassigned fund balance of the General Fund was \$12.7MM while total fund balance was \$84.0MM, an increase of \$1.6MM.

The Permanent Fund had a total fund balance of \$290MM, all of which is reported as restricted investments in accordance with the City Charter. The fund balance increased by \$20.5MM, mirroring the year-over-year performance of broader capital market indices.



## Management's Discussion and Analysis, Continued

**Proprietary Fund Financial Analysis**

The City of Valdez maintains two types of proprietary funds; enterprise funds and internal service funds. The City's two enterprise funds (PVMC and PVCC) report the same functions presented as business-type activities in the government-wide financial statements.

The Providence Valdez Medical Center Enterprise Fund had net position of \$20.9MM as of December 31, 2024, an increase of \$2.1MM.

The City maintains one internal service fund; the Health Insurance Fund. This fund is an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses the fund for its employee benefit self-insured health plan. Ending net position of this fund was \$4.1MM, reflecting a decrease of \$601K.

**General Fund Budgetary Highlights**

The net change from the original budget and final amended budget represented a \$0.6 MM increase in revenues and an increase of \$6.5 MM in expenditure appropriations, including funds carried forward from the prior year.

Budget revisions were formally approved throughout the year by council resolution and can be briefly summarized as follows:

- \$0.9 MM in increased general government appropriations
- \$5.6 MM in increased capital and maintenance project appropriations, following the City's convention of utilizing funds carried forward from the prior year.

**Capital Assets and Debt Administration**

*Capital assets* - The investment in capital assets for the City of Valdez governmental activities as of December 31, 2024 amounts to \$340MM (net of accumulated depreciation). This investment includes land and land improvements, buildings and improvements, equipment, construction work-in-progress, sewer and water treatment facilities and roads. The total net increase in the City's investments in capital assets for the current fiscal year was \$23MM.

The following table displays the capital assets (net of depreciation) for the current year.

		Governmental Activities	
		2023	2024
Land	\$	16,189,410	16,192,572
Buildings		167,077,681	163,066,148
Improvements other than Buildings		72,384,930	75,758,195
Equipment		10,516,277	11,452,950
Construction in Progress		51,265,818	73,863,199
<b>Total</b>	\$	<b>317,434,116</b>	<b>340,338,064</b>

Additional information on the City's capital assets can be found in Note 5 to the financial statements.

Management's Discussion and Analysis, Continued

*Long-term debt* - At the end of the 2024 fiscal year, the City of Valdez had ending bonded debt principal outstanding of \$47.6MM. Additionally, the City had ending Alaska Clean Water loan payable principal outstanding of \$380,135. As of December 31, 2024 the City recognizes a liability of \$2.0MM for accrued leave and \$19.4MM for its share of the statewide PERS net pension liabilities, and \$2.7MM for landfill closure and post-closure monitoring costs.

Additional information on the City's long-term debt can be found in Note 6 to the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

- On April 12, 2022 the State Assessment Review Board ("SARB") issued its Certificate of Determination ("COD"), the implications of which were an additional \$165MM in assessed value added to the City's tax roll in 2022. Tax revenue related to these assessments, including those of a similar amount received under protest in 2023 and 2024, are currently held in reserve pending the determination of ongoing appeals. The only exception is appropriations made to Legal Department from this reserve for costs directly associated with litigation related to determining an outcome.

These factors were considered in preparing and revising the City's 2025 budget.

**Requests for Information**

This financial report is designed to provide a general overview of the finances of the City of Valdez for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Valdez Finance Director, PO Box 307, Valdez, Alaska, 99686.

## **BASIC FINANCIAL STATEMENTS**

## CITY OF VALDEZ, ALASKA

## Statement of Net Position

December 31, 2024

	Primary Government			Component Unit	Total Reporting Entity
	Governmental Activities	Business-Type Activities	Total	Valdez City Schools	
<b><u>Assets and Deferred Outflows of Resources</u></b>					
Assets:					
Cash and investments	\$ 109,640,587	14,968,000	124,608,587	7,170,581	131,779,168
Receivables, net of allowance for uncollectible accounts:					
Property taxes	164,151	-	164,151	-	164,151
Assessments	3,989	-	3,989	-	3,989
Grants and shared revenues	7,100,592	-	7,100,592	239,644	7,340,236
Accounts, net	635,964	4,582,000	5,217,964	-	5,217,964
Accrued interest	1,114,855	-	1,114,855	-	1,114,855
Leases	4,054,275	-	4,054,275	-	4,054,275
Prepaid items	620,096	-	620,096	-	620,096
Inventory	20,921	-	20,921	41,525	62,446
Other current assets	-	553,000	553,000	-	553,000
Restricted cash and investments:					
Permanent fund	289,841,096	-	289,841,096	-	289,841,096
Unspent bond proceeds	15,312,756	-	15,312,756	-	15,312,756
Capital assets, not being depreciated	90,060,771	1,415,000	91,475,771	-	91,475,771
Capital assets, net of accumulated depreciation	250,277,293	4,543,000	254,820,293	961,009	255,781,302
Net OPEB assets	8,375,059	-	8,375,059	4,603,259	12,978,318
Other long-term assets	-	126,000	126,000	-	126,000
Total assets	<u>777,222,405</u>	<u>26,187,000</u>	<u>803,409,405</u>	<u>13,016,018</u>	<u>816,425,423</u>
Deferred outflows of resources - Pension and OPEB deferrals	<u>1,743,642</u>	<u>-</u>	<u>1,743,642</u>	<u>1,286,577</u>	<u>3,030,219</u>
Total assets and deferred outflows of resources	<u>\$ 778,966,047</u>	<u>26,187,000</u>	<u>805,153,047</u>	<u>14,302,595</u>	<u>819,455,642</u>

(continued)

## CITY OF VALDEZ, ALASKA

## Statement of Net Position, Continued

	Primary Government			Component Unit	Total Reporting Entity
	Governmental Activities	Business-Type Activities	Total	Valdez City Schools	
<b><u>Liabilities, Deferred Inflows of Resources and Net Position</u></b>					
Liabilities:					
Accounts payable	\$ 1,222,992	4,123,000	5,345,992	93	5,346,085
Accrued payroll liabilities	1,393,647	235,144	1,628,791	962,052	2,590,843
Health claims payable	1,952,914	-	1,952,914	-	1,952,914
Customer deposits	39,250	-	39,250	-	39,250
Other liabilities	-	486,000	486,000	-	486,000
Unearned revenues	1,139,617	-	1,139,617	10,791	1,150,408
Accrued interest payable	4,752	-	4,752	-	4,752
Noncurrent liabilities:					
Due within one year:					
Accrued leave	1,420,545	190,020	1,610,565	-	1,610,565
Bonds payable	4,921,859	-	4,921,859	-	4,921,859
Loans payable	29,149	-	29,149	-	29,149
Due in more than one year:					
Accrued leave	574,859	181,836	756,695	-	756,695
Bonds payable	43,938,594	-	43,938,594	-	43,938,594
Loans payable	350,986	-	350,986	-	350,986
Net pension liabilities	19,375,861	-	19,375,861	8,387,749	27,763,610
Landfill closure and post-closure costs payable	2,700,465	-	2,700,465	-	2,700,465
Total liabilities	79,065,490	5,216,000	84,281,490	9,360,685	93,642,175
Deferred inflows of resources:					
Leases	3,896,217	-	3,896,217	-	3,896,217
Pension and OPEB deferrals	289,866	-	289,866	244,942	534,808
Total deferred inflows of resources	4,186,083	-	4,186,083	244,942	4,431,025
Total liabilities and deferred inflows of resources	83,251,573	5,216,000	88,467,573	9,605,627	98,073,200
Net position:					
Net investment in capital assets	306,410,232	5,958,000	312,368,232	961,009	313,329,241
Restricted:					
Permanent fund	290,017,147	-	290,017,147	-	290,017,147
Healthcare	-	117,000	117,000	-	117,000
Debt service	15,312,756	-	15,312,756	-	15,312,756
Projects and displays	41,170	-	41,170	-	41,170
Unrestricted	83,933,169	14,896,000	98,829,169	3,735,959	102,565,128
Total net position	695,714,474	20,971,000	716,685,474	4,696,968	721,382,442
Total liabilities, deferred inflows of resources and net position	\$ 778,966,047	26,187,000	805,153,047	14,302,595	819,455,642

See accompanying notes to the financial statements.

## CITY OF VALDEZ, ALASKA

## Statement of Activities

Year Ended December 31, 2024

	Program Revenues				Changes in Net Position				
					Primary Government			Component Unit	
	Direct Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Valdez City Schools	Total Reporting Entity
Governmental activities:									
General government	\$ 20,639,786	281,719	370,873	-	(19,987,194)	-	(19,987,194)	-	(19,987,194)
Public safety	10,932,671	175,290	1,101,634	-	(9,655,747)	-	(9,655,747)	-	(9,655,747)
Public works	21,268,385	140,936	349,011	2,752,434	(18,026,004)	-	(18,026,004)	-	(18,026,004)
Public service	5,949,562	199,936	139,346	62,328	(5,547,952)	-	(5,547,952)	-	(5,547,952)
Port	3,513,534	1,065,619	35,986	-	(2,411,929)	-	(2,411,929)	-	(2,411,929)
Harbor	4,362,870	1,825,190	270,979	3,015,014	748,313	-	748,313	-	748,313
Utility	2,855,466	518,930	49,213	-	(2,287,323)	-	(2,287,323)	-	(2,287,323)
Airport	581,415	234,317	-	-	(347,098)	-	(347,098)	-	(347,098)
Education	13,967,305	-	2,632,691	-	(11,334,614)	-	(11,334,614)	-	(11,334,614)
Hospital and healthcare	456,436	-	-	-	(456,436)	-	(456,436)	-	(456,436)
Museum	776,634	281,282	-	-	(495,352)	-	(495,352)	-	(495,352)
Unallocated interest	1,769,746	-	-	-	(1,769,746)	-	(1,769,746)	-	(1,769,746)
Total governmental activities	87,073,810	4,723,219	4,949,733	5,829,776	(71,571,082)	-	(71,571,082)	-	(71,571,082)
Business-type activities:									
Providence Valdez Medical Center	19,910,000	22,973,000	-	-	-	3,063,000	3,063,000	-	3,063,000
Providence Valdez Counseling Center	849,000	262,000	363,000	-	-	(224,000)	(224,000)	-	(224,000)
Total business-type activities	20,759,000	23,235,000	363,000	-	-	2,839,000	2,839,000	-	2,839,000
Total primary government	107,832,810	27,958,219	5,312,733	5,829,776	(71,571,082)	2,839,000	(68,732,082)	-	(68,732,082)
Component unit:									
Valdez City Schools	\$ 18,033,569	101,891	3,669,945	125,000	-	-	-	(14,136,733)	(14,136,733)
General revenues:									
Taxes					\$ 51,762,466	-	51,762,466	-	51,762,466
Payments in lieu of taxes					805,367	-	805,367	-	805,367
Contributions from primary government					-	-	-	9,352,964	9,352,964
Grants and entitlements not restricted to a specific purpose					711,426	-	711,426	4,721,329	5,432,755
Investment income					31,390,250	-	31,390,250	359,117	31,749,367
Other					717,065	484,000	1,201,065	538,595	1,739,660
Transfers					1,275,000	(1,275,000)	-	-	-
Total general revenues and transfers					86,661,574	(791,000)	85,870,574	14,972,005	100,842,579
Change in net position					15,090,492	2,048,000	17,138,492	835,272	17,973,764
Net position, beginning of year					680,623,982	18,923,000	699,546,982	3,861,696	703,408,678
Net position, end of year					\$ 695,714,474	20,971,000	716,685,474	4,696,968	721,382,442

See accompanying notes to the financial statements.

## CITY OF VALDEZ, ALASKA

## Balance Sheet - Governmental Funds

December 31, 2024

	General Fund	Permanent Fund	Airport Special Revenue Fund	General City Capital Project Fund	Other Governmental Funds	Total Governmental Funds
<b><u>Assets</u></b>						
Assets:						
Cash and investments	\$ 85,742,260	-	1,489,952	204,554	16,363,166	103,799,932
Receivables, net of allowance for uncollectible accounts:						
Property taxes	164,151	-	-	-	-	164,151
Assessments	3,989	-	-	-	-	3,989
Grants and shared revenues	167,382	-	-	6,693,013	240,197	7,100,592
Accounts	93,329	11,118	64,176	38,093	173,597	380,313
Accrued interest	590,621	295,287	10,418	107,788	110,741	1,114,855
Leases	3,098,219	-	861,900	-	94,156	4,054,275
Prepaid items	535,675	-	6,761	-	77,660	620,096
Inventory	-	-	-	-	20,921	20,921
Restricted cash and investments:						
Permanent fund	-	289,841,096	-	-	-	289,841,096
Unspent bond proceeds	-	-	-	15,312,756	-	15,312,756
Total assets	\$ 90,395,626	290,147,501	2,433,207	22,356,204	17,080,438	422,412,976
<b><u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u></b>						
Liabilities:						
Accounts payable	\$ 962,422	30,854	9,554	65,307	154,855	1,222,992
Accrued payroll liabilities	1,381,357	-	-	-	12,290	1,393,647
Customer deposits	12,700	-	-	-	26,550	39,250
Unearned revenues	849,173	-	-	9,248	281,196	1,139,617
Total liabilities	3,205,652	30,854	9,554	74,555	474,891	3,795,506
Deferred inflows of resources:						
Unavailable revenues:						
Deferred taxes and assessments	138,648	-	-	-	-	138,648
Leases	3,000,293	-	806,515	-	89,409	3,896,217
Total deferred inflows of resources	3,138,941	-	806,515	-	89,409	4,034,865
Total liabilities and deferred inflows of resources	6,344,593	30,854	816,069	74,555	564,300	7,830,371
Fund balances:						
Nonspendable	535,675	-	6,761	-	98,581	641,017
Restricted	-	290,017,147	-	15,312,756	41,170	305,371,073
Committed	6,499,941	99,500	-	5,535,525	111,950	12,246,916
Assigned	64,322,154	-	1,610,377	1,433,368	16,264,437	83,630,336
Unassigned	12,693,263	-	-	-	-	12,693,263
Total fund balances	84,051,033	290,116,647	1,617,138	22,281,649	16,516,138	414,582,605
Total liabilities, deferred inflows of resources, and fund balances	\$ 90,395,626	290,147,501	2,433,207	22,356,204	17,080,438	422,412,976

See accompanying notes to the financial statements.

## CITY OF VALDEZ, ALASKA

Reconciliation of Governmental Funds  
Balance Sheet to Statement of Net Position

December 31, 2024

Total fund balances of governmental funds		\$	414,582,605
Total net assets reported for governmental activities in the Statement of Net Position is different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds			340,338,064
Other noncurrent assets are not available to pay for current period expenditures and, therefore, are shown as deferred inflows of resources in the fund financial statements. These assets consist of:			
Delinquent property taxes receivable			138,648
An internal service fund is used by management to charge the cost of health insurance to individual funds and the component unit. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Position.			4,143,392
Long-term liabilities are not due and payable in the current period and, therefore are not reported as fund liabilities. These liabilities consist of:			
Bonds payable	\$	(48,860,453)	
Accrued interest		(4,752)	
Loan payable		(380,135)	
Landfill closure costs		(2,700,465)	
Accrued leave		(1,995,404)	
Total long-term liabilities			(53,941,209)
Proportionate share of the net OPEB assets			8,375,059
Proportionate share of the net pension liabilities			(19,375,861)
Deferred outflows of resources represent costs applicable to future periods, therefore are not reported in the governmental funds:			
Deferred outflows of resources related to pensions and OPEB			1,743,642
Deferred inflows of resources represent resources or benefits applicable to future periods and therefore are not reported in the governmental funds:			
Deferred inflows of resources related to pensions and OPEB			(289,866)
Total net position of governmental activities	\$		<u>695,714,474</u>

See accompanying notes to the financial statements.



## CITY OF VALDEZ, ALASKA

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

Year Ended December 31, 2024

	General Fund	Permanent Fund	Airport Special Revenue Fund	General City Capital Project Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Local sources:						
Taxes	\$ 51,672,226	-	-	-	-	51,672,226
Licenses and permits	1,735	-	-	-	-	1,735
Fines and forfeitures	15,188	-	-	10,507	-	25,695
Charges for services	323,357	-	6,023	-	2,707,645	3,037,025
Sales and leases	451,283	-	183,532	-	977,884	1,612,699
Contributions and donations	28,729	-	-	62,328	-	91,057
Investment income	4,448,984	24,465,181	72,357	1,560,389	843,339	31,390,250
Other	293,228	-	44,762	-	301,654	639,644
Intergovernmental:						
State of Alaska	1,539,834	-	-	3,015,014	1,995,809	6,550,657
Federal sources	2,248,470	-	-	2,752,434	-	5,000,904
Total revenues	61,023,034	24,465,181	306,674	7,400,672	6,826,331	100,021,892
<b>Expenditures:</b>						
Current:						
General government	18,750,120	237,691	-	-	-	18,987,811
Public safety	9,434,116	-	-	-	-	9,434,116
Public works	7,848,644	-	-	-	-	7,848,644
Public service	5,084,109	-	-	-	-	5,084,109
Port	-	-	-	259,021	1,015,326	1,274,347
Harbor	-	-	-	-	2,259,805	2,259,805
Utility	-	-	-	-	1,563,016	1,563,016
Airport	-	-	355,233	-	-	355,233
Education	12,083,218	-	-	-	-	12,083,218
Museum	-	-	-	-	726,129	726,129
Debt service:						
Principal	-	-	-	-	4,688,718	4,688,718
Interest	-	-	-	-	1,881,964	1,881,964
Capital outlay	5,987,324	-	-	39,735,905	-	45,723,229
Total expenditures	59,187,531	237,691	355,233	39,994,926	12,134,958	111,910,339
Excess (deficiency) of revenues over expenditures	1,835,503	24,227,490	(48,559)	(32,594,254)	(5,308,627)	(11,888,447)
Other financing sources (uses):						
Proceeds from sale of capital assets	338,421	-	-	-	-	338,421
Transfers in	6,362,500	-	229,016	1,275,000	6,660,396	14,526,912
Transfers out	(6,889,412)	(3,674,781)	-	(2,179,601)	(508,118)	(13,251,912)
Net other financing sources (uses)	(188,491)	(3,674,781)	229,016	(904,601)	6,152,278	1,613,421
Net change in fund balances	1,647,012	20,552,709	180,457	(33,498,855)	843,651	(10,275,026)
Fund balances, beginning of year, as previously reported	82,404,021	269,563,938	-	55,780,504	17,109,168	424,857,631
Change within financial reporting entity (non-major to major fund)	-	-	1,436,681	-	(1,436,681)	-
Fund balances, beginning of year, as adjusted	82,404,021	269,563,938	1,436,681	55,780,504	15,672,487	424,857,631
Fund balances, end of year	\$ 84,051,033	290,116,647	1,617,138	22,281,649	16,516,138	414,582,605

See accompanying notes to the financial statements.

## CITY OF VALDEZ, ALASKA

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

Year Ended December 31, 2024

Net change in fund balance - total governmental funds	\$ (10,275,026)
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The change in net assets reported for governmental activities in the  
Statement of Activities is different because:

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

Capital outlay	\$ 34,541,233	
Depreciation expense	<u>(11,107,659)</u>	23,433,574

Governmental funds only report the revenues or sale of assets to the  
extent proceeds are received from the sale. In the Statement of  
Activities, a gain or loss is reported for each sale. This is the net  
effect of transactions involving capital assets:

Cost of assets disposed	(1,873,360)	
Accumulated depreciation of assets sold	<u>1,343,734</u>	(529,626)

Revenues in the Statement of Activities that do not provide current financial  
resources are not reported as revenues in the funds. This is the amount  
of the change in unavailable revenues.

90,240

Issuance of long-term debt provides current financial resources to governmental  
funds, while the repayment of the principal of long-term debt consumes the  
current financial resources of governmental funds. Neither transaction,  
however, has any effect on net position. Also, governmental funds do not  
report the accrual of interest expense on debt when it is not payable from  
currently available resources.

Principal payments	4,688,718	
Bond premium amortization	111,859	
Change in accrued interest	<u>359</u>	4,800,936

Some expenses reported in the Statement of Activities do not require  
the use of current financial resources and, therefore, are not reported  
as expenditures in governmental funds.

Change in landfill closure and post-closure costs payable	(276,177)	
Change in accrued leave	(60,728)	
Change in the proportionate share of the unfunded net pension and OPEB liabilities and assets	<u>(1,341,847)</u>	(1,678,752)

Changes in deferred inflows and outflows of resources are the result of  
timing differences in the actuarial report and adjustments to refle  
employer and non-employer contributions based on the measurement  
date of the liabilities.

Change in deferred inflows and outflows of resources related to pension and OPEB		(149,636)
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Internal service funds are used by management to charge the costs of health  
insurance to individual funds and the component unit. The change in net  
position of these activities is reported with governmental activities.

(601,218)

Change in net position of governmental activities	\$ <u><u>15,090,492</u></u>
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See accompanying notes to the financial statements.

## CITY OF VALDEZ, ALASKA

## Proprietary Funds

## Statement of Net Position

December 31, 2024

	Enterprise Funds			Health Insurance Internal Service Fund
	Providence Valdez Medical Center	Providence Valdez Counseling Center	Total Enterprise Funds	
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 14,929,000	39,000	14,968,000	5,840,655
Accounts receivable, net	4,530,000	52,000	4,582,000	255,651
Other	526,000	27,000	553,000	-
Total current assets	19,985,000	118,000	20,103,000	6,096,306
Noncurrent assets:				
Capital assets, net	5,957,000	1,000	5,958,000	-
Other long-term assets	126,000	-	126,000	-
Total noncurrent assets	6,083,000	1,000	6,084,000	-
Total assets	\$ 26,068,000	119,000	26,187,000	6,096,306
<u>Liabilities and Net Position</u>				
Current liabilities:				
Accounts payable	\$ 4,011,000	112,000	4,123,000	1,952,914
Accrued payroll liabilities	208,345	26,799	235,144	-
Accrued leave, due within one year	188,819	1,201	190,020	-
Other	486,000	-	486,000	-
Total current liabilities	4,894,164	140,000	5,034,164	1,952,914
Long-term liabilities -				
Accrued leave, due in more than one year	181,836	-	181,836	-
Total liabilities	5,076,000	140,000	5,216,000	1,952,914
Net position:				
Net investment in capital assets	5,957,000	1,000	5,958,000	-
Restricted	117,000	-	117,000	-
Unrestricted	14,918,000	(22,000)	14,896,000	4,143,392
Total net position	20,992,000	(21,000)	20,971,000	4,143,392
Total liabilities and net position	\$ 26,068,000	119,000	26,187,000	6,096,306

See accompanying notes to the financial statements.

## CITY OF VALDEZ, ALASKA

## Proprietary Funds

## Statement of Revenues, Expenses and Changes in Net Position

December 31, 2024

	Enterprise Funds			Health Insurance Internal Service Fund
	Providence Valdez Medical Center	Providence Valdez Counseling Center	Total Enterprise Funds	
Operating revenues:				
Charges for services	\$ 22,973,000	262,000	23,235,000	7,251,217
Grant revenue	-	363,000	363,000	-
Other	413,000	71,000	484,000	-
Total operating revenue	<u>23,386,000</u>	<u>696,000</u>	<u>24,082,000</u>	<u>7,251,217</u>
Operating expenses:				
Salaries and wages	11,093,000	453,000	11,546,000	-
Employee benefits	2,971,000	203,000	3,174,000	-
Professional fees	63,000	-	63,000	-
Purchased services	2,495,000	65,000	2,560,000	-
Supplies	1,456,000	-	1,456,000	-
Depreciation	656,000	1,000	657,000	-
Contractual services	-	-	-	3,013
Insurance claims and administration	-	-	-	8,073,201
Other	1,176,000	127,000	1,303,000	-
Total operating expenses	<u>19,910,000</u>	<u>849,000</u>	<u>20,759,000</u>	<u>8,076,214</u>
Income (loss) from operations	3,476,000	(153,000)	3,323,000	(824,997)
Nonoperating revenues -				
Investment income	<u>-</u>	<u>-</u>	<u>-</u>	<u>223,779</u>
Income (loss) before transfers	3,476,000	(153,000)	3,323,000	(601,218)
Transfers in	-	150,000	150,000	-
Transfers out	<u>(1,425,000)</u>	<u>-</u>	<u>(1,425,000)</u>	<u>-</u>
Change in net position	2,051,000	(3,000)	2,048,000	(601,218)
Net position, beginning of year	<u>18,941,000</u>	<u>(18,000)</u>	<u>18,923,000</u>	<u>4,744,610</u>
Net position, end of year	<u>\$ 20,992,000</u>	<u>(21,000)</u>	<u>20,971,000</u>	<u>4,143,392</u>

See accompanying notes to the financial statements.

## CITY OF VALDEZ, ALASKA

## Proprietary Funds

## Statement of Cash Flows

December 31, 2024

	Enterprise Funds			Health Insurance Internal Service Fund
	Providence Valdez Medical Center	Providence Valdez Counseling Center	Total Enterprise Funds	
Cash flows from (for) operating activities:				
Cash received for patient care	\$ 21,307,000	266,000	21,573,000	-
Cash received from grants	-	339,000	339,000	-
Cash received for other services	413,000	71,000	484,000	-
Receipts from interfund services	-	-	-	7,078,458
Payments to employees	(14,221,000)	(668,000)	(14,889,000)	-
Payments to suppliers	(4,527,000)	(176,000)	(4,703,000)	(3,013)
Payments for insurance claims and administration	-	-	-	(7,781,008)
Net cash flows from (for) operating activities	<u>2,972,000</u>	<u>(168,000)</u>	<u>2,804,000</u>	<u>(705,563)</u>
Cash flows from (for) noncapital financing activities -				
Transfers in (out)	<u>(1,425,000)</u>	<u>150,000</u>	<u>(1,275,000)</u>	<u>-</u>
Cash flows (for) capital and related financing activity -				
Capital asset additions	<u>(3,298,000)</u>	<u>-</u>	<u>(3,298,000)</u>	<u>-</u>
Cash flows from investing activities -				
Investment income	<u>-</u>	<u>-</u>	<u>-</u>	<u>223,779</u>
Change in cash and cash equivalents	<u>(1,751,000)</u>	<u>(18,000)</u>	<u>(1,769,000)</u>	<u>(481,784)</u>
Cash and cash equivalents, beginning of year	<u>16,680,000</u>	<u>57,000</u>	<u>16,737,000</u>	<u>6,322,439</u>
Cash and cash equivalents, end of year	<u>\$ 14,929,000</u>	<u>39,000</u>	<u>14,968,000</u>	<u>5,840,655</u>
Reconciliation of income (loss) from operations to net cash provided by operating activities:				
Income (loss) from operations	\$ 3,476,000	(153,000)	3,323,000	(824,997)
Adjustments to reconcile income (loss) from operations to net cash flows provided by operating activities:				
Depreciation	656,000	1,000	657,000	-
Provision for bad debts	1,504,000	13,000	1,517,000	-
(Increase) decrease in assets:				
Accounts receivable	(3,170,000)	(9,000)	(3,179,000)	(172,759)
Other assets	353,000	(24,000)	329,000	-
Increase (decrease) in liabilities:				
Accounts payable	353,000	28,000	381,000	-
Accrued payroll liabilities	(146,095)	4,839	(141,256)	-
Accrued leave	(10,905)	(16,839)	(27,744)	-
Other	(43,000)	(12,000)	(55,000)	-
Claims payable	-	-	-	292,193
Net cash flows from (for) operating activities	<u>\$ 2,972,000</u>	<u>(168,000)</u>	<u>2,804,000</u>	<u>(705,563)</u>
Noncash transactions:				
Capital assets in accounts payable	<u>\$ 41,000</u>	<u>-</u>	<u>41,000</u>	<u>-</u>

See accompanying notes to the financial statements.

# CITY OF VALDEZ, ALASKA

## Notes to Basic Financial Statements

December 31, 2024

### 1. Summary of Significant Accounting Policies

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

#### ***Reporting Entity***

The City of Valdez was incorporated on December 11, 1901. The City operates under a Council Manager form of government and provides a full range of services including public safety, highways and streets, sanitation, health and social services, culture and recreation, education, public improvements, planning and zoning, and general administrative services.

The accompanying financial statements present the City's primary government and its component units, entities for which the City is considered to be financially accountable. The discretely presented component unit, Valdez City Schools, is presented in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City. Providence Valdez Medical Center and Providence Valdez Counseling Center have been blended into the primary government financial statements of the City as Enterprise Funds. Valdez Museum and Historical Archive Association, Inc., has been blended into the primary government financial statements of the City as a Special Revenue Fund.

#### ***Providence Valdez Medical Center and Counseling Center***

The Medical Center and the Counseling Center are owned by the City, and as such, all risks and rewards from the operations remain with the City. The City Council acts as the government body, but has contracted the Centers' operations to Providence Health and Services (Washington non-profit corporation). The Medical and Counseling Centers pay a management fee to Providence Health and Services. Complete special purpose financial statements can be obtained by contacting the Providence Valdez Hospital, P.O. Box 550, Valdez, AK 99686.

#### ***Valdez City Schools***

Valdez City Schools (School District) is responsible for elementary and secondary education within the City. The members of the School Board are elected by the voters. However, the School District is fiscally dependent upon the City because the City Council approves the total annual budget of the School District, issues bonds to finance School District construction, levies the necessary taxes, and provides significant operating subsidies to the School District. Complete financial statements can be obtained by contacting Valdez City Schools, P.O. Box 8, Valdez Alaska, 99686.

## Notes to Basic Financial Statements, Continued

***Valdez Museum and Historical Archive Association, Inc.***

Pursuant to an agreement with the City, as of January 1, 1997, all accounting, operations, and management of the Museum has been delegated to the Museum's Board of Directors. However, the City Council appoints the Museum Board of Directors. In addition, the Museum is fiscally dependent upon the City because the City Council approves the annual budget, owns the Museum property and equipment, and provides significant operating subsidies to the Museum. Complete financial statements can be obtained by contacting Valdez Museum and Historical Archive Association, Inc., P.O. Box 3988, Valdez Alaska, 99686.

The accounting policies of the City of Valdez conform to generally accepted accounting principles (GAAP) as applicable to governments. The following is a summary of the significant accounting policies:

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely primarily on fees and charges to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) fees, fines, and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major governmental and enterprise funds are reported as separate columns in the fund financial statements. Remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The City's internal service fund is reported in the proprietary fund financial statements.

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

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the *accrual basis of accounting*. Revenues are recorded when transactions occur and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Charges for services are recognized as revenues when earned.

## CITY OF VALDEZ, ALASKA

### Notes to Basic Financial Statements, Continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days after year end, except for reimbursement-type grants, in which revenue is considered available if collected within 180 days after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only to the extent they have matured.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and thus have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue in the current period. All other revenue items are considered to be measurable and available only when received by the City.

The City reports the following major governmental funds based on the required quantitative criteria:

The *General Fund* is the main operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The *Permanent Fund* is used to report investments that are held for the benefit of current and future Valdez citizens. 1.5% of the fund's market value (as calculated on the last day of the year) may be used to provide resources for capital improvements and operating expenses of the City as designated by the City Council. The remainder is restricted in perpetuity.

The *Airport Special Revenue Fund* accounts for the operation of the City's airport.

The *General City Capital Project Fund* accounts for the construction projects for the City.

The City reports the following major enterprise funds based on the required quantitative criteria:

The *Providence Valdez Medical Center Enterprise Fund* accounts for the business-type activities of the local hospital and long-term care facilities.

The *Providence Valdez Counseling Center Enterprise Fund* accounts for the business-type activities of the local Counseling Center. The City has elected to report this fund as major due to its significance to the public.

Additionally, the City also reports the following funds:

*Special Revenue Funds* – accounts for revenue sources that are legally restricted or committed to expenditure for specific purposes.

*Capital Project Funds* – accounts for the acquisition of the capital assets or construction of major capital projects not being financed by proprietary funds.

*Debt Service Fund* – accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt.

*Internal Service Fund* – the Health Insurance Internal Service Fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City or to other governments. The City's Internal Service Fund accounts for the City and Valdez City School's self-insured health insurance program.



## CITY OF VALDEZ, ALASKA

### Notes to Basic Financial Statements, Continued

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are from charging patients and insurance for medical services provided. The principal operating revenues of the Internal Service Fund are charges to City departments and component units for services provided. Operating expenses for the Internal Service Fund include the costs of services, insurance claims and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

#### ***Estimates***

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

#### ***Fair Value of Financial Instruments***

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following financial instruments are recorded at fair value or at amounts that approximate fair value: (1) cash and cash equivalents, (2) investments, (3) receivables, net, (4) certain other current assets, (5) accounts payable, and (6) other current liabilities. The carrying amounts reported in the Balance Sheet and Statement of Net Position for the above financial instruments closely approximates their fair value due to the short-term nature of these assets and liabilities, except for the City's investments. The carrying amount of the City's investments are determined based on quoted market prices.

#### ***Cash and Cash Equivalents***

For purposes of the statement of cash flows, the City considers all investments to be cash equivalents. The central treasury, which holds cash and investments, is used essentially as a cash management pool by each fund.

## CITY OF VALDEZ, ALASKA

### Notes to Basic Financial Statements, Continued

#### ***Investments***

Investments are stated at fair value. Investments of all funds outside of the Permanent Fund are managed within the City's central treasury. These investments are managed under the General Investments, Investment Policy. A focus on minimizing credit and market risks, mitigating negative effects of inflation and simply identifying and matching the cash flow needs of the City's general and many special revenue funds is the goal.

#### ***Accounts Receivable***

All accounts receivable are shown net of an allowance for doubtful accounts. Providence Valdez Medical Center Enterprise Fund and Providence Valdez Counseling Center Enterprise Fund's allowance for doubtful accounts are based on the aging of accounts receivable, historical collection of experience, and other relevant factors.

#### ***Deferred Inflows of Resources and Deferred Outflows of Resources***

In addition to assets, the financial statements also present deferred outflows of resources. This separate financial statement element represents a consumption of net assets or fund balance that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then. Generally, the City reports pension and OPEB related items as deferred outflows of resources. These items are amortized to expense over time.

In addition to liabilities, the financial statements also present deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets or fund balance that applies to a future period and will not be recognized until later. The City reports certain unavailable revenues (such as leases and deferred taxes and assessments) and pension and OPEB related items as deferred inflows of resources. These items are amortized as revenues or a reduction of expenses over varying periods of time.

#### ***Inventory and Prepaid Items***

Inventories consist of merchandise for resale by the Valdez Museum and Historical Archive Association, Inc., and are valued at lower of cost (first-in, first-out basis) or market (net realizable value).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The inventory and prepaid items do not reflect current available resources and, thus, an equivalent portion of fund balance is classified as nonspendable in the fund financial statements. Prepaid items are based on the consumption method.

#### ***Property Taxes***

The financial statements reflect the accrual of the 2024 tax levy; the property tax revenues include adjustments for collections of prior year levies as well as for amounts for the 2024 levy not considered to be available. The property tax receivable reported represents the uncollected amount of all prior levies.

Notes to Basic Financial Statements, Continued

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments in August and October. The City bills and collects its own property taxes. The City is permitted by its Code to levy taxes up to \$2.00 per \$100 of assessed valuation. However, the amount of taxes the City may levy is further limited by the Alaska Statutes which set forth a formula for determining the maximum tax levy against oil and gas production property. The tax rate for the current year ended on December 31, 2024 was \$2.00 per \$100 of assessed value.

***Grants and Intergovernmental Revenues***

In applying the measurable and available concept to grants and intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts are considered recognizable; therefore, revenues are recognized based upon expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the measurable and available criteria are met.

***Interfund Activities***

During the course of normal operations, the City has numerous activities between funds, including expenditures and transfers of resources to provide services and construct assets. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers. The classification of amounts recorded as subsidies, or advances is determined by the City Council.

***Capital Assets***

Capital assets, which include property, plant, equipment and infrastructure assets (roads, sidewalks, and similar items), are reported in the government-wide financial statements and the proprietary fund financial statements. Capital assets are defined by the City as financial resources that are tangible or intangible in nature and have a useful life greater than three years. Such assets are to be accounted for at historical cost, or if cost is not practically determinable, at estimated fair market value at the time acquired or placed into service. Generally, cost includes all expenses associated with the acquisition, construction, and installation of a capital asset.

Donated capital assets are recorded at acquisition value. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

## CITY OF VALDEZ, ALASKA

### Notes to Basic Financial Statements, Continued

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

	Years
Buildings	10-100
Improvements other than buildings	3-100
Equipment	3-50

#### ***Accrued Leave***

It is the City's policy to permit employees to accumulate earned but unused personal leave time benefits. All unused personal leave time benefits are paid upon severance. All personal leave time is accrued when incurred in the government-wide statements and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### ***Unearned Revenues***

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

#### ***Long-term Liabilities***

In the government-wide financial statements and proprietary fund financial statements, long-term liabilities (such as bonds payable and other long-term obligations) are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are expensed as incurred.

#### ***Pension and Other Postemployment Benefits (OPEB)***

Substantially all employees of the City participate in the Public Employees' Retirement System (PERS) administered by the State of Alaska. For purposes of measuring the net pension and OPEB liabilities and assets, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### ***Fund Balance***

In the governmental fund financial statements, fund balance includes five classifications as follows:

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

Notes to Basic Financial Statements, Continued

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

*Committed Fund Balance* - amounts that can be used only for the specific purposes determined by a formal action of the City Council. Commitments may be changed or lifted by the City Council taking the same formal action that imposed the constraint originally.

*Assigned Fund Balance* - amounts intended to be used by the City for specific purposes. Intent can be expressed by the City Council or by the City Manager, Finance Director or designee. Such constraint is binding unless modified or eliminated by the City Council or City Manager/Finance Director. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed.

*Unassigned Fund Balance* - amounts not contained in the other classifications and available for any purpose. Positive unassigned amounts will be reported only in the General Fund. If a governmental fund other than the General Fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund.

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

Compliance with the provisions of the Fund Balance Classification Policy are reviewed as part of the annual budget adoption process. The City Manager/Finance Director reports to the City Council as close to the end of the year as possible the anticipated year-end fund balance or deficit. The City Council takes appropriate action to commit or assign, or otherwise allocate prior year fund balances as a part of the budget planning process.

***Net Position***

Government-wide net position is divided into three components:

- Net investment in capital assets - consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted net position - consists of assets that are restricted by the City's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted - all other net position is reported in this category.

## Notes to Basic Financial Statements, Continued

**Leases**

The City is a lessor for non-cancellable leases and recognizes a lease receivable and a deferred inflow of resources in the financial statements. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- a. The City uses its current borrowing rate or estimated incremental borrowing rate as the discount rate for leases.
- b. The lease term includes the non-cancellable period of the lease; the term of the lease contract, including options to extend, must be more than 12 months. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable

**2. Cash and Investments**

The City of Valdez utilizes a central treasury that is available for use by all funds. Each fund's portion of the central treasury is displayed on the balance sheet in each fund as "Cash and Investments." The City also maintains reserve accounts as required by bond covenants.

**Reconciliation of Deposit and Investment Balances**

The following is a reconciliation of the City's deposit and investment balances to the financial statements as of December 31, 2024.

Cash and investments	\$ 124,608,587
Restricted cash and investments:	
Permanent fund	289,841,096
Unspent bond proceeds	15,312,756
Total	<u>\$ 429,762,439</u>

# CITY OF VALDEZ, ALASKA

## Notes to Basic Financial Statements, Continued

Cash and investments are further categorized as follows:

	Bank Deposits and Petty Cash	Investments	Total
Unrestricted cash and investments	\$ 42,861,345	81,381,073	124,242,418
Restricted cash and investments:			
Unspent bond proceeds	-	15,312,756	15,312,756
General cash and investments	42,861,345	96,693,829	139,555,174
Permanent Fund*	555,004	289,652,261	290,207,265
Total cash and investments	\$ 43,416,349	386,346,090	429,762,439

\*The Permanent Fund reported \$289,841,096 of cash and investments at December 31, 2024. Of this amount, (\$366,169) is equity in the central treasury (cash and demand amounts) and \$555,004 is bank deposits. The remaining amount, \$289,652,261, is held in investment accounts as noted above.

### General Investments

#### Investment Policy

The investment policy for funds other than the Permanent Fund authorizes the City to invest in obligations of the United States or an agency or instrumentality of the United States; certificates of deposit issued by United States domestic banks which are members of the FDIC; corporate debt securities with a minimum of "MA"; highest rated commercial paper; bankers acceptances drawn on and accepted by banks with a combined capital and surplus aggregating at least \$200,000,000; fully secured shares of federally chartered savings and loan associations in Alaska; fully secured savings and loan associations in Alaska; fully secured deposits with mutual savings banks in Alaska; fully secured fixed-term certificates of indebtedness of federally insured credit unions in Alaska; repurchase agreements; and the Alaska Municipal League Investment Pool (AMLIP).

#### Interest Rate Risk

General investment balances and maturities at December 31, 2024 are as follows:

Investment Type	Fair Value	Investment Maturities (in years)	
		Less than 1	1-5
Money market funds	\$ 11,608,539	11,608,539	-
U.S. treasuries	85,085,290	-	85,085,290
Total general investments	\$ 96,693,829	11,608,539	85,085,290

#### Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Notes to Basic Financial Statements, Continued

The City has the following recurring fair value measurements as of December 31, 2024:

U.S. treasury securities of \$85,085,290 are valued using third party pricing models (Level 2 inputs).

The City has investments in money market funds totaling \$11,608,539 that are not held at fair value, but instead recorded at amortized cost, as of December 31, 2024. Management believes these values approximate fair value.

*Credit Risk*

Money market funds are subject to credit risk because of the repurchase and sale agreement features within the money market demand deposit cash accounts. Generally, U.S. agencies are considered free of credit risk because they are issued through, and backed by the full faith and taxing authority of, the federal government.

The City's investments in U.S. treasury bonds and U.S. agency bonds, are rated AAA to A- by Standard and Poor's.

*Custodial Credit Risk*

Custodial credit risk for deposits is the risk that in the event of a financial institution failure, the City's deposits may not be returned. As of December 31, 2024, bank deposits are held with financial institutions and are fully insured or collateralized, except for the following account which is subject to custodial credit risk: \$14,929,000 (Providence Valdez Medical Center Enterprise Fund).

*Foreign Currency Risk*

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. As of December 31, 2024 the City did not have any general investments in international debt obligations or equity mutual funds and was therefore not subject to Foreign Currency Risk.

***Permanent Fund Investments***

The Permanent Fund reported \$289,841,096 of cash and investments at December 31, 2024. Of this amount, (\$366,169) is equity in the central treasury (cash and demand amounts) and \$555,004 is bank deposits. The remaining amount, \$289,652,261, is held in investment accounts as noted below.

*Investment Policy*

The investment policy for the Permanent Fund authorizes the City to invest in domestic fixed income, domestic equities, and international equities. In an attempt to inflation proof the Permanent Fund, the investment policy is revised in the first quarter of every fiscal year. For 2024, the target allocation was 40% fixed income, 29% domestic equities, 21% international equities, 10% real estate, and 0% cash equivalents. A range of plus or minus 6% for the fixed income class, a range of plus or minus 4% for the domestic equities class, a range of plus or minus 3% for the international equities and real estate classes, and a range of plus 10% for cash equivalents are allowed to accommodate normal market fluctuations and prevent frequent rebalancing.



# CITY OF VALDEZ, ALASKA

## Notes to Basic Financial Statements, Continued

### Interest Rate Risk

Because the City of Valdez Permanent Fund is designed to hold principal investments perpetually in trust for the future earnings to benefit the present and future generations of City residents, there are no maturity limitations in the policy. The policy focuses more on limiting interest rate risk by diversification in many investment types. A segmented time distribution of all investment types is presented below in an effort to disclose those investment types and amounts that are subject to interest rate risk.

Permanent Fund investment balances and maturities at December 31, 2024 are as follows:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1-5	6-10	More than 10
U.S. treasuries	\$ 18,269,054	-	10,578,932	3,839,266	3,850,856
U.S. agencies	11,669,507	-	101,066	416,293	11,152,148
Corporate bonds	9,300,970	-	5,093,861	814,013	3,393,096
Mortgage/asset-backed securities	1,319,687	-	1,244,931	5,197	69,559
Money market funds	1,695,361	1,695,361	-	-	-
Domestic bond funds	40,960,197				
Domestic equity funds	85,397,139				
International bond funds	35,346,326				
International equity funds	62,381,857				
Real estate investment trusts	23,312,163				
Total permanent fund	\$ 289,652,261				

As of December 31, 2024, an actual asset allocation to target allocation is presented below. All investments fell within the allowable range as of December 31, 2024.

Investment Class	Actual \$	Actual vs. Target Allocation			% out of Policy Range
		% Actual	% Target	% Difference	
Domestic equity funds	\$ 85,397,139	29.48%	29%	0.48%	N/A
International equity funds	62,381,857	21.54%	21%	0.54%	N/A
Fixed income	116,865,741	40.35%	40%	0.35%	N/A
Real estate investment trusts	23,312,163	8.05%	10%	-1.95%	N/A
Money market funds	1,695,361	0.58%	0%	0.58%	N/A
Total	\$ 289,652,261	100.00%	100%	0.00%	N/A

### Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

CITY OF VALDEZ, ALASKA

Notes to Basic Financial Statements, Continued

The City has the following recurring fair value measurements as of December 31, 2024. Investments are classified in the fair value hierarchy as follows:

Investment by Fair Value Level		Fair Value	Level 2
U.S. treasuries	\$	18,269,054	18,269,054
U.S. agencies		11,669,507	11,669,507
Corporate bonds		9,300,970	9,300,970
Mortgage/asset backed securities		1,319,687	1,319,687
Total investments by fair value level	\$	40,559,218	40,559,218

Investments Measured at the Net Asset

Value Level (NAV):

Domestic bond funds	\$	40,960,197
Domestic equity funds		85,397,139
International bond funds		35,346,326
International equity funds		62,381,857
Real estate investment trusts		23,312,163
Total investments by NAV	\$	247,397,682

Investments Measured at Amortized Cost -

Money market funds		1,695,361
Total investments	\$	289,652,261

The Permanent Fund's investments classified as Level 2 of the fair value hierarchy are valued using models with various inputs such as, but not limited to, daily cash flow, snapshots of market indices, and spread scales.

The City has investments totaling \$247,397,682 that are reported at net asset value. The net asset value is used as a practical expedient to estimate fair value. The net asset value is based on the fair value of the underlying investments held by the fund less its liabilities.

The City has investments in money market funds totaling \$1,695,361 that are not held at fair value, but are instead recorded at amortized cost as of December 31, 2024.

The following table summarizes investments in real estate funds measured at NAV per share as of December 31, 2024:

	Fair Value	Unfunded Commitment	Redemption Frequency (if currently eligible)	Redemption Notice Period
Trumbull Property Fund	\$ 11,140,947	-	Quarterly	60 days
Prime Property Fund	12,171,216	-	Quarterly	60 days
Total	\$ 23,312,163	-		

## Notes to Basic Financial Statements, Continued

*Credit Risk*

<i>Investment Type</i>	Credit Quality Ratings			
	Standard and Poor's			
	Fair Value	AAA to A-	BBB+ to BBB-	Not Rated
U.S. treasuries	\$ 18,269,054	18,182,827	-	86,227
U.S. agencies	11,669,507	455,460	-	11,214,047
Corporate bonds	9,300,970	3,071,557	6,078,325	151,088
Mortgage/assets-backed securities	1,319,687	1,239,677	-	80,010
Money market funds	1,695,361	-	-	1,695,361
Investments not subject to credit risk	247,397,682	-	-	247,397,682
Total investments	\$ 289,652,261	22,949,521	6,078,325	260,624,415

The Permanent Fund policies specifically limit the types of investments that can be purchased in an effort to limit credit risk. The policies limit corporate and agency bonds to those investments rated by a nationally recognized statistical rating organization (NRSRO) and those rated Investment Grade or higher. Investment Grade is defined by Standard and Poor's (a NRSRO) as any investment rated BBB- or higher. Policy requires the City to be notified in writing within 30 days if any non-rated or below investment grade investment is in the fund. These investments must be sold within 6 months of the rating being downgraded below Investment Grade.

Cash and investments are subject to credit risk because of the repurchase and sale agreement features within the money market demand deposit cash accounts. Many U.S. agencies are considered free of credit risk because they are issued through, and backed by the full faith and taxing authority of the federal government. Of the total Permanent Fund, \$42,254,579 or 15% is considered subject to credit risk.

*Concentration of Credit Risk*

The Permanent Fund investment policy states "no fixed income security shall exceed 5% of the market value of the portfolio, with the exception of U.S. government and agency securities." As of December 31, 2024, no single issuer or security, with the exception of the U.S. Treasury Department and various U.S. governmental agencies, exceeded 5% of the Permanent Fund's holdings. While not rated for credit default risk, the specific nature of the real estate investments in the amount of \$23,312,163 (8.05%) could be considered a concentration investment risk because it is comprised of 2 limited partnership unit-investments in private real estate investment trusts.

*Foreign Currency Risk*

As of December 31, 2024, a total of \$97,728,183 (33.74%) of the total fund value is invested in international debt obligations and equity mutual funds that are considered subject to Foreign Currency Risk. The mutual funds are highly diversified globally and in many different sectors.

CITY OF VALDEZ, ALASKA

Notes to Basic Financial Statements, Continued

3. Receivables, Deferred Inflows of Resources, and Unearned Revenue

Receivables as of December 31, 2024 for the City's individual major funds, nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Funds

	General Fund	Permanent Fund	Airport Special Revenue Fund	General City Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Property taxes	\$ 164,151	-	-	-	-	164,151
Grants and shared revenues	167,382	-	-	6,693,013	240,197	7,100,592
Accounts and assessments	97,318	11,118	64,176	38,093	173,597	384,302
Accrued interest	590,621	295,287	10,418	107,788	110,741	1,114,855
Leases	3,098,219	-	861,900	-	94,156	4,054,275
Total receivables	\$ 4,117,691	306,405	936,494	6,838,894	618,691	12,818,175
Less allowance for doubtful accounts	-	-	-	-	-	-
Net receivables	\$ 4,117,691	306,405	936,494	6,838,894	618,691	12,818,175

Enterprise Funds

	Providence Valdez Medical Center	Providence Valdez Counseling Center	Total Enterprise Funds	Health Insurance Internal Service Fund	Total Primary Government
Property taxes	\$ -	-	-	-	164,151
Grants and shared revenues	-	-	-	-	7,100,592
Accounts and assessments	5,270,000	56,000	5,326,000	255,651	5,965,953
Accrued interest	-	-	-	-	1,114,855
Leases	-	-	-	-	4,054,275
Total receivables	\$ 5,270,000	56,000	5,326,000	255,651	18,399,826
Less allowance for doubtful accounts	(740,000)	(4,000)	(744,000)	-	(744,000)
Net receivables	\$ 4,530,000	52,000	4,582,000	255,651	17,655,826

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# CITY OF VALDEZ, ALASKA

## Notes to Basic Financial Statements, Continued

Governmental funds report *deferred inflows of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report *unearned revenues* in connection with resources that have been received, but not yet earned.

At December 31, 2024, the various components of *deferred inflows of resources and unearned revenues* reported in the governmental funds were as follows:

		Deferred Inflows of Resources	Unearned Revenue
Delinquent property taxes receivable (General Fund)	\$	138,648	-
Future lease revenue (General Fund, Airport Special Revenue Fund, and Other Governmental Funds)		3,896,217	-
Grant drawdowns prior to meeting all eligibility requirements (General Fund, General City Capital Project Fund, and Other Governmental Funds)		-	1,139,617
Total deferred inflows of resources and unearned revenues for governmental funds	\$	4,034,865	1,139,617

### 4. Interfund Transfers

Transfers between funds for the year ended December 31, 2024, consisted of the following:

#### Transfers

From General Fund to:

Other Governmental Funds to help offset current year operating expenditures	\$	6,660,396
Airport Special Revenue funds for operating expenditures		229,016

From Permanent Fund to:

General Fund for operations		3,674,781
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From General City Capital Project Fund to:

General Fund for operations		2,179,601
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From Other Governmental Funds to:

General Fund for projects		160,285
General Fund for operations		347,833

From Providence Valdez Medical Center Enterprise Fund to:

General City Capital Projects Fund for capital projects		1,275,000
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Providence Valdez Counseling Center Enterprise Fund for operating expenses		150,000
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Total transfers	\$	14,676,912
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## CITY OF VALDEZ, ALASKA

## Notes to Basic Financial Statements, Continued

**5. Capital Assets**

Capital asset activity for the year ended December 31, 2024 was as follows:

	Balance January 1, 2024	Additions and Reclassifications	Deletions and Reclassifications	Balance December 31, 2024
<i>Governmental Activities</i>				
Capital assets not being depreciated:				
Land and land improvements	\$ 16,189,410	3,162	-	16,192,572
Construction in progress	51,265,818	32,336,566	(9,734,185)	73,793,972
Total assets not being depreciated	67,455,228	32,339,728	(9,734,185)	90,060,771
Capital assets being depreciated:				
Buildings	217,480,120	-	-	217,480,120
Improvements other than buildings	182,298,703	8,926,611	-	191,225,314
Equipment	30,344,599	2,509,904	(1,374,185)	31,480,318
Total assets being depreciated	430,123,422	11,436,515	(1,374,185)	440,185,752
Less accumulated depreciation for:				
Buildings	50,402,439	4,011,533	-	54,413,972
Improvements other than buildings	109,913,773	5,553,346	-	115,467,119
Equipment	19,828,322	1,542,780	(1,343,734)	20,027,368
Total accumulated depreciation	180,144,534	11,107,659	(1,343,734)	189,908,459
Total capital assets being depreciated, net	249,978,888	328,856	(30,451)	250,277,293
Governmental activities capital assets, net	\$ 317,434,116	32,668,584	(9,764,636)	340,338,064
<i>Business-type Activities</i>				
Capital assets not being depreciated:				
Construction in progress	\$ 1,482,000	-	(67,000)	1,415,000
Capital assets being depreciated:				
Buildings and equipment	8,508,000	3,365,000	-	11,873,000
Less accumulated depreciation for:				
Buildings and equipment	6,673,000	657,000	-	7,330,000
Total capital assets being depreciated, net	1,835,000	2,708,000	-	4,543,000
Business-type activities capital assets, net	\$ 3,317,000	2,708,000	(67,000)	5,958,000

# CITY OF VALDEZ, ALASKA

## Notes to Basic Financial Statements, Continued

Depreciation expense was charged to the functions of the City as follows for the year ended December 31, 2024:

### Governmental Activities

General government	\$	130,599
Public safety		751,568
Public works		1,573,748
Public service		606,928
Port		2,173,973
Harbor		2,035,591
Utility		1,225,157
Airport		226,182
Museum		49,534
Education		1,877,943
Hospital and healthcare		456,436
Total governmental activities	\$	11,107,659

### Business-type Activities

Providence Valdez Medical Center	\$	656,000
Providence Valdez Counseling Center		1,000
Total business-type activities	\$	657,000

Total primary government	\$	11,764,659
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## 6. Long-term Debt

### ***Debt Defeasance***

In 2012, the City issued general obligation school bonds in the amount of \$33,865,000 for the construction of a new Middle School. In 2013, the City began a structured series of "economic defeasances" on a portion of these bonds by depositing \$18,400,079 into an irrevocable trust for the purpose of making the required debt service payments in the later years. In 2014, the City paid in an additional \$7,651,808 to defease an additional amount. In 2015, the City made yet another payment into escrow in the amount of \$5,501,215.

In total, the City paid in \$31,553,102 to defease a total of \$30,775,000 in outstanding principal plus the associated interest payments. The terms of the arrangement meet the recognition criteria as an in-substance defeasance; therefore, both the bonds payable and the associated cash held in escrow have been derecognized from the City's financial statements, but will continue to be paid by the escrow agent. At December 31, 2024 the defeased bonds outstanding with the escrow agent totaled \$17,490,000.

## CITY OF VALDEZ, ALASKA

## Notes to Basic Financial Statements, Continued

A summary of changes in long-term debt for the year ended December 31, 2024 follows:

<u>Governmental Activities</u>	<u>Balance January 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2024</u>	<u>Due Within One Year</u>
\$17,920,000 Series 2015 Harbor Bonds, due in annual installments of \$630,000 to \$1,340,000, plus semiannual interest at 3.0% to 5.0% through June 2035.	\$ 12,455,000	-	785,000	11,670,000	820,000
\$15,000,000 Series 2019 Pavement Bonds, due in annual installments of \$1,865,000 to \$2,170,000, plus annual interest at 2.49% through June 2026.	6,350,000	-	2,065,000	4,285,000	2,115,000
\$35,000,000 Series 2022 Sewer Bond due in annual installments of \$1,515,000 to \$5,060,000, plus annual interest at 3.5% through June 2032.	33,485,000	-	1,810,000	31,675,000	1,875,000
Unamortized premium on bonds	1,342,312	-	111,859	1,230,453	111,859
Clean Water Loan - \$598,340 Water Loan Payable, due in annual installments of \$34,851, including interest of 1.5%, through March 2036.	408,853	-	28,718	380,135	29,149
Landfill closure and post-closure monitoring costs	2,424,288	276,177	-	2,700,465	-
Accrued leave	1,934,676	1,481,273	1,420,545	1,995,404	1,420,545
Net pension liabilities	18,303,073	1,072,788	-	19,375,861	-
Governmental Activities	\$ 76,703,202	2,830,238	6,221,122	73,312,318	6,371,553
<u>Business-type Activities</u>	<u>Balance January 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2024</u>	<u>Due Within One Year</u>
Accrued leave	\$ 399,600	178,490	206,234	371,856	190,020



CITY OF VALDEZ, ALASKA

Notes to Basic Financial Statements, Continued

Annual debt service requirements to maturity for the bonds follow:

Year Ending December 31,	General Obligation Bonds		
	Principal	Interest	Total
2025	\$ 4,810,000	1,719,178	6,529,178
2026	4,970,000	1,557,067	6,527,067
2027	5,150,000	1,377,688	6,527,688
2028	5,350,000	1,180,025	6,530,025
2029	5,555,000	974,562	6,529,562
2030-2034	20,455,000	1,869,350	22,324,350
2035	1,340,000	33,500	1,373,500
	<u>\$ 47,630,000</u>	<u>8,711,370</u>	<u>56,341,370</u>

Debt service payments on the general obligation bonds are made by the Debt Service Fund. The accrued leave is primarily liquidated by the General Fund.

Annual debt service requirements to maturity for the Clean Water Loan follow:

Year Ending December 31,	Clean Water Loan		
	Principal	Interest	Total
2025	\$ 29,149	5,702	34,851
2026	29,586	5,265	34,851
2027	30,030	4,821	34,851
2028	30,480	4,371	34,851
2029	30,937	3,914	34,851
2030-2034	161,789	12,465	174,254
2035-2036	68,164	1,537	69,701
	<u>\$ 380,135</u>	<u>38,075</u>	<u>418,210</u>

Debt service payments on the Clean Water Loan are made by the Utility Special Revenue Fund or Debt Service Fund.

## 7. Leases

Lease receivable: during the current year, the City, as lessor, held several multiple-year agreements to third parties for various nonfinancial assets. The length of the lease terms vary, and the City used an incremental borrowing rate of 5% when there was not a stated interest rate in the lease contract. The City received payments totaling \$412,842 for the year ended December 31, 2024. Total leases receivable as of December 31, 2024 were \$4,054,275. The City recognized deferred inflows of resources associated with the leases of \$3,896,217 as of December 31, 2024, that will be recognized as revenue over the remainder of the lease terms.

**8. Landfill Closure and Post-Closure Liability**

The City operates two landfills. One is a regular landfill and the other is a construction waste pit. State and federal laws and regulations require the City to place final covers on its landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date the landfills stop accepting waste, generally accepted accounting principles require that the City report a portion of these closure and post-closure care costs each period based on landfill capacity used as of each balance sheet date. In 2024, the City revised the estimated closure and post-closure costs of the landfill and construction waste pit. The revised estimates for total closure and post closure monitoring costs were \$7,259,421 and \$1,553,087, respectively, for the regular landfill and construction waste pit. To date, the City estimates that the landfill and construction waste pit are 28% and 43% full, respectively, representing a currently reported long-term liability of \$2,032,638 and \$667,827, respectively, for a total of \$2,700,465.

The City will recognize the remaining estimated cost of closure and post closure care of \$6,112,043 as the remaining expected available space is filled. These amounts are based on what it would cost to perform all closure and post closure care in 2024. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

At December 31, 2024, the City has assigned fund balance of \$2,700,465 in the General Fund to fund the cost of closure and post-closure monitoring. No assets have been restricted for this purpose.

**9. Related Party Transactions**

In the normal course of business, the City may contract for goods or services from vendors, or provide financial support to organizations whose shareholders, officers, or employees may also be associated with the City as an official, council member, or employee. Such transactions during 2024 aggregated to \$26,437.

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CITY OF VALDEZ, ALASKA

Notes to Basic Financial Statements, Continued

**10. Fund Balances**

Fund balances, reported in the City's individual major funds and nonmajor funds in the aggregate on the governmental funds balance sheet are subject to the following constraints:

	General Fund	Permanent Fund	Airport Special Revenue Fund	General City Capital Project Fund	Other Governmental Funds	Totals
Nonspendable -						
Prepaid items and inventory	\$ 535,675	-	6,761	-	98,581	641,017
Restricted:						
Permanent Fund - nonexpendable	-	290,017,147	-	-	-	290,017,147
Unspent Bond Proceeds	-	-	-	15,312,756	-	15,312,756
Donor restrictions - VMHAA	-	-	-	-	41,170	41,170
Total restricted	-	290,017,147	-	15,312,756	41,170	305,371,073
Committed:						
Working capital reserve	4,500,000	-	-	-	-	4,500,000
Consulting and contracts	1,999,941	99,500	-	2,649,258	111,950	4,860,649
Construction	-	-	-	2,886,267	-	2,886,267
Total committed	6,499,941	99,500	-	5,535,525	111,950	12,246,916
Assigned:						
Capital and capital reserves	61,621,689	-	-	1,433,368	-	63,055,057
Landfill closure costs	2,700,465	-	-	-	-	2,700,465
Debt service	-	-	-	-	4,980,603	4,980,603
Port	-	-	-	-	5,315,163	5,315,163
Utility	-	-	-	-	3,002,719	3,002,719
Airport	-	-	1,610,377	-	-	1,610,377
Harbor	-	-	-	-	2,540,140	2,540,140
Museum	-	-	-	-	425,812	425,812
Total assigned	64,322,154	-	1,610,377	1,433,368	16,264,437	83,630,336
Unassigned	12,693,263	-	-	-	-	12,693,263
Total fund balances	\$ 84,051,033	290,116,647	1,617,138	22,281,649	16,516,138	414,582,605

**11. Operating Agreement**

The City has a management and operating agreement with Providence Health and Services - Washington for \$200,000 per year effective January 1, 2015 through December 31, 2024.

## Notes to Basic Financial Statements, Continued

**12. Medical and Counseling Centers*****Net Patient Service Revenues***

The Providence Valdez Medical Center and Providence Counseling Center have agreements with governmental and other third-party payers that provide for payments at amounts different from its established charges. Payment arrangements for major third-party payers may be based on prospectively determined rates, reimbursed cost, discounted charges, or per diem payments.

Net patient service revenue is reported at the estimated net realizable amounts due from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

The mix of net patient charges for the Providence Valdez Medical Center and Providence Valdez Counseling Center Enterprise Funds for the year ended December 31, 2024 from significant third-party payers were as follows:

	Providence Valdez	
	Medical Center	Counseling Center
Medicare	21%	-
Medicaid	37%	29%
Commercial and other insurance	42%	71%
Total	100%	100%

***Operating Leases***

The Counseling Center leases various medical and office equipment under operating leases that expire in the next year, generally with no renewal or purchase options. Rental expense for all operating leases was approximately \$70,000 for the year ended December 31, 2024.

There are no future minimum lease commitments under noncancelable operating leases as of December 31, 2024 for the Counseling Center or the Medical Center.

***Litigation and Contingencies***

The healthcare industry is subject to numerous laws and regulations from federal, state, and local governments. Compliance with these laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. Government monitoring and enforcement activity continues with respect to investigations and allegations concerning possible violations by healthcare providers of regulations, which could result in the imposition of significant fines and penalties, as well as repayment of patient services previously billed.

Management is aware of certain asserted and unasserted legal claims and regulatory matters arising in the course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Medical Center's or the Counseling Center's future financial position or results of operations.

## Notes to Basic Financial Statements, Continued

**Related Party Transactions****(a) Payable to the Corporation**

The accounting, management, and human resource functions of the Counseling Center and the Medical Center are provided by Providence Health and Services (the Corporation). All receipts and payments on behalf of the Counseling Center and the Medical Center are received or made by the Corporation and are recorded in the accompanying Statement of Net Position. The amount payable to the Corporation at December 31, 2024 was approximately \$2,905,000 (Medical Center) and \$70,000 (Counseling Center). The Counseling Center and Medical Center also pay management fees to the Corporation. The amount paid to the Corporation for management fees for the year ended December 31, 2024 was approximately \$687,000 (Medical Center) and \$36,000 (Counseling Center).

**(b) Insurance Coverage**

The Counseling Center and Medical Center are covered for professional and general liability insurance on an occurrence basis through the Corporation's self-insurance programs. The charge by the Corporation for annual insurance expense was approximately \$12,000 (Counseling Center) and \$141,000 (Medical Center) for the year ended December 31, 2024.

**(c) Employee Benefits**

All employees are employed by the Corporation. The Counseling Center and the Medical Center are not liable for employee benefits including retirement plans and vacation and sick leave, except for the contribution allocation by the Corporation. The Counseling Center and the Medical Center's contribution to these pension plans for the year ended December 31, 2024 was \$33,000 (Counseling Center) and \$547,000 (Medical Center).

**13. Employee Retirement Systems and Plans**

The City follows *Governmental Accounting Standards Board (GASB) Codification P20*, Accounting for Pensions by State and Local Governmental Employees and *GASB Codification P50*, Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions. *GASB Codification P20* and *GASB Codification P50* establish uniform standards for the measurement, recognition, and display of pension and other post-employment benefits other than pensions (healthcare) expenditures/expense and related liabilities, assets, note disclosure and applicable required supplementary information in the financial reports of state and local governmental employers.

All full-time employees and certain permanent part-time employees of the City participate in the State of Alaska Public Employees' Retirement System (PERS). In addition to the pension plan, PERS also administers other post-employment benefit (OPEB) plans.

The system is governed by the Alaska Retirement Management Board. The benefit and contribution provisions are established by State law and may be amended only by the State legislature. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee.

*Summary of Significant Accounting Policies.* The financial statements for PERS are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value.

## Notes to Basic Financial Statements, Continued

PERS acts as the common investment and administrative agencies for the following multiple-employer plans:

<b>Plan Name</b>	<b>Type of Plan</b>
Defined Benefit Pension Plan (DB)	Cost-sharing, Defined Benefit Pension
Defined Contribution Pension Plan (DC)	Defined Contribution Pension
Defined Benefit Other Postemployment Benefits (OPEB):	
Occupational Death and Disability Plan	Cost-sharing, Defined Benefit OPEB
Alaska Retiree Healthcare Trust Plan	Cost-sharing, Defined Benefit OPEB
Retiree Medical Plan	Cost-sharing, Defined Benefit OPEB
Defined Contribution Other Postemployment Benefits (DC):	
Healthcare Reimbursement Arrangement Plan	Defined Contribution OPEB

### Plan Memberships

The table below includes the plan membership counts from the separately issued financial statements for the various plans:

	<b>PERS</b>
Retired plan members or beneficiaries	
currently receiving benefits	36,198
Inactive plan members entitled to but	
not yet receiving benefits	4,516
Inactive plan members not entitled to benefits	9,790
Active plan members	7,963
Total plan memberships	58,467

### Other Postemployment Benefit Plans (OPEB)

#### *Alaska Retiree Healthcare Trust Plan (ARHCT)*

Beginning July 1, 2007, the Alaska Retiree Healthcare Trust Plan (ARHCT), a Healthcare Trust Fund of the State, was established. The ARHCT is self-funded and provides major medical coverage to retirees of the System. The System retains the risk of loss of allowable claims for eligible members. The ARHCT began paying member healthcare claims on March 1, 2008. Prior to that, healthcare claims were paid for by the Retiree Health Fund (RHF). For the year ended June 30, 2025 employer contributions were 0.00% of annual payroll.

#### *Occupational Death and Disability Plan (ODD)*

The Occupational Death and Disability Plan provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within the System. For the year ended June 30, 2025 (latest available information) the employer contribution rate is 0.69% for peace officers and firefighters and 0.24% for all other members.

# CITY OF VALDEZ, ALASKA

## Notes to Basic Financial Statements, Continued

### *Retiree Medical Plan (RMP)*

The retiree medical plan provides major medical coverage to retirees of the DC plan. The plan is self-insured. Members are not eligible to use this plan until they have at least 10 years of service and are Medicare age eligible. For the year ended June 30, 2024 employer contributions were 0.83%.

### *Healthcare Reimbursement Arrangement Plan*

The Healthcare Reimbursement Arrangement Plan was established to allow medical expenses to be reimbursed from individual savings accounts established for eligible participants. Employer contributions are 3.00% of the average annual compensation of all employees in the plan.

### **Investments**

The Board is the investment oversight authority of the system's investments. As the fiduciary, the Board has the statutory authority to invest the assets under the Prudent Investor Rule. Fiduciary responsibility for the Board's invested assets is pursuant to AS 37.10.210.390.

State of Alaska Department of Treasury provides staff for the Board. Treasury has created a pooled environment by which it manages investments of the Board. Additionally, Treasury manages a mix of Pooled Investment Funds and Collective Investment Funds for the DC Participant-directed Pension plans under the Board's fiduciary responsibility.

### **Rate of Return**

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual weighted rate of return, net of investment expense, for the year ended June 30, 2024 (latest available report) for the DB Plans for PERS are: DB Pension 8.75%, ARHCT 8.89%, ODD 9.01%, and RMP is 9.02%.

For additional information on securities lending, interest rates, credit risks, foreign exchange, derivatives, fair value, and counterparty credit risks, see the separately issued report on the Invested Assets of the State of Alaska Retirement and Benefits Plans at:

<http://treasury.dor.alaska.gov/armb/Reports-and-Policies/Annual-Audited-Financial-Schedules.aspx>.

The long-term expected rate of return on pension and OPEB plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class are summarized below for the PERS plan (rates shown below exclude an annual inflation component of 2.39%):

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	5.48%
Global Equity (ex-U.S.)	7.14%
Global Equity	5.79%
Aggregate Bonds	2.10%
Real Assets	4.63%
Private Equity	8.84%
Cash Equivalents	0.77%

## Notes to Basic Financial Statements, Continued

*Discount Rate:* The discount rate used to measure the total pension and OPEB liabilities and assets is 7.25%. The projection of the cash flows used to determine the discount rate assumes that Employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the net pension and OPEB plans fiduciary net pension and OPEB liabilities and assets were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments were applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities and assets. In the event benefit payments are not covered by the plan's fiduciary net position, a municipal bond rate would be used to discount the benefits not covered by the plan's fiduciary net position. The S&P Municipal Bond 20-Year High Grade Index rate was 4.21% as of June 30, 2024.

*Employer and Other Contribution Rates.* There are several contribution rates associated with the pension and healthcare contributions and related liabilities. These amounts are calculated on an annual basis.

*Employer Effective Rate:* This is the actual employer pay-in rate. Under current legislation, this rate is statutorily capped at 22% of eligible wages, subject to the salary floor, and other termination costs as described below. This rate is calculated on all PERS participating wages, including those wages attributable to employees in the defined benefit plan.

*ARM Board Adopted Rate:* This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Prior to June 30, 2014, there were no constraints or restrictions on the actuarial cost method or other assumptions used in the ARM Board valuation. Starting on June 30, 2014, the State of Alaska requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25 year term. Effective June 30, 2018, each future year's unfunded service liability is separately amortized on a level percent of pay basis over 25 years.

*On-behalf Contribution Rate:* This is the rate paid in by the State as an on-behalf payment as mandated under current statute. Under state law, subject to annual appropriation, the state will contribute an on-behalf payment into the plan in an amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. On-behalf contribution amounts have been recognized in these financial statements as both revenue and expenditures.

*GASB Rate:* This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes. Certain actuarial methods and assumptions for this rate calculation are mandated by the *Governmental Accounting Standards Board* (GASB). Medicare Part D subsidies are not reflected in this rate. The rate uses a 7.25% discount rate.



CITY OF VALDEZ, ALASKA

Notes to Basic Financial Statements, Continued

Employer Contribution rates for the plan year ended 2024 are as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
PERS:			
Pension	22.00%	26.76%	4.76%
OPEB	0.00%	0.00%	0.00%
Total PERS contribution rates	22.00%	26.76%	4.76%

*Termination Costs:* If the City decides to terminate coverage for a department, group, or other classification of members, even if that termination results from the decision to divest of a particular City function, all affected employees in that department, group, or other classification of members become immediately vested in the plan. The City must pay to have a termination study completed. The purpose of the study is to calculate the City's one-time termination costs. The costs represent the amount necessary to fully fund the costs of plan members who become vested through this process and for other changes in actuarial assumptions, such as, earlier than expected retirement, that arise from the act of termination of coverage. The City must pay a lump sum within 60 days of termination or arrange a payment plan that is acceptable to the PERS Administrator. For the fiscal year 2025, the past service rate for PERS is 17.88%.

*Actuarial Assumptions:* The total pension and OPEB liabilities on June 30, 2024 (latest available) were determined by an actuarial valuation as of June 30, 2023 which was rolled forward to the measurement date June 30, 2024. These actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021.

Inflation	2.50% annually
Salary Increases	Increases range from 2.85% to 8.50% based on service.
Investment return / discount rate	7.25%, net of expenses based on average inflation of 2.50% and a real return of 4.75%.
Mortality	Based upon 2017-2021 actual experience study and applicable tables contained in Pub-2010, projected with MP-2021 generational improvement.
Healthcare cost trend rates	Pre-65 medical: 6.4% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Rx/EGWP: 6.9% grading down to 4.5%. Initial trend rates are for FY2025 Ultimate trend rates reached in FY2050.

## Notes to Basic Financial Statements, Continued

The actuarial assumptions used in the June 30, 2023 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The new demographic and economic assumptions were adopted by the Board at the June 2022 meeting to better reflect expected future experience and were effective for the June 30, 2022 actuarial valuation. For the ARHCT and RM plan, the per capita claims costs were updated to reflect recent experience for the June 30, 2023 actuarial valuation.

The changes of assumptions from the latest experience study significantly reduced deferred inflows of resources attributable to the City, as well as a net OPEB benefit recognized by the City for the State's proportionate share of OPEB plan expense attributable to the City. In some instances the reduction of revenues and expenses reported for the State's proportionate share of OPEB plan expense attributable to the City creates a net negative Pension/OPEB expense (net pension/OPEB benefit) which results in negative operating grants and contributions for certain functions reported on the Statement of Activities.

**Alaska Public Employee Retirement System (PERS) – Defined Benefit Plan (DB)**

*Plan Description.* The City participates in the Alaska Public Employees' Retirement System (PERS), a cost sharing multiple employer defined benefit pension plan. PERS provides retirement benefits, disability and death benefits, and post-employment healthcare to plan members and beneficiaries. The Plan was established and is administered by the State of Alaska, Department of Administration. The Public Employee's Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for PERS. This report may be obtained from the system at Pouch C, Juneau, Alaska 99811 or online at: <http://doa.alaska.gov/drb/pers>.

*Pension Benefits.* All tier employee benefits vest with five years of credited service. There are three tiers of employees based on entry date. Tier I employees enrolled prior to July 1, 1986, with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 55 or early retirement age 50. For Tier II and III employees enrolled after June 30, 1986, but before July 1, 2006, the normal and early retirement ages are 60 and 55, respectively. All tier employees with 30 or more years of credited service may retire at any age and receive a normal benefit.

The PERS defined benefit plan is closed to new hires enrolled on or after July 1, 2006. New hires after this date participate in the PERS defined contribution plan (DC) described later in these notes.

Currently there are 150 employers participating in PERS defined benefit pension plan and 151 participating in PERS defined contribution pension and OPEB plans.

Retirement benefits are calculated by multiplying the average monthly compensation (AMC) times credited PERS service times the percentage multiplier. The AMC is determined by averaging the salaries earned during the five highest (three highest for peace officers/firefighters members or members hired prior to July 1, 1996) consecutive payroll years. Members must earn at least 115 days of credit in the last year worked to include it in the AMC calculation. The PERS pays a minimum benefit of \$25 per month for each year of service when the calculated benefit is less.

# CITY OF VALDEZ, ALASKA

## Notes to Basic Financial Statements, Continued

The percentage multipliers for peace officers/firefighters are 2% for the first ten years of service and 2.5% for all service over 10 years. The percentage multipliers for all other participants are 2% for the first ten years, 2.25% for the next ten years, and 2.5% for all remaining service earned on or after July 1, 1986. All service before that date is calculated at 2%.

Post-employment healthcare benefits are provided without cost to all members first enrolled before July 1, 1986. Members first enrolled after June 30, 1986, but before July 1, 2006, and who have not reached age 60 may elect to pay for major medical benefits.

*Post Retirement Pension Adjustments.* The plan has two types of postretirement pension adjustments (PRPA). The automatic PRPA is issued annually to all eligible benefit recipients, when the cost of living increases in the previous calendar year. The discretionary PRPA may be granted to eligible recipients by the DB Plan's administrator if the funding ratio of the DB Plan meets or exceeds 105%. If both an automatic and discretionary PRPA are granted, the retiree is eligible for both adjustments, the one that provides the retiree with the greatest benefit will be paid.

*Funding Policy.* In April 2008 the Alaska Legislature passed legislation which statutorily capped the employer contribution, established a state funded "on-behalf" contribution, and required that employer contributions be calculated against all PERS eligible wages, including wages paid to participants of the PERS Tier IV defined contribution plan (DC) described later in these footnotes. The state legislature capped the rate at 22%, with the State contributing an on-behalf payment for the difference between the actuarial contribution and the cap.

*Salary Floor.* During the 25<sup>th</sup> legislation session, Senate Bill 125 passed, which established a June 30, 2008 salary floor under AS 39.35.255(a)(2). The salary floor is the total base salaries paid by an employer to active employees of the system as of the fiscal year ending June 30, 2008. The statute requires the Division of Retirement and Benefits (Division) to collect employer contributions at a minimum based on FY 2008 base salaries.

*Employee Contribution Rate.* PERS active members are required to contribute 6.75%, 7.50% for peace officers and firefighters, and 9.60% for certain school district employees.

Employer contributions for the year ended December 31, 2024, were:

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$	<u>2,105,097</u>	<u>135,371</u>	<u>2,240,468</u>

### Public Employees Retirement Plans

For the year ended December 31, 2024 the State of Alaska contributed \$501,381 (100% pension cost) on-behalf of the City, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2024 to a total of \$1,278,551 to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

CITY OF VALDEZ, ALASKA

Notes to Basic Financial Statements, Continued

*Pension and OPEB Liabilities and Assets, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB:* At December 31, 2024, the City reported liabilities and assets that reflected a reduction for State pension and OPEB support provided to the City. The amount recognized by the City as its proportionate share of net pension and OPEB liabilities (assets), the related State support, and the total portion of the net pension and OPEB liabilities (assets) that were associated with the City were as follows:

Defined Benefit:	Pension
City's proportionate share of the net pension liability	\$ 19,375,861
State's proportionate share of the net pension liability	7,245,457
Total	<u>\$ 26,621,318</u>
	OPEB
City's proportionate share of the ARHCT OPEB liability	\$ (7,797,374)
State's proportionate share of the ARHCT OPEB liability (asset)	(2,896,331)
Total	<u>\$ (10,693,705)</u>
City's proportionate share of the ODD OPEB liability (asset)	<u>\$ (326,480)</u>
City's proportionate share of the RMP OPEB liability (asset)	<u>\$ (251,205)</u>
Total City's share of net pension and OPEB liabilities and assets	<u>\$ 11,000,802</u>

The net pension and OPEB liabilities and assets were determined by an actuarial valuation as of June 30, 2023, rolled forward to the measurement date of June 30, 2024 and adjusted to reflect updated assumptions. The City's proportion of the net pension and OPEB liabilities and assets were based on the present value of contributions for the fiscal years ending FY2026 through FY2039, as determined by projections based on the June 30, 2023 valuation.

The City's proportionate share and changes in the pension and OPEB liabilities and assets were as follows:

	June 30, 2024 Measurement	June 30, 2023 Measurement	Change
Pension	0.35328%	0.35299%	0.00029%
OPEB:			
ARHCT	0.35408%	0.35220%	0.00188%
ODD	0.54687%	0.55774%	(0.01087%)
RMP	0.53889%	0.53692%	0.00197%

CITY OF VALDEZ, ALASKA

Notes to Basic Financial Statements, Continued

Based on the measurement date of June 30, 2024, the City recognized pension and OPEB expense of \$4,571,350 and \$476,591, respectively, for the year ended December 31, 2024. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	\$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	186,522	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	1,055,596	-
Total	\$ 1,242,118	-
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,224	-
Changes of assumptions	209,348	-
Net difference between projected and actual earnings on OPEB plan investments	118,740	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	(7,689)
City contributions subsequent to the measurement date	-	-
Total	\$ 332,312	(7,689)

CITY OF VALDEZ, ALASKA

Notes to Basic Financial Statements, Continued

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(76,481)
Changes of assumptions	-	(808)
Net difference between projected and actual earnings on OPEB plan investments	1,043	-
Changes in proportion and differences between City contributions and proportionate share of contributions	8,533	(7,023)
City contributions subsequent to the measurement date	17,426	-
Total	\$ 27,002	(84,312)

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,322	(27,918)
Changes of assumptions	85,005	(168,872)
Net difference between projected and actual earnings on OPEB plan investments	3,545	-
Changes in proportion and differences between City contributions and proportionate share of contributions	2,906	(1,075)
City contributions subsequent to the measurement date	44,432	-
Total	\$ 142,210	(197,865)

\$1,055,596 and \$61,858 are reported as deferred outflows of resources related to pension and OPEB resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liabilities and as an increase to the net pension and OPEB assets in the year ended December 31, 2025, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be recognized in pension and OPEB expense as follows:

Year Ended December 31,	Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2025	\$ (519,307)	(232,432)	(23,307)	(34,100)
2026	966,780	786,456	(11,959)	1,798
2027	(142,709)	(126,052)	(15,010)	(36,527)
2028	(118,242)	(103,349)	(12,212)	(25,653)
2029	-	-	(7,348)	(14,509)
Thereafter	-	-	(4,900)	8,904
Total	\$ 186,522	324,623	(74,736)	(100,087)

## Notes to Basic Financial Statements, Continued

For the year ended December 31, 2024, the City recognized \$292,161 and \$34,784 of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

*Sensitivity of the Net Pension and OPEB Liabilities and Assets to Changes in the Discount Rate:* The following presents the net pension and OPEB liabilities and assets of the plan calculated using the discount rate of 7.25%, as well as what the Plans' net pension and OPEB liabilities and assets would be if they were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 25,810,471	19,375,861	13,930,639
Net OPEB ARHCT (asset)	\$ (4,937,177)	(7,797,374)	(10,204,291)
Net OPEB ODD (asset)	\$ (306,656)	(326,480)	(342,016)
Net OPEB RMP liability (asset)	\$ 43,516	(251,205)	(476,468)

*Sensitivity of the City's proportionate share of the Net OPEB liability and assets to changes in the healthcare cost trend rates.* The following present the City's proportionate share of the net OPEB liability (asset), as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Rate	1% Increase
Net OPEB ARHCT (asset)	\$ (10,479,079)	(7,797,374)	(4,611,692)
Net OPEB ODD (asset)	\$ N/A	(326,480)	N/A
Net OPEB RMP liability (asset)	\$ (506,199)	(251,205)	90,944

#### Alaska Public Employee Retirement System (PERS) – Defined Contribution Plan (DC)

*Plan Description and Funding Requirements.* Cities and Public Employers in the State of Alaska have a defined contribution retirement plan (PERS Tier IV) for new hires first enrolled on or after July 1, 2006. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plan noted above. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee. Plan members make mandatory contributions of 8.00% of gross eligible compensation. This amount goes directly to the individual's account. State statutes require the employer to contribute 5.00% of employees' eligible compensation. Additionally, employers are required to contribute to OPEB (DB): 0.83% for the retiree medical plan (DB), 0.24% and 0.69% (peace officers) for occupational and death and disability benefits (DB) and 3.00% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The effective employer contribution is capped at 22.00% with anything in excess of the previously listed rates being contributed to the Defined Benefit Unfunded Liability (DBUL).

Plan members are 100% vested with their contributions.

## Notes to Basic Financial Statements, Continued

Members become vested in employers' contributions as follows:

- 2 years of service – 25%
- 3 years of service – 50%
- 4 years of service – 75%
- 5 years of service – 100%

The City contributed \$783,873 for the year ended December 31, 2024, which included forfeitures of \$34,457 which have been applied as employer contributions.

#### 14. Health Insurance Internal Service Fund

The Health Insurance Internal Service Fund was organized in 1991. The City of Valdez and Valdez City School District have entered into a joint arrangement for self-insuring for health insurance. The program's general objectives are to formulate, develop and administer a program of health insurance and to obtain lower costs for that coverage. The City and School also purchase commercial insurance to provide coverage for claims in excess of \$175,000 per employee per year. The various funds of the City and School make payments to the Internal Service Fund based on estimates of the amounts needed to pay claims. The City accrues a liability for estimated claims incurred but not reported at year end. The liability is based on actual incurred costs paid through March 31st of the subsequent year, plus an estimate of additional costs incurred but not reported based on prior year experience. Changes in the claims payable for 2024 and 2023 are as follows:

Claims payable, December 31, 2022	\$	1,391,223
2023 claims and changes in estimates		6,912,386
2023 claims paid		<u>(6,642,888)</u>
Claims payable, December 31, 2023	\$	1,660,721
2024 claims and changes in estimates		8,103,854
2024 claims paid		<u>(7,811,661)</u>
Claims payable, December 31, 2024	\$	<u>1,952,914</u>

#### 15. Risk Management

The City faces a considerable number of risks of loss, including (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability; i.e., errors and omissions, (d) environmental damage, (e) workers' compensation; i.e., employee injuries, and (f) general liability i.e. personal injuries. Commercial policies, transferring these risks of loss, except for relatively small deductible amounts, are purchased for certain property, port, and boiler and machinery. The City has no coverage for potential losses from environmental damages. Coverage limits and deductibles on the commercial policies have stayed relatively constant for the last several years. Settled claims have not exceeded commercial insurance coverage in any of the past three years.



## Notes to Basic Financial Statements, Continued

The City is a member of the Alaska Public Entity Insurance (APEI), a joint insurance association. The mission of the Alaska Public Entity Insurance is to provide its members with stable, affordable insurance, broad insurance coverage, and effective risk management services to ensure that maximum funds are available for local government and education programs. APEI is recognized by the Association of Government Risk Pools (AGRIP). The APEI provides the City coverage for property, including building and contents, automobiles, mobile equipment and data processing equipment; casualty, including general liability, public officials and employee liability, law enforcement professional liability, and auto liability; commercial blanket bond; and workers' compensation.

The APEI is a public entity risk pool organized to share risks among its members. Funds in excess of expenses and costs of risk management activities and reasonable reserves, including reserves for contingencies, reserves required by excess insurers or reinsurers, reserves as part of a surplus goal or as required by law, may be used to reduce the cost of insurance or increase risk protection for the members; excess funds may be distributed to the members as provided in APEI's bylaws. Coverage limits and the deductibles on the policies have stayed relatively constant for the past few years.

## 16. Contingencies

From time to time, and in the normal course of business, the City is involved in numerous legal and administrative actions. Final resolutions of these actions cannot be determined at this time. Management does not believe any of these items represents a material risk of loss to the City.

## 17. Subsequent Accounting Pronouncements

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

- GASB 102 *Certain Risk Disclosures*. Effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.
- GASB 103 *Financial Reporting Model Improvements*: Effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.
- GASB 104 *Disclosure of Certain Capital Assets*: Effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 102 will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

GASB Statement No. 103 will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The changes primarily include updates to three key areas: management's discussion and analysis, presentation of proprietary fund financial statements, and budgetary comparison information. This Statement also addresses certain application issues.

Notes to Basic Financial Statements, Continued

GASB Statement No. 104 establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures. The Statement also establishes requirements for capital assets held for sale and requires additional disclosures for those capital assets. Under the guidance, a capital asset is a capital asset held for sale if: (a) the government has decided to pursue the sale of the asset, and (b) it is probable the sale will be finalized within a year of the financial statement date. A government should disclose the historical cost and accumulated depreciation of capital assets held for sale, by major class of asset.

## **REQUIRED SUPPLEMENTARY INFORMATION**

## CITY OF VALDEZ, ALASKA

## General Fund

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

Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenues:				
Local sources:				
Taxes	\$ 50,075,360	50,075,360	51,672,226	1,596,866
Licenses and permits	2,100	2,100	1,735	(365)
Fines and forfeitures	4,000	7,850	15,188	7,338
Charges for services	191,147	191,146	323,357	132,211
Sales and leases	601,980	601,980	451,283	(150,697)
Contributions and donations	194	15,335	28,729	13,394
Investment income	3,195,000	3,195,000	4,448,984	1,253,984
Other	102,415	109,916	293,228	183,312
Intergovernmental:				
State of Alaska	995,202	1,041,666	1,539,834	498,168
Federal sources	2,321,769	2,806,992	2,248,470	(558,522)
Total revenues	<u>57,489,167</u>	<u>58,047,345</u>	<u>61,023,034</u>	<u>2,975,689</u>
Expenditures:				
Current:				
General government	17,260,036	17,640,388	18,750,120	(1,109,732)
Public safety	9,645,391	9,812,850	9,434,116	378,734
Public works	8,559,288	8,588,654	7,848,644	740,010
Public service	7,954,876	7,919,662	5,084,109	2,835,553
Education	12,138,393	12,138,393	12,083,218	55,175
Capital outlay	1,564,642	7,572,434	5,987,324	1,585,110
Total expenditures	<u>57,122,626</u>	<u>63,672,381</u>	<u>59,187,531</u>	<u>4,484,850</u>
Excess (deficiency) of revenues over expenditures	<u>366,541</u>	<u>(5,625,036)</u>	<u>1,835,503</u>	<u>7,460,539</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	338,421	338,421
Transfers in	11,834,165	11,834,165	6,362,500	(5,471,665)
Transfers out	(508,118)	(1,689,071)	(6,889,412)	(5,200,341)
Net other financing sources (uses)	<u>11,326,047</u>	<u>10,145,094</u>	<u>(188,491)</u>	<u>(10,333,585)</u>
Net change in fund balance	<u>\$ 11,692,588</u>	<u>4,520,058</u>	<u>1,647,012</u>	<u>(2,873,046)</u>
Fund balance, beginning of year			<u>82,404,021</u>	
Fund balance, end of year			<u>\$ 84,051,033</u>	

See accompanying notes to required supplementary information.

CITY OF VALDEZ, ALASKA

Schedule of City's Proportionate Share of the Net Pension Liability

Public Employees' Retirement System (PERS)

December 31, 2024

Year	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.2523%	\$ 12,238,375	\$ 3,277,702	\$ 15,516,077	\$ 7,114,242	172.03%	62.37%
2016	0.3053%	\$ 17,065,650	\$ 2,151,591	\$ 19,217,241	\$ 7,464,038	228.64%	63.96%
2017	0.2670%	\$ 13,803,406	\$ 5,142,220	\$ 18,945,626	\$ 8,955,195	154.14%	59.55%
2018	0.2955%	\$ 14,683,664	\$ 4,251,031	\$ 18,934,695	\$ 9,493,185	154.68%	63.37%
2019	0.2669%	\$ 14,611,239	\$ 5,803,045	\$ 20,414,284	\$ 9,528,041	153.35%	65.19%
2020	0.3265%	\$ 19,269,640	\$ 7,973,318	\$ 27,242,958	\$ 9,980,182	193.08%	63.42%
2021	0.4022%	\$ 14,753,409	\$ 1,997,791	\$ 16,751,200	\$ 10,454,068	141.13%	61.61%
2022	0.3770%	\$ 19,216,123	\$ 5,319,942	\$ 24,536,065	\$ 11,364,932	169.08%	76.46%
2023	0.3530%	\$ 18,303,073	\$ 6,100,658	\$ 24,403,731	\$ 11,767,118	155.54%	67.97%
2024	0.3533%	\$ 19,375,861	\$ 7,245,457	\$ 26,621,318	\$ 12,844,350	150.85%	68.23%

See accompanying notes to Required Supplementary Information.

## CITY OF VALDEZ, ALASKA

## Schedule of City's Proportionate Share of the Net OPEB Liability (Asset)

## Public Employees' Retirement System (PERS)

December 31, 2024

Year	City's Proportion of the Net OPEB Liability (Asset)	City's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
<b>Alaska Retiree Healthcare Trust Plan (ARHCT):</b>							
2018	0.2955%	\$ 3,031,921	\$ 879,849	\$ 3,911,770	\$ 9,493,185	31.94%	89.68%
2019	0.2669%	\$ 396,027	\$ 157,417	\$ 553,444	\$ 9,528,041	4.16%	88.12%
2020	0.3265%	\$ (1,478,526)	\$ (613,390)	\$ (2,091,916)	\$ 9,980,182	-14.81%	98.13%
2021	0.4038%	\$ (10,359,701)	\$ (1,359,570)	\$ (11,719,271)	\$ 10,454,068	-99.10%	106.15%
2022	0.3745%	\$ (7,369,339)	\$ (2,105,525)	\$ (9,474,864)	\$ 11,364,932	-64.84%	135.54%
2023	0.3522%	\$ (8,103,027)	\$ (2,729,127)	\$ (10,832,154)	\$ 11,767,118	-68.86%	128.51%
2024	0.3541%	\$ (7,797,374)	\$ (2,896,331)	\$ (10,693,705)	\$ 12,844,350	-60.71%	133.96%
<b>Occupational Death and Disability (ODD):</b>							
2018	0.5067%	\$ (98,402)	\$ -	\$ (98,402)	\$ 9,493,185	-1.04%	212.97%
2019	0.5769%	\$ (139,871)	\$ -	\$ (139,871)	\$ 9,528,041	-1.47%	270.62%
2020	0.5601%	\$ (152,673)	\$ -	\$ (152,673)	\$ 9,980,182	-1.53%	297.43%
2021	0.5754%	\$ (253,595)	\$ -	\$ (253,595)	\$ 10,454,068	-2.43%	283.80%
2022	0.5492%	\$ (240,752)	\$ -	\$ (240,752)	\$ 11,364,932	-2.12%	374.22%
2023	0.5577%	\$ (286,142)	\$ -	\$ (286,142)	\$ 11,767,118	-2.43%	348.80%
2024	0.5469%	\$ (326,480)	\$ -	\$ (326,480)	\$ 12,844,350	-2.54%	349.24%
<b>Retiree Medical Plan (RMP):</b>							
2018	0.5067%	\$ 64,472	\$ -	\$ 64,472	\$ 2,320,134	2.78%	93.98%
2019	0.5532%	\$ 132,346	\$ -	\$ 132,346	\$ 2,328,653	5.68%	88.71%
2020	0.5507%	\$ 39,059	\$ -	\$ 39,059	\$ 2,439,400	1.60%	83.17%
2021	0.5635%	\$ (151,245)	\$ -	\$ (151,245)	\$ 3,793,495	-3.99%	92.23%
2022	0.5368%	\$ (186,445)	\$ -	\$ (186,445)	\$ 2,898,659	-6.43%	115.10%
2023	0.5369%	\$ (254,949)	\$ -	\$ (254,949)	\$ 2,957,514	-8.62%	120.08%
2024	0.5389%	\$ (251,205)	\$ -	\$ (251,205)	\$ 3,264,568	-7.69%	124.29%

See accompanying notes to Required Supplementary Information.

## CITY OF VALDEZ, ALASKA

## Schedule of City's Contributions (Pensions)

## Public Employees' Retirement System (PERS)

December 31, 2024

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 777,732	\$ (777,732)	\$ -	\$ 7,464,038	10.42%
2016	\$ 879,783	\$ (879,783)	\$ -	\$ 8,955,195	9.82%
2017	\$ 1,073,998	\$ (1,073,998)	\$ -	\$ 9,493,185	11.31%
2018	\$ 1,107,841	\$ (1,107,841)	\$ -	\$ 9,528,041	11.63%
2019	\$ 1,130,178	\$ (1,127,992)	\$ 2,186	\$ 9,980,182	11.32%
2020	\$ 1,313,298	\$ (1,315,131)	\$ (1,833)	\$ 10,454,068	12.56%
2021	\$ 1,523,933	\$ (1,524,286)	\$ (353)	\$ 11,364,932	13.41%
2022	\$ 1,710,740	\$ (1,711,715)	\$ (975)	\$ 11,767,118	14.54%
2023	\$ 1,970,643	\$ (1,969,668)	\$ 975	\$ 12,844,350	15.34%
2024	\$ 2,078,602	\$ (2,105,097)	\$ (26,495)	\$ 13,747,005	15.12%

See accompanying notes to Required Supplementary Information.

## CITY OF VALDEZ, ALASKA

## Schedule of City's Contributions (OPEB)

## Public Employees' Retirement System (PERS)

December 31, 2024

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
<b>Alaska Retiree Healthcare Trust Plan (ARHCT):</b>					
2018	\$ 360,087	\$ (360,087)	\$ -	\$ 9,528,041	3.78%
2019	\$ 428,600	\$ (428,600)	\$ -	\$ 9,980,182	4.29%
2020	\$ 342,650	\$ (342,650)	\$ -	\$ 10,454,068	3.28%
2021	\$ 209,255	\$ (209,255)	\$ -	\$ 11,364,932	1.84%
2022	\$ 110,820	\$ (110,820)	\$ -	\$ 11,767,118	0.94%
2023	\$ 140	\$ (140)	\$ -	\$ 12,844,350	0.00%
2024	\$ -	\$ -	\$ -	\$ 13,747,005	0.00%
<b>Occupational Death and Disability (ODD):</b>					
2018	\$ 17,498	\$ (17,498)	\$ -	\$ 9,528,041	0.18%
2019	\$ 23,804	\$ (23,804)	\$ -	\$ 9,980,182	0.24%
2020	\$ 27,547	\$ (27,547)	\$ -	\$ 10,454,068	0.26%
2021	\$ 31,117	\$ (31,117)	\$ -	\$ 11,364,932	0.27%
2022	\$ 32,193	\$ (32,193)	\$ -	\$ 11,767,118	0.27%
2023	\$ 34,951	\$ (34,951)	\$ -	\$ 12,844,350	0.27%
2024	\$ 37,320	\$ (37,320)	\$ -	\$ 13,747,005	0.27%
<b>Retiree Medical Plan (RMP):</b>					
2018	\$ 60,557	\$ (60,557)	\$ -	\$ 2,328,653	2.60%
2019	\$ 78,576	\$ (78,576)	\$ -	\$ 2,439,400	3.22%
2020	\$ 103,668	\$ (103,668)	\$ -	\$ 3,793,495	2.73%
2021	\$ 97,922	\$ (97,922)	\$ -	\$ 2,898,659	3.38%
2022	\$ 93,915	\$ (93,915)	\$ -	\$ 2,957,514	3.18%
2023	\$ 102,793	\$ (102,793)	\$ -	\$ 3,264,568	3.15%
2024	\$ 98,051	\$ (98,051)	\$ -	\$ 3,563,059	2.75%

See accompanying notes to Required Supplementary Information.



# CITY OF VALDEZ, ALASKA

## Notes to Required Supplementary Information

December 31, 2024

### 1. General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance

#### Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. The City follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to November 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to December 20, the budget is legally enacted through passage of a resolution. If no Council action is taken, the City Manager's budget becomes the actual budget. Annual budgets are legally adopted for the General, most Special Revenue, Debt Service, and Capital Project Funds. A budget was not adopted for the Self Insurance Internal Service Fund and Permanent Fund.
4. The City Manager is authorized to transfer budgeted amounts within departments; however, any revisions that alter the total expenditures of any fund or department within a fund must be approved by the City Council. Expenditures may not legally exceed appropriations on the department level (Administration, Finance, etc.).
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.
6. Appropriations lapse at the end of the year except for capital expenditures, certain contractual appropriations and reserves.

### 2. Public Employees' Retirement System

#### Schedule of City's Proportionate Share of Net Pension and OPEB Liability (Asset)

The table is presented based on the Plan measurement date which is six months prior to fiscal year end for all years presented.

#### Changes in Actuarial Assumptions, Methods, and Benefits Since the Prior Valuation

##### *Defined Benefit Pension and Postemployment Healthcare Benefit Plan*

- a) **Changes in Methods Since the Prior Valuation – June 30, 2022 to June 30, 2023**  
There were no changes in asset and valuation methods since the prior valuation.
- b) **Changes in Assumptions Since the Prior Valuation – June 30, 2022 to June 30, 2023**  
Healthcare claim costs are updated for each valuation. The amounts included in the Normal Cost for the administrative expenses were updated based on the last two years of actual administrative expenses paid from plan assets. There were no other changes in actuarial assumptions since the prior valuation.
- c) **Changes in Benefit Provisions Since the Prior Valuation – June 30, 2022 to June 30, 2023**  
There have been no changes in benefit provisions valued since the prior valuation.

Notes to Required Supplementary Information, Continued

*Defined Contribution Occupational Death and Disability and Retiree Medical Benefits Plan*

**a) Changes in Methods Since the Prior Valuation – June 30, 2022 to June 30, 2023**

There were no changes in asset and valuation methods since the prior valuation.

**b) Changes in Assumptions Since the Prior Valuation – June 30, 2022 to June 30, 2023**

Healthcare claim costs are updated for each valuation. The amounts included in the Normal Cost for the administrative expenses were updated based on the last two years of actual administrative expenses paid from plan assets. There were no other changes in actuarial assumptions since the prior valuation.

**c) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2022 to June 30, 2023**

There have been no changes in benefit provisions valued since the prior valuation.

The GASB requires ten years of information be presented. However, until a full ten years of information is available, the City will present only those years for which information is available.

**Schedule of City Contributions (Pension) and (OPEB)**

The table valuation date is June 30, 2023 which was rolled forward to June 30, 2024. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

## **SUPPLEMENTARY INFORMATION**

## CITY OF VALDEZ, ALASKA

## General Fund

## Combining Balance Sheet

December 31, 2024

<u>Assets</u>	<u>General Fund</u>	<u>Reserve Fund</u>	<u>Total General Fund</u>
Cash and investments	\$ 20,331,124	65,411,136	85,742,260
Receivables, net of allowance for uncollectible accounts:			
Property taxes	164,151	-	164,151
Assessments	3,989	-	3,989
Grants and shared revenues	167,382	-	167,382
Accounts, net	85,729	7,600	93,329
Accrued interest	136,089	454,532	590,621
Leases	3,098,219	-	3,098,219
Prepaid items	420,969	114,706	535,675
Total assets	<u>\$ 24,407,652</u>	<u>65,987,974</u>	<u>90,395,626</u>
 <b><u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u></b>			
Liabilities:			
Accounts payable	\$ 781,751	180,671	962,422
Accrued payroll liabilities	1,381,357	-	1,381,357
Customer deposits	12,700	-	12,700
Unearned revenue	30,945	818,228	849,173
Total liabilities	<u>2,206,753</u>	<u>998,899</u>	<u>3,205,652</u>
Deferred inflows of resources:			
Unavailable revenues:			
Deferred taxes and assessments	138,648	-	138,648
Leases	3,000,293	-	3,000,293
Total deferred inflows of resources	<u>3,138,941</u>	<u>-</u>	<u>3,138,941</u>
Total liabilities and deferred inflows of resources	<u>5,345,694</u>	<u>998,899</u>	<u>6,344,593</u>
Fund balances:			
Nonspendable	420,969	114,706	535,675
Committed	5,074,093	1,425,848	6,499,941
Assigned	873,633	63,448,521	64,322,154
Unassigned	12,693,263	-	12,693,263
Total fund balances	<u>19,061,958</u>	<u>64,989,075</u>	<u>84,051,033</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 24,407,652</u>	<u>65,987,974</u>	<u>90,395,626</u>

## CITY OF VALDEZ, ALASKA

## General Fund

## Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Year Ended December 31, 2024

	<u>General Fund</u>	<u>Reserve Fund</u>	<u>Eliminations</u>	<u>Total General Fund</u>
Revenues:				
Local sources:				
Taxes	\$ 51,672,226	-	-	51,672,226
Licenses and permits	1,735	-	-	1,735
Fines and forfeitures	15,188	-	-	15,188
Charges for services	323,357	-	-	323,357
Sales and leases	451,283	-	-	451,283
Contributions and donations	28,729	-	-	28,729
Investment income	950,467	3,498,517	-	4,448,984
Other	293,228	-	-	293,228
Intergovernmental:				
State of Alaska	1,517,324	22,510	-	1,539,834
Federal sources	2,122,444	126,026	-	2,248,470
Total revenues	<u>57,375,981</u>	<u>3,647,053</u>	<u>-</u>	<u>61,023,034</u>
Expenditures:				
Current:				
General government	16,407,743	2,342,377	-	18,750,120
Public safety	8,453,945	980,171	-	9,434,116
Public works	7,691,462	157,182	-	7,848,644
Public service	4,244,959	839,150	-	5,084,109
Education	12,083,218	-	-	12,083,218
Capital outlay	-	5,987,324	-	5,987,324
Total expenditures	<u>48,881,327</u>	<u>10,306,204</u>	<u>-</u>	<u>59,187,531</u>
Excess (deficiency) of revenues over expenditures	8,494,654	(6,659,151)	-	1,835,503
Other financing sources (uses):				
Proceeds from sale of capital assets	-	338,421	-	338,421
Transfers in	10,020,753	13,732,787	(17,391,040)	6,362,500
Transfers out	(19,739,452)	(4,541,000)	17,391,040	(6,889,412)
Net other financing sources (uses)	<u>(9,718,699)</u>	<u>9,530,208</u>	<u>-</u>	<u>(188,491)</u>
Net change in fund balances	(1,224,045)	2,871,057	-	1,647,012
Fund balances, beginning of year	<u>20,286,003</u>	<u>62,118,018</u>	<u>-</u>	<u>82,404,021</u>
Fund balances, end of year	\$ <u>19,061,958</u>	<u>64,989,075</u>	<u>-</u>	<u>84,051,033</u>

## CITY OF VALDEZ, ALASKA

Other Governmental Funds  
Combining Balance Sheet

December 31, 2024

	Special Revenue Funds					Total Other Governmental Funds
	Port	Utility	Harbor	Valdez Museum and Historical Archive Association	Debt Service Fund	
<b>Assets</b>						
Cash and investments	\$ 5,436,258	3,057,032	2,542,902	517,286	4,809,688	16,363,166
Receivables, net of allowance for uncollectible accounts:						
Accounts	74,828	19,427	78,842	500	-	173,597
Grants and shared revenues	-	-	-	-	240,197	240,197
Accrued interest	37,898	21,410	17,965	-	33,468	110,741
Leases	94,156	-	-	-	-	94,156
Prepaid items	31,322	12,759	33,579	-	-	77,660
Inventory	-	-	-	20,921	-	20,921
Total assets	<u>\$ 5,674,462</u>	<u>3,110,628</u>	<u>2,673,288</u>	<u>538,707</u>	<u>5,083,353</u>	<u>17,080,438</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>						
Liabilities:						
Accounts payable	\$ 24,584	67,900	47,971	14,400	-	154,855
Accrued payroll liabilities	-	-	-	12,290	-	12,290
Customer deposits	-	26,550	-	-	-	26,550
Unearned revenue	213,984	-	43,098	24,114	-	281,196
Total liabilities	<u>238,568</u>	<u>94,450</u>	<u>91,069</u>	<u>50,804</u>	<u>-</u>	<u>474,891</u>
Deferred inflows of resources:						
Unavailable revenues - leases	<u>89,409</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,409</u>
Total liabilities and deferred inflows of resources	<u>327,977</u>	<u>94,450</u>	<u>91,069</u>	<u>50,804</u>	<u>-</u>	<u>564,300</u>
Fund balances:						
Nonspendable	31,322	12,759	33,579	20,921	-	98,581
Restricted	-	-	-	41,170	-	41,170
Committed	-	700	8,500	-	102,750	111,950
Assigned	5,315,163	3,002,719	2,540,140	425,812	4,980,603	16,264,437
Total fund balances	<u>5,346,485</u>	<u>3,016,178</u>	<u>2,582,219</u>	<u>487,903</u>	<u>5,083,353</u>	<u>16,516,138</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,674,462</u>	<u>3,110,628</u>	<u>2,673,288</u>	<u>538,707</u>	<u>5,083,353</u>	<u>17,080,438</u>

## CITY OF VALDEZ, ALASKA

## Other Governmental Funds

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended December 31, 2024

	Special Revenue Funds						
	Port	Utility	Harbor	Valdez Museum and Historical Archive Association	Formerly Non-major Fund - Airport	Debt Service Fund	Total Other Governmental Funds
Revenues:							
Local sources:							
Charges for services	\$ 1,058,169	518,930	850,567	279,979	-	-	2,707,645
Sales and leases	7,450	-	970,434	-	-	-	977,884
Investment income	246,743	158,819	137,111	2,069	-	298,597	843,339
Other	267,711	5,554	27,086	1,303	-	-	301,654
Intergovernmental - State sources	14,112	19,299	313,004	-	-	1,649,394	1,995,809
Total revenues	<u>1,594,185</u>	<u>702,602</u>	<u>2,298,202</u>	<u>283,351</u>		<u>1,947,991</u>	<u>6,826,331</u>
Expenditures:							
Current:							
Port	1,015,326	-	-	-	-	-	1,015,326
Harbor	-	-	2,259,805	-	-	-	2,259,805
Utility	-	1,563,016	-	-	-	-	1,563,016
Museum	-	-	-	726,129	-	-	726,129
Debt service:							
Principal	-	-	-	-	-	4,688,718	4,688,718
Interest	-	-	-	-	-	1,881,964	1,881,964
Total expenditures	<u>1,015,326</u>	<u>1,563,016</u>	<u>2,259,805</u>	<u>726,129</u>		<u>6,570,682</u>	<u>12,134,958</u>
Excess (deficiency) of revenues over expenditures	578,859	(860,414)	38,397	(442,778)		(4,622,691)	(5,308,627)
Other financing sources (uses):							
Transfers in	-	1,147,864	-	535,000	-	4,977,532	6,660,396
Transfers out	(347,833)	-	(160,285)	-	-	-	(508,118)
Net other financing sources (uses)	<u>(347,833)</u>	<u>1,147,864</u>	<u>(160,285)</u>	<u>535,000</u>		<u>4,977,532</u>	<u>6,152,278</u>
Net change in fund balances	231,026	287,450	(121,888)	92,222		354,841	843,651
Fund balances, beginning of year, as previously reported	<u>5,115,459</u>	<u>2,728,728</u>	<u>2,704,107</u>	<u>395,681</u>	<u>1,436,681</u>	<u>4,728,512</u>	<u>17,109,168</u>
Change within financial reporting entity (non-major to major fund)	-	-	-	-	(1,436,681)	-	(1,436,681)
Fund balances, beginning of year, as adjusted	<u>5,115,459</u>	<u>2,728,728</u>	<u>2,704,107</u>	<u>395,681</u>	<u>-</u>	<u>4,728,512</u>	<u>15,672,487</u>
Fund balances, end of year	<u>\$ 5,346,485</u>	<u>3,016,178</u>	<u>2,582,219</u>	<u>487,903</u>	<u>-</u>	<u>5,083,353</u>	<u>16,516,138</u>

## CITY OF VALDEZ, ALASKA

## Comprehensive Behavioral Health Treatment and Recovery FY24 - 162-266-24014

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

Year Ended December 31, 2024

	Budgeted Amounts	Prior Year	Actual Current Year	Total	Variance with Final Budget- Positive (Negative)
Revenues:					
Intergovernmental - State of Alaska	\$ 248,254	131,876	110,811	242,687	(5,567)
Expenditures:					
Hospital and healthcare:					
Salaries and benefits	248,254	128,851	110,811	239,662	8,592
Other	-	3,025	-	3,025	(3,025)
Total expenditures	248,254	131,876	110,811	242,687	5,567
Excess of revenues over expenditures	\$ -	-	-	-	-
Fund balance, beginning of year			-		
Fund balance, ending of year			\$ -		



## CITY OF VALDEZ, ALASKA

## Comprehensive Behavioral Health Treatment and Recovery FY25 - 162-266-25014

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

Year Ended December 31, 2024

	Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental -			
State of Alaska	\$ 248,254	151,018	(97,236)
Expenditures:			
Hospital and healthcare:			
Salaries and benefits	248,254	151,018	97,236
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, ending of year		\$ -	

## CITY OF VALDEZ, ALASKA

## Adult Rural Peer Support FY24 - 162-200-24002

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

Year Ended December 31, 2024

	Budgeted Amounts	Actual Amounts			Variance with Final Budget- Positive (Negative)
		Prior Year	Current Year	Total	
Revenues:					
Intergovernmental - State of Alaska	\$ 51,100	3,367	23,406	26,773	(24,327)
Expenditures:					
Hospital and healthcare:					
Salaries and benefits	47,131	2,980	12,480	15,460	31,671
Other	3,969	387	10,926	11,313	(7,344)
Total expenditures	51,100	3,367	23,406	26,773	24,327
Excess of revenues over expenditures	\$ -	-	-	-	-
Fund balance, beginning of year			-		
Fund balance, ending of year			\$ -		

CITY OF VALDEZ, ALASKA

Letter to the Governing Board

Year Ended December 31, 2024

CITY OF VALDEZ, ALASKA  
Letter to the Governing Board  
Year Ended December 31, 2024

Month XX, 2025

Honorable Mayor and City Council  
City of Valdez, Alaska  
Valdez, Alaska

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Valdez, Alaska (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise City of Valdez's basic financial statements. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 20, 2024. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Accounting Policies and Transactions

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Valdez are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the City of Valdez during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

#### Accounting Estimates

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

##### Governmental Activities and Business-type Activities Opinion Units

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

##### Governmental Activities Opinion Unit

Management uses estimates to calculate the liability for the closure and post closure costs of the landfill. These estimates are based on engineering surveys. We evaluated the key factors and assumptions used to develop the estimated liability for the closure of the landfill to determine its reasonableness in relation to the financial statements taken as a whole.

Management's estimate of the City's proportionate share of the collective net pension and other postemployment benefits (OPEB) assets and liabilities and related deferred outflows and inflows of resources are based on information furnished by the State of Alaska and actuarial reports generated during the audit of the Public Employees' Retirement System. The amortization of these deferrals is based on guidance provided by the Governmental Accounting Standards Board. We evaluated the key factors and assumptions used to develop the estimates of the City's proportionate share of the collective net pension and OPEB liabilities and assets and deferred outflows and inflows of resources and related amortization in determining that it is reasonable in relation to the financial statements as a whole.

#### All Opinion Units

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

Management's estimate of the calculation of the lease receivable is based on an estimated incremental borrowing rate for the tenants for the present value calculation of the lease payments. We evaluated the key factors and assumptions used to develop the present value calculation in determining it is reasonable in relation to the basic financial statements as a whole.

#### Financial Statement Disclosures

The financial statement disclosures are neutral, consistent, and clear.

#### Difficulties Encountered in Performing the Audit

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

#### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. During the course of our audit we did not identify any misstatements.

#### Disagreements with Management

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

#### Management Representations

We have requested certain representations from management that are included in the management representation letter dated Month XX, 2024.

#### Management Consultations with Other Independent Accountants

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

#### Internal Control

See the December 31, 2024 Federal and State Single Audit Reports for the definition and description of deficiencies, significant deficiencies, material weaknesses and any reported findings.

#### Accounting Assistance

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

#### Major Issues Discussed with Management Prior to Retention

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

#### Supplementary Information Accompanying the Financial Statements

We applied certain limited procedures to the Management's Discussion and Analysis, Budgetary Comparison Schedule, Schedules of City's Proportionate Share of Net Pension and Other Postemployment Benefit (OPEB) Liabilities and Assets and Contributions for the Public Employees' Retirement System, and Notes to Required Supplementary Information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the "Supplementary Information", which includes General Fund: Combining Balance Sheet and Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances; Other Governmental Funds: Combining Balance Sheet and Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances; and the State of Alaska, Department of Health and Social Services – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual, which accompany the financial statements but are not RSI. With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

#### Restriction on Use

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

Sincerely,

CITY OF VALDEZ, ALASKA  
Federal and State Single Audit Reports  
Year Ended December 31, 2024



CITY OF VALDEZ, ALASKA  
Federal and State Single Audit Reports  
Year Ended December 31, 2024

CITY OF VALDEZ, ALASKA

Table of Contents

	<u>Page</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the <i>Uniform Guidance</i>	3-6
Schedule of Expenditures of Federal Awards	7
Notes to the Schedule of Expenditures of Federal Awards	8
Federal Schedule of Findings and Questioned Costs	9
Independent Auditor's Report on Compliance for Each Major State Program and Report on Internal Control over Compliance Required by the <i>State of Alaska</i> <i>Audit Guide and Compliance Supplement for State Single Audits</i>	10-13
Schedule of State Financial Assistance	14
Notes to the Schedule of State Financial Assistance	15
State Schedule of Findings and Questioned Costs	16

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

**Independent Auditor's Report**

Honorable Mayor and City Council  
City of Valdez, Alaska  
Valdez, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Valdez, Alaska, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Valdez's basic financial statements and have issued our report thereon dated Month XX, 2025. Our report includes a reference to other auditors who audited the financial statements of Valdez Museum and Historical Archive Association, Inc., Providence Valdez Medical Center, and Providence Valdez Counseling Center, as described in our report of City of Valdez's basic financial statements. The financial statements of the Valdez Museum and Historical Archive Association, Inc., Providence Valdez Medical Center, and Providence Valdez Counseling Center were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Valdez Museum and Historical Archive Association, Inc., Providence Valdez Medical Center, and Providence Valdez Counseling Center or that are reported on separately by those auditors who audited the financial statements of the Valdez Museum and Historical Archive Association, Inc., Providence Valdez Medical Center, and Providence Valdez Counseling Center.

**Report on Internal Control over Financial Reporting**

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

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

Honorable Mayor and City Council  
City of Valdez, Alaska

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given the limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

#### **Report on Compliance and Other Matters**

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

#### **Purpose of this Report**

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

Anchorage, Alaska  
Month XX, 2025

**Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

**Independent Auditor's Report**

Honorable Mayor and City Council  
City of Valdez, Alaska  
Valdez, Alaska

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

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

We have audited City of Valdez, Alaska's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Valdez's major federal programs for the year ended December 31, 2024. City of Valdez's major federal programs are identified in the summary of auditor's results section of the accompanying federal schedule of findings and questioned costs.

City of Valdez's basic financial statements include the operations of Valdez City Schools which received \$1,034,306 in federal awards which is not included in City of Valdez's Schedule of Expenditures of Federal Awards during the year ended December 31, 2024. Our audit described below, did not include the operations of Valdez City Schools because it was subjected to a separate audit in accordance with Uniform Guidance. Our audit described below, did not include the operations of Valdez Museum and Historical Archive Association, Inc., Providence Valdez Medical Center, and Providence Valdez Counseling Center because they were subjected to separate audits; however, none of the entities met the threshold for an audit in accordance with the Uniform Guidance.

In our opinion, City of Valdez complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Valdez and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Valdez's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Valdez's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Valdez's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Valdez's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Valdez's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Valdez's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Valdez's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Valdez, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise City of Valdez's basic financial statements. We issued our report thereon dated Month XX, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and accompanying notes are presented for purposes of additional analysis as required by the Uniform Guidance and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and accompanying notes are fairly stated in all material respects in relation to the basic financial statements as a whole.

Anchorage, Alaska  
Month XX, 2025



**CITY OF VALDEZ, ALASKA**

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2024

Federal Grantor	Federal Assistance Listing Number	Federal Award Number or Pass-through Entity Identifying Award Number	Program or Award Amount	Federal Expenditures
U.S. Department of Agriculture:				
Passed through the State of Alaska, Department of Commerce, Community and Economic Development:				
Forest Service Schools and Roads Cluster:				
Schools and Roads - Grants to States	10.665	None	\$ 1,310,777	1,310,777
Passed through the State of Alaska, Department of Natural Resources:				
Volunteer Fire Assistance	10.664	None	6,300	6,300
Total U.S. Department of Agriculture			1,317,077	1,317,077
U.S. Department of Health and Human Services:				
Passed through the State of Alaska, Department of Health:				
COVID-19 Healthy and Equitable Communities	93.268	C0622-584-E	31,877	12,525
COVID-19 Healthy and Equitable Communities	93.391	C0622-584-E	31,877	12,525
Total passed through the State of Alaska			63,754	25,050
Passed through Thread -				
COVID-19 Child Care Community INNOVATION	93.575	None	880,000	100,976
Total U.S. Department of Health and Human Services			943,754	126,026
U.S. Department of Commerce:				
Passed through the State of Alaska, Department of Commerce, Community and Economic Development:				
COVID-19 Competitive ARPA State Tourism Grant	11.307	None	2,532,734	1,692,002
U.S. Department of the Treasury:				
Passed through the State of Alaska, Department of Commerce, Community and Economic Development:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	AK0140	2,039,244	1,060,432
Total federal financial assistance			\$ 6,832,809	4,195,537
Reconciliation to federal source revenues in the Statement of Revenues, Expenditures and Changes in Fund Balances:				
Total federal financial assistance				4,195,537
Payments in lieu of taxes are not considered to be federal financial assistance but are classified as federal revenues for financial statement presentation				805,367
			\$	5,000,904

See accompanying notes to the schedule.

# CITY OF VALDEZ, ALASKA

## Notes to the Schedule of Expenditures of Federal Awards

Year Ended December 31, 2024

### (1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of City of Valdez, Alaska, under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of City of Valdez, it is not intended to and does not present the basic financial statements of City of Valdez.

### (2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. City of Valdez has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

### (3) Subrecipients

The City of Valdez did not pass any federal funds through to subrecipients during the year ended December 31, 2024.

### (4) Reporting Entity

The City of Valdez, for purposes of the supplementary Schedule of Expenditures of Federal Awards, includes all the funds of the primary government. It does not include the component units of the City of Valdez as follows:

#### ***Valdez City Schools***

The City of Valdez's basic financial statements include \$1,034,306 of Federal funds expended for Valdez City Schools, a component unit of the City of Valdez. These monies are excluded from this schedule. These monies are subject to separate reports issued for Valdez City Schools dated September 18, 2024.

CITY OF VALDEZ, ALASKA

Federal Schedule of Findings and Questioned Costs

Year Ended December 31, 2023

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

**Financial Statements**

Type of auditors' report issued:

Unmodified

Is a going concern emphasis-at-matter  
paragraph included in the audit report?

\_\_\_\_\_ yes X no

Internal control over financial reporting:

Material weakness (es) identified?

\_\_\_\_\_ yes X no

Significant deficiency (ies) identified?

\_\_\_\_\_ yes X none reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes X no

**Federal Awards**

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

Material weakness(es) identified?

\_\_\_\_\_ yes X no

Significant deficiency (ies) identified?

\_\_\_\_\_ yes X none reported

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

\_\_\_\_\_ yes X no

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

Unmodified

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

\_\_\_\_\_ yes X no

Identification of major programs:

**Assistance Listing Number(s)**

21.027

11.307

**Name of Federal Program or Cluster**

Coronavirus State and Local Fiscal Recovery Funds

Competitive ARPA State Tourism Grant

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

\$ 750,000

Auditee qualified as low-risk auditee?

X yes \_\_\_\_\_ no

**Section II - Financial Statement Findings**

The City of Valdez did not have any findings that relate to the Financial Statements.

**Section III - Federal Award Findings**

The City of Valdez did not have any findings that relate to Federal awards.

**FINAL DRAFT**  
FOR DISCUSSION PURPOSES ONLY

**Report on Compliance For Each Major State Program; Report on Internal Control over Compliance; and Report on the State Schedule of State Financial Assistance Required by the State of Alaska Audit Guide and Compliance Supplement for State Single Audits**

**Independent Auditor's Report**

Honorable Mayor and City Council  
City of Valdez, Alaska

**Report on Compliance For Each Major State Program**

***Opinion on Each Major State Program***

We have audited City of Valdez's compliance with the types of compliance requirements identified as subject to audit in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of City of Valdez's major state programs for the year ended December 31, 2024. City of Valdez's major state programs are identified in the accompanying Schedule of State Financial Assistance.

City of Valdez's basic financial statements include the operations of Valdez City Schools which received \$5,645,515 in state awards which is not included in City of Valdez's schedule of state financial assistance during the year ended December 31, 2024. Our audit, described below, did not include the operations of Valdez City Schools because it was subjected to a separate audit in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. City of Valdez's basic financial statements also include the operations of Valdez Museum and Historical Archive Association, Inc., Providence Valdez Medical Center, and Providence Valdez Counseling Center. Our audit, described below, did not include the operations of Valdez Museum and Historical Archive Association, Inc., Providence Valdez Medical Center, and Providence Valdez Counseling Center because they were subjected to separate audits; however, none met the threshold for an audit in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

In our opinion, City of Valdez complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2024.

### ***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements in the *State of Alaska Audit Guide*. Our responsibilities under those standards and the *State of Alaska Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Valdez and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of City of Valdez's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Valdez's state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Valdez's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *State of Alaska Audit Guide* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Valdez's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *State of Alaska Audit Guide*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Valdez's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of City of Valdez's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State of Alaska requirements, but not for the purpose of expressing an opinion on the effectiveness of City of Valdez's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

**Report on Schedule of State Financial Assistance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Valdez, Alaska, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise City of Valdez's basic financial statements. We issued our report thereon dated Month XX, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of state financial assistance and accompanying notes are presented for purposes of additional analysis as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of state financial assistance and accompanying notes are fairly stated in all material respects in relation to the basic financial statements as a whole.

Anchorage, Alaska  
Month XX, 2025

CITY OF VALDEZ, ALASKA

Schedule of State Financial Assistance

Year Ended December 31, 2024

<u>State Grant Title</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>Eligible Expenditures</u>
Department of Health:			
Comprehensive Behavioral Health Treatment and Recovery FY24	162-266-24014	\$ 248,254	110,811
Comprehensive Behavioral Health Treatment and Recovery FY25	162-266-25014	248,254	151,018
Adult Rural Peer Support FY24	162-200-24002	51,100	23,406
Total Department of Health		<u>547,608</u>	<u>285,235</u>
Department of Education and Early Development:			
Debt Retirement Program	None	1,440,769	1,440,769
Public Library Assistance	PLA24-Valdez	7,000	7,000
Total Department of Education and Early Development		<u>1,447,769</u>	<u>1,447,769</u>
Department of Transportation:			
* DOT Harbor Reconstruction Grant	22-HG-002	5,000,000	3,015,014
Debt Retirement Program	None	208,625	208,625
Total Department of Transportation		<u>5,208,625</u>	<u>3,223,639</u>
 Total State Financial Assistance		 \$ <u>7,204,002</u>	 <u>4,956,643</u>
Reconciliation of Intergovernmental - State sources revenues in the Statement of Revenues, Expenditures, and Changes in Fund Balances:			
Total State financial assistance		\$	4,956,643
Community Assistance Program			121,496
PERS on-behalf payments			501,381
Fisheries Business Tax			273,264
Shared Fisheries Business Tax			15,287
Telephone and Electric Tax			183,859
Shared Liquor Tax			3,650
Jail Contract			650,232
Cruise Ship Tax			107,570
Department of Health Grants reported in the Proprietary Funds			<u>(285,235)</u>
Total Intergovernmental - State sources revenue in the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds		\$	<u>6,528,147</u>

See accompanying notes to the Schedule of State Financial Assistance.



# CITY OF VALDEZ, ALASKA

## Notes to the Schedule State Financial Assistance

Year Ended December 31, 2024

### (1) Basis of Presentation

The accompanying Schedule of State Financial Assistance (the "Schedule") includes the state award activity of City of Valdez, Alaska, under programs of the State of Alaska for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of City of Valdez, it is not intended to and does not present the basic financial statements of City of Valdez.

### (2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements.

### (3) Subrecipients

The City of Valdez did not pass any state funds through to subrecipients during the year ended December 31, 2024.

### (4) Reporting Entity

The City of Valdez, for purposes of the supplementary Schedule of State Financial Assistance, includes all the funds of the primary government. It does not include the component units of the City of Valdez as follows:

#### ***Valdez City Schools***

The City of Valdez's basic financial statements include \$5,645,515 of State of Alaska funds expended for Valdez City Schools, a component unit of the City of Valdez. These monies are excluded from this schedule. These monies are subject to separate reports issued for Valdez City Schools dated September 18, 2024.

### (5) Major Programs

\* denotes a major program for compliance audit purposes

CITY OF VALDEZ, ALASKA

State Schedule of Findings and Questioned Costs

Year Ended December 31, 2024

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

**Financial Statements**

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

Material weakness (es) identified?

\_\_\_\_\_ yes   X   no

Significant deficiency (ies) identified?

\_\_\_\_\_ yes   X   none reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes   X   no

**State Awards**

Internal control over major programs:

Material weakness (es) identified?

\_\_\_\_\_ yes   X   no

Significant deficiency (ies) identified?

\_\_\_\_\_ yes   X   none reported

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

Unmodified

Dollar threshold used to distinguish

between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

  X   yes \_\_\_\_\_ no

**Section II - Financial Statement Findings**

The City of Valdez did not have any findings that relate to the Financial Statements.

**Section III - State Award Findings**

The City of Valdez did not have any findings that relate to State awards.



## Legislation Text

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**File #:** 25-0364, **Version:** 1

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**ITEM TITLE:**

Discussion Item: Purchase of Lot 3, Tract K - Mineral Creek Industrial Park to Secure Dedicated Snow Storage for the City of Valdez

**SUBMITTED BY:** John Witte, Public Works Director

**FISCAL NOTES:**

Expenditure Required: n/a

Unencumbered Balance: n/a

Funding Source: n/a

**RECOMMENDATION:**

n/a

**SUMMARY STATEMENT:**

A 1,000-foot section of W. Egan Drive has no dedicated storage site beyond the existing narrow right of way, which could lead to longer haul times, delayed clearing, and increased equipment wear during heavy snow events.

Additional challenges include the increased volume of snow removed from residential driveways and side yards as well as the loss of unofficial storage through residential development. Existing neighborhood lots (Winter Park Circle, Aspen Circle, Birch Circle) are undersized and will require overflow to the W. Egan area multiple times each winter.

Purchasing Lot 3, Tract K - Mineral Creek Industrial Park will secure centralized, efficient snow storage, reduce the risk of operational bottlenecks, and strengthen the City's future winter response.

Valdez receives over 300 inches of snow annually, creating the potential for significant snow storage challenges that could impact roadway safety and efficiency in the future.



# **Justification for the Purchase of Lot 3, Tract K – Mineral Creek Industrial Park**

Securing Dedicated Snow Storage  
for the City of Valdez

## Why Additional Snow Storage is Critical

- **Extreme Snowfall Conditions** – Valdez regularly receives over 300 inches of snow annually, requiring rapid removal from roadways to maintain safety and accessibility.
- **Current Capacity Limitations** – Several neighborhoods and arterial road sections lack adequate snow storage, creating operational bottlenecks during heavy snow events.
- **Critical Gap on W Egan Drive** – A 1,000-foot section currently has no dedicated snow storage site, forcing longer haul times and delaying clearing efforts.
- **Neighborhood Impact** – Three undersized snow storage lots (Winter Park Circle, Aspen Circle, Birch Circle) cannot accommodate more than 100 inches of snowfall, requiring overflow capacity.



[illegible]

- 

# How the New Snow Storage Area Will Be Used



## Neighborhood Snow Removal

- Snow stored in cul-de-sacs during events.
- Blown into W Egan site **5–6 times/year**.
- Frees up space for next storms.

## W Egan Drive Snow Removal

- Snow winged to right-of-way during events.
- Regularly blown into new W Egan site.
- Reduces haul time and equipment wear.

## Benefits

- Keeps roads and neighborhoods clear.
- Centralized, efficient storage.
- Improves safety and winter response.



# **If We Do Not Acquire the Property**

- Haul snow from W Egan & cul-de-sacs to distant sites.
- Slower, less efficient snow removal.
- Buy blowers and multiple haul trucks.
- Double winter staffing.
- Costs in the millions for equipment, fuel, and labor.





CITY OF VALDEZ, ALASKA

RESOLUTION # 25-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, AUTHORIZING THE PURCHASE OF A 5-ACRE PARCEL, KNOWN AS LOT 2, MINERAL CREEK INDUSTRIAL SUBDIVISION (TRACT K) FROM THE PORT VALDEZ COMPANY, INC IN THE AMOUNT OF \$385,000

WHEREAS, the City of Valdez seeks to provide complete and efficient snow removal services to the residents of Valdez; and

WHEREAS, the area of W. Egan Drive has seen an increase in residential and commercial development in the past two years; and

WHEREAS, the Public Works Department has explored available options of city-owned land for snow storage in the area;

WHEREAS, the only available land appropriate for the operations of our Streets Department snow removal team is privately held by the Port Valdez Company, Inc.;

WHEREAS, the Community Development Department solicited an independent appraisal of the property in December of 2024 that determined the market value of the parcel to be \$385,000;

WHEREAS, the City Manager has determined it is in the best interest of the residents of Valdez to purchase the available private property for snow storage needs;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that

Section 1. The City Manager or designee is authorized to negotiate the purchase of Lot 2, Mineral Creek Industrial Subdivision (Tract K), also known as 802 W. Egan Drive for an amount no more than the appraised value of \$385,000.

Section 2. (ENTER TEXT...Section paragraphs are statements about the point, request, etc. the elected/appointed body is trying to make by passing this resolution.).

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this \_\_\_\_\_ day of \_\_\_\_\_, 2025

CITY OF VALDEZ, ALASKA

---

Dennis Fleming, Mayor

ATTEST:

---

Sheri L. Pierce, MMC, City Clerk





## Legislation Text

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**File #:** RES 25-0034, **Version:** 1

---

**ITEM TITLE:**

#25-34 - Amending the 2025 City Budget by Transferring \$4,500,000 of 2022 General Obligation Bond Proceeds to Municipal Well #5 Project

**SUBMITTED BY:** Jordan Nelson, Finance Director

**FISCAL NOTES:**

Expenditure Required: \$4,500,000

Unencumbered Balance: \$5,944,052.88

Funding Source: 310-2536-58010 Sewer Force Main Replacement, General Obligation Bond Proceeds (GO22)

**RECOMMENDATION:**

Approve Resolution 25-34.

**SUMMARY STATEMENT:**

In October 2022, the City of Valdez issued a General Obligation Bond (GO22) ratified by voters for the purpose of replacing the sewer force main and certain water and sewer infrastructure.

The Sewer Force Main Replacement is near complete, and cost estimates indicate that sufficient funds remain for the Municipal Well #5 Project.

Well #5 was intended to be replaced with funds from GO22, however, the actual costs of Sewer Force Main Replacement were unknown at the time of issuance. Council elected to include the phrase "...and Certain Water and Sewer Infrastructure" in case specifying the well project was too prescriptive in which case the needed funding for the well's construction would be substantially more than remaining proceeds after finalizing the Sewer Force Main Replacement.

This use of proceeds for the Municipal Well #5 Project has been reviewed and determined under guidance from bond counsel.

The resolution approving design funds from May of 2024 is attached for reference.

CITY OF VALDEZ, ALASKA

RESOLUTION #25-34

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, AMENDING THE 2025 CITY BUDGET BY TRANSFERRING \$4,500,000 OF 2022 GENERAL OBLIGATION BOND PROCEEDS TO MUNICIPAL WELL #5 PROJECT

WHEREAS, Council has provided direction to management regarding approved capital and major maintenance projects; and

WHEREAS, voters ratified the use of 2022 General Obligation Bond proceeds for the Replacement of the Sewer Force Main and Certain Water and Sewer Infrastructure; and

WHEREAS, cost estimates for the replacement of the Sewer Force Main indicate sufficient funding will remain for Certain Water and Sewer Infrastructure such as the Municipal Well #5 Project and Pumphouse, and

WHEREAS, budget amendments must be formally appropriated via Budget Amendment Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that the 2025 City Budget is amended as follows:

Section 1: 310-2536-58010, Sewer Force Main Replacement, is reduced by \$4,500,000

Section 2: 310-2538-58010, WASE WATE GO22 Well #5, is increased by \$4,500,000

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this 19<sup>th</sup> day of August 2025.

City of Valdez, Alaska

---

Dennis Fleming, Mayor

ATTEST:

---

Sheri L. Pierce, MMC, City Clerk

CITY OF VALDEZ, ALASKA

RESOLUTION #24-28

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, AMENDING THE 2024 CITY BUDGET BY TRANSFERRING \$550,000 OF 2022 GENERAL OBLIGATION BOND PROCEEDS TO MUNICIPAL WELL #5 PROJECT

WHEREAS, the City Council has provided direction to management regarding approved capital and major maintenance projects; and

WHEREAS, voters ratified the use of 2022 General Obligation Bond proceeds for the “Replacement of the Sewer Force Main and Certain Water and Sewer Infrastructure”; and

WHEREAS, cost estimates for the replacement of the sewer force main indicate sufficient funding will remain for certain water and sewer infrastructure, such as the Municipal Well #5 Project; and

WHEREAS, budget amendments must be formally appropriated via Budget Amendment Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that the 2024 City Budget is amended as follows:

Section 1: 310-2536-58010, Sewer Force Main Replacement, is reduced by \$550,000.

Section 2: 310-2538-58010, WASE WATE GO22 Well #5, is increased by \$550,000.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this 21st day of May, 2024.

City of Valdez, Alaska



Dennis Fleming, Mayor

ATTEST:

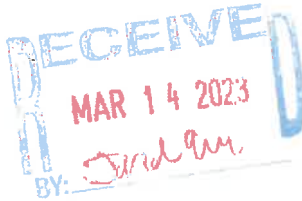


Elise Sorum-Birk, Deputy City Clerk





**FEE: \$50.00**  
**SITE PLAN**  
**WAIVED 2013 PER**  
**RESOLUTION #12-72**



**CITY OF VALDEZ**  
**APPLICATION FOR REZONE**

APPLICATION NUMBER	DATE
NAME OF APPLICANT	3/14/2024
ADDRESS OF APPLICANT	Jessica McMillen
DAYTIME PHONE	3086 Worthington St.
LEGAL OWNER	907-461-7299
ADDRESS	Please See attached Map and document
PHONE NUMBER	See attached
LOCATION OF PROPERTY AND/OR LEGAL DESCRIPTION/STREET ADDRESS	
CURRENT ZONING	3086 Worthington, 3085 Worthington, 385 Woodway, 415 Woodway
PROPOSED ZONING	445 Woodway 3065 Fairweather 3066 Fairweather
DESCRIPTION OF PROPERTY, INCLUDING SQUARE FOOTAGE OR ACREAGE.	R1
WHY IS THE PROPERTY MORE SUITED FOR THE PROPOSED ZONING DISTRICT THAN FOR THE PRESENT ZONING?	RR
SIGNATURE	8.205 Acres
DATE	7.205 Acres
	The Lot Size's better Align with zoning RR
	The RR zoning allows alignment, with out conflict to
	the Comprehensive Plan, this will NOT result in nonconforming situations







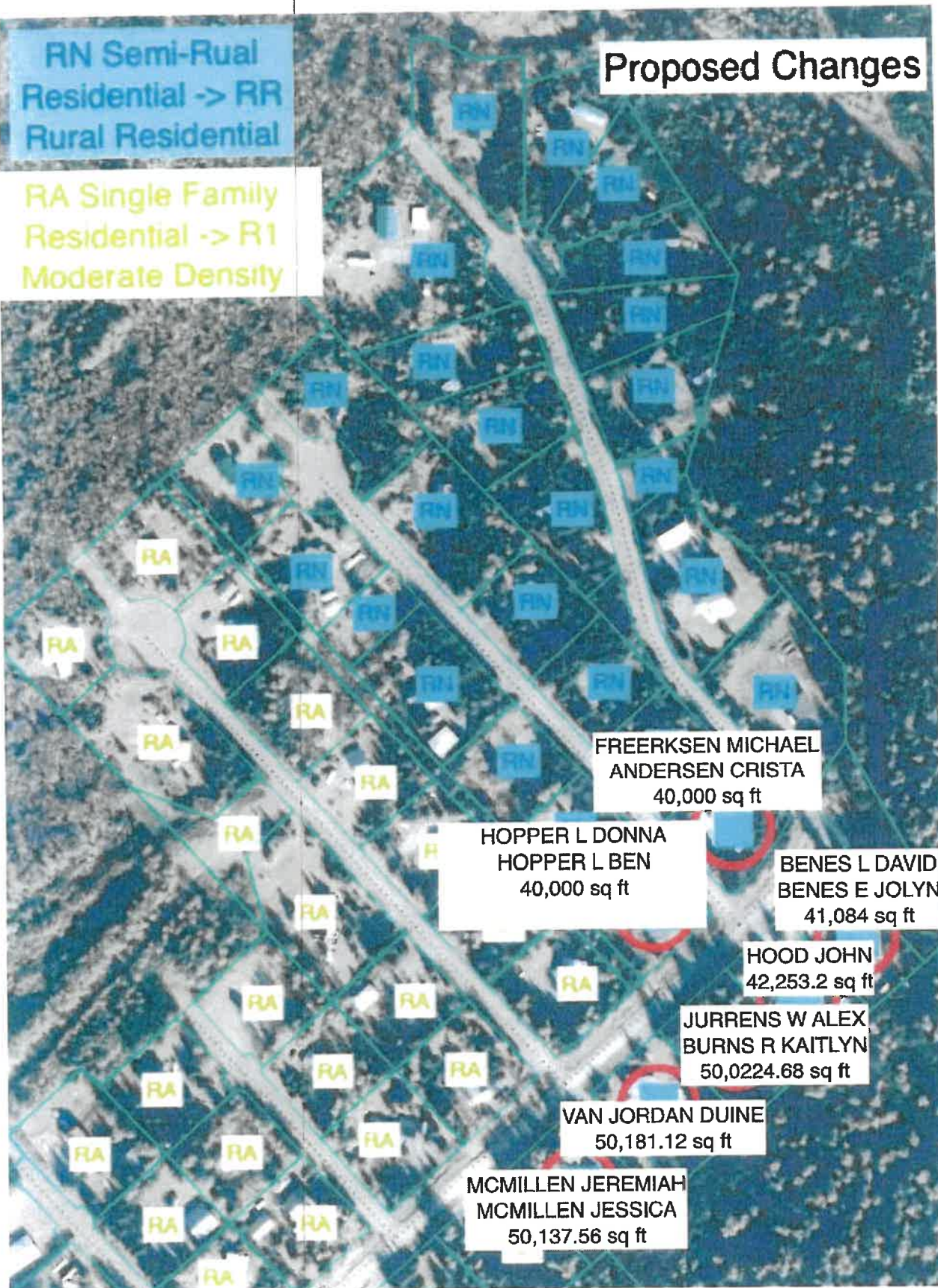
### **Legal Description**

Lot 6, Block 1, Corbin Creek Subdivision Phase I, Plat 99-24;  
Lot 1, Block 2, Corbin Creek Subdivision Phase I, Plat 99-24;  
Lot 2, Block 2, Corbin Creek Subdivision Phase I, Plat 99-24;  
Lot 1, Block 7, Corbin Creek Subdivision Phase II, Plat 2000-11;  
Lot 1, Block 8, Corbin Creek Subdivision Phase II, Plat 2000-11;  
Lot 1, Block 9, Corbin Creek Subdivision Phase II, Plat 2000-11;  
Lot 2, Block 9, Corbin Creek Subdivision Phase II, Plat 2000-11; and

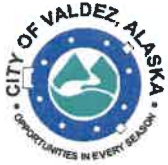
RN Semi-Rural  
Residential -> RR  
Rural Residential

RA Single Family  
Residential -> R1  
Moderate Density

## Proposed Changes







City of Valdez

**ALASKA**

Community Development Department

### McMillen Rezone – Proposed Findings

Date: May 9, 2024  
File: Rezone 24-01  
To: Planning & Zoning Commission  
From: Bruce Wall, Senior Planner

#### General Information

Property Legal Description			Acreage
Property Address / Property Owners			
1	Lot 6, Block 1, Corbin Creek Subdivision Phase I, Plat 99-24		1.000
	3086 Worthington St	Jeremiah McMillen and Jessica Mcmillen	
2	Lot 1, Block 2, Corbin Creek Subdivision Phase I, Plat 99-24		1.152
	3085 Worthington St	Jordan Van Duine	
3	Lot 2, Block 2, Corbin Creek Subdivision Phase I, Plat 99-24		1.153
	385 Wood Way	Alex Jurrens and Kaitlyn Burns	
4	Lot 1, Block 7, Corbin Creek Subdivision Phase II, Plat 2000-11		0.918
	3066 Fairweather St	Donna Hopper and Ben Hopper	
5	Lot 1, Block 8, Corbin Creek Subdivision Phase II, Plat 2000-11		0.918
	3065 Fairweather St	Michael Freerksen and Crista Andersen	
6	Lot 1, Block 9, Corbin Creek Subdivision Phase II, Plat 2000-11		0.943
	445 Wood Way	David Benes and Jolyn Benes	
7	Lot 2, Block 9, Corbin Creek Subdivision Phase II, Plat 2000-11		0.971
	415 Wood Way	John Hood	

Current Zoning District: Moderate Density Residential (R1)

Proposed Zoning District: Rural Residential (RR)

Ordinance 24-01 17.06.040(C)(2) states:

The RR district is intended to include lands where public utilities may not be available, but topography and soil conditions allow development at low population densities that can rely on on-lot water and sewer without creating a public health hazard. The RR district is intended to be rural in character with low-density living options.

Ordinance 24-01 17.06.040(C)(2) states:

The R1 district is intended primarily for detached dwellings and duplexes at moderate densities in areas with public utilities. Structures and uses required to serve recreational and other noncommercial needs of residential areas are allowed as permitted or conditional uses. These uses must be designed to be compatible with the residential uses in the R1 district.

The differences in the allowed uses can be found in Ordinance 24-01 Table 17.06.040.a (beginning on page 48 of the adopted code). The differences in the dimensional standards can be found in Ordinance 24-01 Table 17.06.070.a (beginning on page 79 of the adopted code).

### Application Description

Jessica McMillen has submitted an application requesting to change the zoning on 7.055 acres to Rural Residential (RR). The official zoning map indicates that this property is currently zoned Moderate Density Residential (R1). Four of the lots that are proposed for rezone are in Corbin Creek Subdivision Phase II. The other lots in this phase are zoned Rural Residential. The other three lots that are proposed for rezone are in Corbin Creek Subdivision Phase I. All of the lots in this phase are zoned Moderate Density Residential (R1).

Each of the lots are developed with detached dwellings and the application does not propose changes to the current principal land use. Each of the lots proposed to be rezoned meet the minimum dimension standard of the Rural Residential district.

Ordinance 24-01 17.04.040(C)(1)

The City Council shall retain the authority to limit its approval of amendments to the zoning code and the official zoning map to limit certain land use activities, protect public health, safety, and welfare of humans and the environment, and ensure its ability to serve properties/individuals with adequate public services.

### Proposed Findings & Conclusions

#### 1. Procedure.

- a) On March 14, 2024 the Community Development Department received a rezone from request Jessica McMillen to change the zoning on the subject property to Rural Residential.
- b) The Community Development Department reviewed the application and determined that it was complete, in accordance with Ordinance 24-01 17.04.050(E)(1).
- c) A public hearing was scheduled for May 9, 2024, to consider the zoning change.
- d) Notice of the meeting was published in the Copper River Record on April 25, 2024 and May 2, 2024.
- e) Notice of the publication was published in KVAK's e-blast newspaper on April 29, 2024 and May 6, 2024.
- f) Notice of the meeting was published on the City of Valdez website on April 25, 2024, in

accordance with Ordinance 24-01 17.04.050(E)(5) and 17.04.180(C)(1).

- g) Notice of the meeting was sent by certified mail on April 19, 2024, to the owners of the seven properties that are the subject of the rezone application.
- h) Notice of the meeting was mailed on April 22, 2024, to the 17 property owners within 300 feet of the subject properties, in accordance with Ordinance 24-01 17.04.050(E)(5) and 17.04.180(C)(2).
- i) A document holder was posted on Wood Way with public notice flyers on April 22, 2024, in accordance with Ordinance 24-01 17.04.050(E)(5) and 17.04.180(C)(3).

2. Consistency with the Comprehensive Plan and its goals and policies. Ordinance 24-01 17.04.050(C)(2) and 17.04.050(E)(4)(ii)

- a) The Future Land Use Map in Plan Valdez, the comprehensive plan for the City of Valdez, depicts the subject properties within the Residential Neighborhood Place Type.
- b) The intended primary land uses in the Residential Neighborhood Place Type are single-unit detached residences and single-unit attached residences.
- c) Each of the subject properties has a single-unit detached residence as the current primary land use.
- d) The proposed rezone is consistent with the Future Land Use Map in the comprehensive plan.
- e) Staff reviewed the rezone application for consistency with the goals and action items in Plan Valdez and did not find any inconsistency of the proposed rezone to the goals and action item in the comprehensive plan.

3. Potential impacts to public services. Ordinance 24-01 17.04.050(C)(1) and 17.04.050(E)(4)(iii)

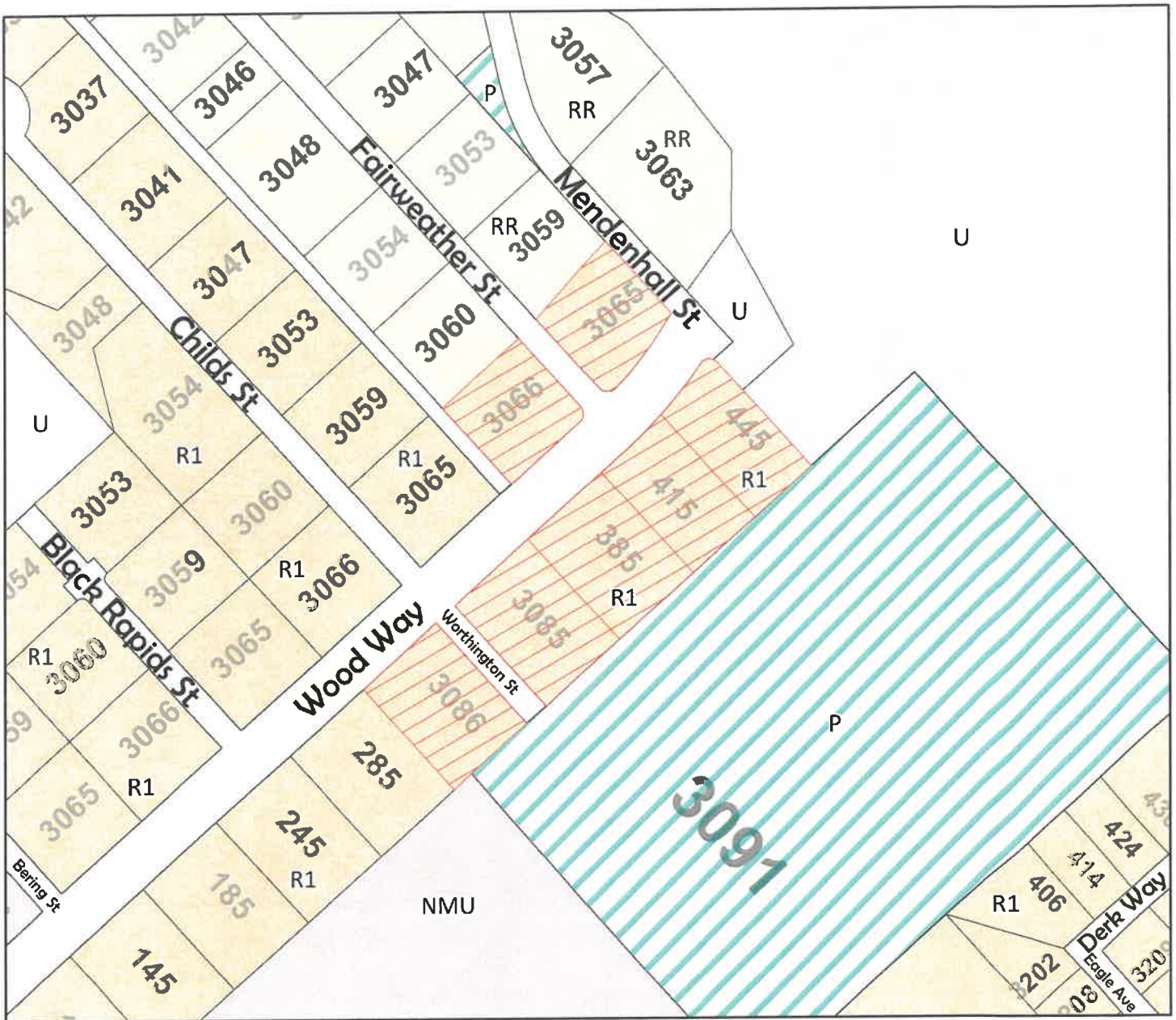
- a) The subject lots are each developed with a single-unit detached residences and there are not any proposed changes to the current land use.
- b) There are not any anticipated impacts to public service from the proposed rezone.

## Uses Allowed By Zoning District

<i>Allowed/permitted (P), Allowed Accessory (A), Conditional (C), and Not Allowed (blank)</i>		
<i>Uses</i>	<b>RR</b>	<b>R1</b>
<b>Residential</b>		
Accessory Dwelling Unit	A	A
Assisted Living Home	P	P
Dwelling - Detached	P	P
Dwelling - Attached - Duplex (up to 2 units per building) and townhouse (2 unit)	P	P
Dwelling - Attached - Townhouse (more than 2 units per building)		P
Dwelling - Multi-unit (up to 4 units per building)		P
Dwelling - Multi-unit (more than 4 units per building)		C
Dwelling - Manufactured Home (built after June 15, 1976)	P	P
Dwelling - Mobile Home (built prior to June 15, 1976)	P	P
Home occupation	A	A
Planned Unit Development	C	C
Shelter (e.g., homeless, victims, emergency)	P	P
Short term rental	P	P
Worker Housing	C	
<b>Lodging</b>		
Hotel, Motel, Inn, Lodges, and Rental Cabins	C	
<b>Office and Services</b>		
Animal hospitals, veterinary practices	C	
Animal boarding, kennels and shelters	C	
Boat charter services	C	
Government Offices and Services	C	
Laundries, laundromats	C	
<b>Public and Quasi-Public</b>		
Assembly halls, community buildings, and religious institutions	P	P
Cemeteries	A	A
Child Care Facility	P	P
Dams and water reservoir	C	C
Educational Institutions	P	P
Educational Institution - Vocational	P	
Library, Museum, Cultural Institution, and Art Gallery	C	C
Small wind energy systems	A	A
Utilities (service lines and small transformers)	P	P
Utilities Class I (substations, indoor processing)	C	C
Utilities Class II (power generation, outdoor processing)	C	
Wireless Communication Tower (commercial)	C	C
<b>Recreation</b>		
Indoor recreation, public		C
Outdoor recreation, public	P	P
Recreational vehicle park or campground	C	C
<b>Industrial, Production and Storage</b>		
Fuel storage, small scale	A	A

	RR	R1
<b>Uses</b>		
<b>Agriculture</b>		
Agricultural activities	P	C
Nurseries	C	
Raising of livestock	P	C
<b>Accessory Uses</b>		
Personal Communication Antennae (PCA)	A	A





## Rezone Request

From Moderate Density Residential (R1) to Rural Residential (RR)

P & Z Commission Meeting - May 9, 2024



 Subject Properties

### Current Zoning

 Rural Residential District (R-R)

 Moderate Density Residential (R1)

 Neighborhood Mixed Use (NMU)

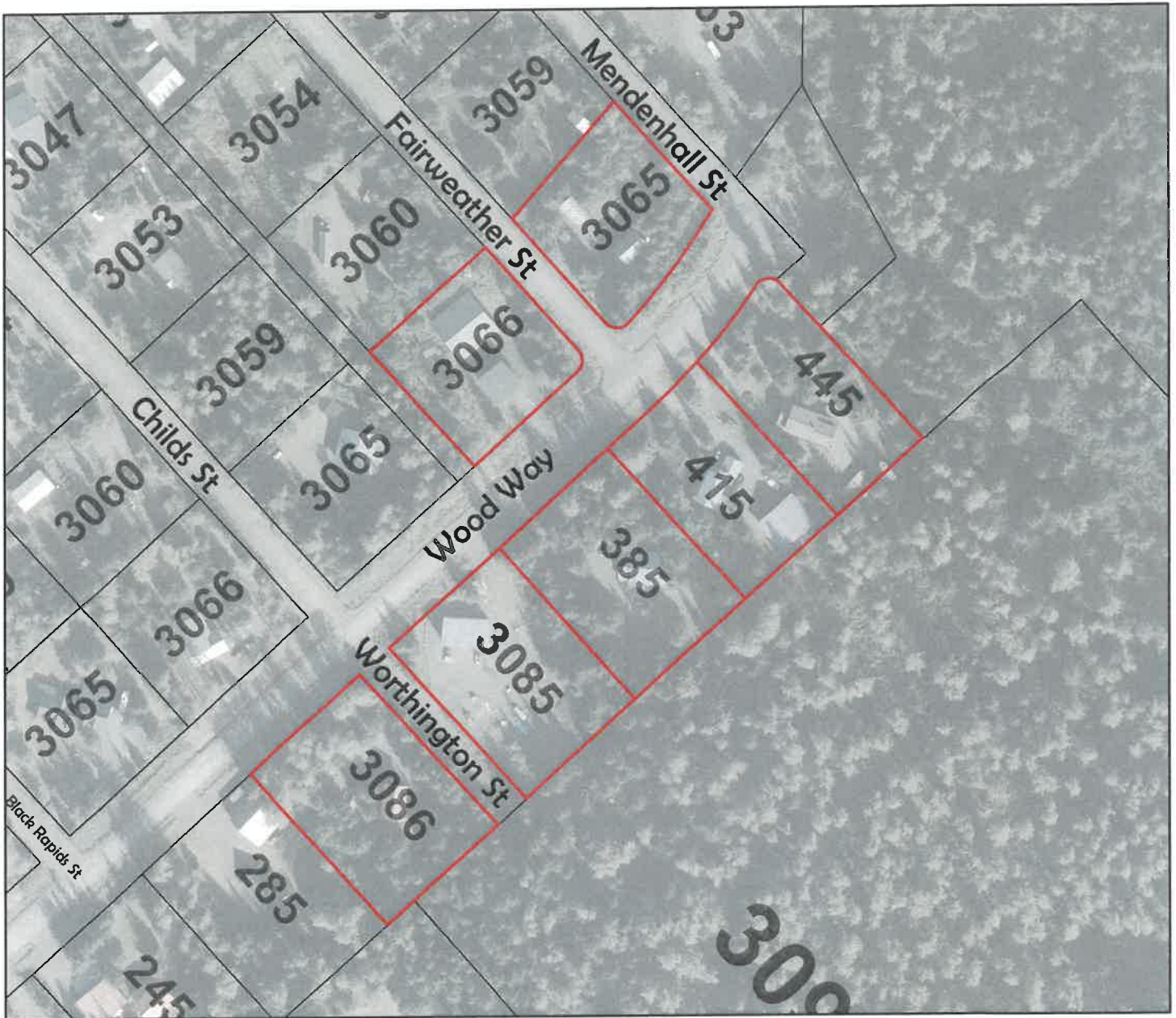
 Public Lands District (P)

 Unclassified Lands District (UL)



0 150 300 600 Feet

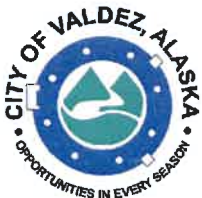
Date: 4/17/2024



## Rezone Request

**From Moderate Density Residential (R1) to Rural Residential (RR)**

**P & Z Commission Meeting - May 9, 2024**



0 100 200 400 Feet

Date: 4/17/2024

Subject Properties



Bruce Wall

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**From:** Community Development  
**Sent:** Tuesday, May 14, 2024 9:28 AM  
**To:** Bruce Wall  
**Subject:** FW: Rezone for Corbin Creek Subdivision

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**From:** Sara Baker [REDACTED]  
**Sent:** Thursday, May 9, 2024 5:19 PM  
**To:** Planning Department <planningdept@ValdezAK.Gov>  
**Subject:** Rezone for Corbin Creek Subdivision

Hello,

I am writing to express that I DO NOT agree with the rezoning of Corbin Creek Subdivision.

I live @ 145 Wood Way and like many of my neighbors purchased and built in this subdivision because we did not want to live in a mix match mess.

We do not want the "horse wars" like they had @ 10 mile in the past & we do not want to look like the Robe River subdivision.

The properties that are already out of code in Corbin Creek are ignored even after multiple complaints, you want us to believe that this isn't going to be another eyesore?

SARA BAKER  
[REDACTED]



## Legislation Text

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**File #:** RES 25-0035, **Version:** 1

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**ITEM TITLE:**

#25-35 - Renaming the Valdez Container Terminal as the "Ryan J. Sontag Valdez Container Terminal"

**SUBMITTED BY:** Jeremy Talbott, Ports and Harbor Director

**FISCAL NOTES:**

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

**RECOMMENDATION:**

Approve Resolution 25-35.

**SUMMARY STATEMENT:**

On August 14, 2025, the Ports and Harbors Commission reviewed the attached resolution to change the name of the Valdez Container Terminal honoring the late Ryan J. Sontag and recommends its adoption by City Council.

This action follows formal correspondence from former Governor Bill Walker supporting the renaming in honor of Mr. Sontag's decades of service and contribution to the City of Valdez, particularly in port development, emergency response, and community leadership (letter of support attached).

The family was contacted and is also in support of the proposed resolution.

The commission has determined that the resolution is consistent with the goals of honoring community legacy and reinforcing positive community engagement.

Fiscal Impact: The renaming involves signage but the terminal is long overdue for a new entrance sign and staff will work with all involved to incorporate the name change into the 2026 work plan and budget.

CITY OF VALDEZ, ALASKA

RESOLUTION # 25-35

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, RENAMING THE VALDEZ CONTAINER TERMINAL AS THE "RYAN J. SONTAG VALDEZ CONTAINER TERMINAL"

WHEREAS, Ryan J. Sontag was born in Valdez and remained a lifelong resident and servant of the community, with deep ties to Dayville, Old Town, and New Town Valdez; and

WHEREAS, following service in the United States Navy during the Vietnam War, Mr. Sontag returned to Valdez and played a vital role in the reconstruction of the city's port infrastructure after the 1964 Good Friday Earthquake working alongside his father, Herman Sontag, and the U.S. Army Corps of Engineers to construct a temporary dock critical to restoring maritime access; and

WHEREAS, Mr. Sontag's worked long hours unloading pipe during the Trans-Alaska Pipeline System construction and his many years as a tugboat captain helped sustain the port infrastructure vital to Valdez's economy; and

WHEREAS, Mr. Sontag played a critical role in managing operations at the Valdez Container Terminal during the Exxon Valdez oil spill response, one of the most demanding times in Alaska's maritime history, and demonstrated leadership, commitment, and calm under pressure; and

WHEREAS, Mr. Sontag worked for more than 30 years at the Valdez Container Terminal for North Star Terminal and Stevedore Company, earning the respect of his peers, the maritime industry, and the broader Valdez community; and

WHEREAS, in addition to his maritime work, Mr. Sontag served the as a long-time member of the Transportation Commission and was elected to City Council, further contributing to local civic life and governance; and

WHEREAS, the Ports and Harbors Commission recommends renaming of the Valdez Container Terminal as the "Ryan J. Sontag Valdez Container Terminal" to honor Mr. Sontag and to create a meaningful and enduring tribute to his service and legacy.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that:

Section 1. The Valdez Container Terminal shall hereby be officially renamed the “Ryan J. Sontag Valdez Container Terminal,” in recognition of Mr. Sontag’s lifelong dedication to the City of Valdez, its port operations, and the maritime industry.

Section 2. The City Manager is directed to oversee the implementation of appropriate signage, recognition, and public communication regarding this renaming, and to coordinate with the Sontag family for any commemorative events or installations.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this 19<sup>th</sup> day of August, 2025.

CITY OF VALDEZ, ALASKA

\_\_\_\_\_  
Dennis Fleming, Mayor

ATTEST:

\_\_\_\_\_  
Sheri L. Pierce, MMC, City Clerk

Bill Walker



August 4, 2025

Honorable Mayor Fleming and City Council Members

I recently had the honor of giving the eulogy for a man who demonstrated time and again his love for Valdez, Ryan J. Sontag. In preparation for delivering Ryan's eulogy, I learned much from the Sontag family about Ryan, even though I first met Ryan in 1961.

Born in Valdez, he had the distinction of living in Dayville, the Old Town and the New Town of Valdez. Having attended school in Dayville and then in Valdez, Ryan spent every year of his adult life in Valdez up until the need for closer proximity to additional medical services, he and his wife Sue moved to Anchorage.

Following Ryan's service to our country in the Navy in Vietnam, Ryan returned home to Valdez and never left.

What is most telling of his commitment to Valdez is that after the devastating 1964 earthquake, while we saw many families leave Valdez never to return, not the Sontags. He lost two uncles on the dock during the quake. Ryan, working alongside his dad Herman Sontag, working with the Army Corps of Engineers, built a desperately needed temporary dock in Old Town post-quake. With our entire waterfront wiped out, that temporary dock was a lifesaver.

During the TAPS construction, Ryan worked long hours on the dock to help unload approximately 500 miles of 48" pipe. He also worked as a tug boat captain for many years.

In 1980, Ryan went to work for North Star Terminal & Stevedore Company, where he remained until his retirement 30 years later.

Ryan's work at the Valdez Container Terminal during the Exxon Valdez oil spill cleanup operations was nothing short of amazing. The pressure put on the Valdez Container Terminal was unprecedented and Ryan handled it masterfully.

Honorable Mayor Fleming and City Council Members  
August 4, 2025  
Page 2 of 2

Ryan served his community as a longstanding member of the Transportation Commission and on the City Council.

It is with this backdrop of a great man who devoted his life to serving Valdez and worked in every capacity on the docks in Valdez, that I request that you consider renaming the Valdez Container Terminal the Ryan J. Sontag Dock.

I also wanted to thank each of you for your role in guiding Valdez as elected officials. Valdez is a better community because of your stepping forward to serve this place we all love.

Thank you for your consideration of my request.

Should you have any questions, please do not hesitate to contact me.



Bill Walker  
11<sup>th</sup> Governor of Alaska

CC: Valdez City Manager Nathan Duval  
Valdez City Clerk Sheri Pierce  
Port Director Jeremy Talbott  
Ports and Harbor Commission





## Legislation Text

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**File #:** RES 25-0036, **Version:** 1

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**ITEM TITLE:**

#25-36 - Establishing Council Priorities for the 2026 Operating Budget

**SUBMITTED BY:** Jordan Nelson, Finance Director

**FISCAL NOTES:**

Expenditure Required: n/a

Unencumbered Balance: n/a

Funding Source: n/a

**RECOMMENDATION:**

Approve Resolution 25-36.

**SUMMARY STATEMENT:**

The budget parameters document (Attachment A) captures the council budget priorities for the 2026 operating budget as discussed, refined, and articulated through the city council strategic planning session and the budget parameters workshop held on August 5, 2025. This document provides formal direction to management as they construct their budgets.

Departments begin working on budgets August 1<sup>st</sup> of each year and submit them for review by the city manager by August 31<sup>st</sup>. The budget parameters approved by council provide high level strategic direction to administration and departments in the development and review of each budget.

The Budget parameters Identifies the four top priorities of the council.

- Housing
- Childcare
- Maintenance
- Expand outdoor recreation, tourism, and Community

The Budget Parameters makes the following assumptions for the 2026 budget:

**Revenues**

- 20 mill property tax levy
- 1.5% permanent fund appropriation
  - As directed by Council, Management will minimize the utilization of this appropriation in 2026 and identify methods to further reduce use of this appropriation in future budgets
- Special revenue funds

- Port/harbor will set rates and expenses to avoid a general fund operating subsidy
- Airport will minimize required general fund operating subsidy
- No Change to Utility Fund rates which results in general fund operating subsidy

## **Expenses**

### FTE Personnel

- 2.3% COLA based on Anchorage CPI,
- Benefits Increase of 13.2%, Health insurance catch-up increase of 21.3%. Management is directed to examine options to reduce costs without reducing quality of benefit.

Education: funded to maximum local contribution in accordance with prior year funding

Other Expenses: Each department quantifies every expense. Department goals are to stay below 5-year inflation growth and year over year CPI.

### Community Service Organizations:

- Funding target is not more than 50% of the Valdez Program Budget
- Aggregate below 2% of Overall city budget

## **RES 25-36 - Attachment A: Council Priorities for the 2026 Operating Budget**

### **INTRODUCTION**

Valdez City Council held its annual strategic planning retreat June 20-21<sup>st</sup>, 2025 to discuss organizational strengths, weaknesses, opportunities, and threats as well as a review and status update of previous priorities, and forward-looking top priorities. The top priorities of the City Council are as follows:

- Housing
  - Increase housing stock by Fall 2027, utilizing the housing needs survey
- Childcare
  - Complete an operating, active, licensed childcare facility by Fall 2026
- Maintenance
  - Annually appropriate funds toward deferred maintenance on critical infrastructure
- Expand: Outdoor Recreation, Tourism, Maritime & Community
  - Annually modernize aging infrastructure, while leveraging natural and transportation assets, to expand: Outdoor recreation, Tourism, Maritime & Community

Further, a public workshop was held by the City Council on August 5<sup>th</sup> to further develop this document which represents preliminary Council direction, summarized below, for development of the 2026 Operating and Capital Budget.

### **SUMMARY**

Management has presented the City Council with written Department Operations Reports for all staffed departments. The Council requested additional information from specific departments to consider before making final appropriations in the 2026 Budgets, all other staffed departments were instructed to abide by the parameters set forth in this document. Revenues that allow the City of Valdez to provide services to residents are primarily driven by Property Tax revenue, and the 2025 Budget and current fiscal year reflect the end of a multi-party agreement on TAPS valuation. As the City Council continues to evaluate its legal strategy around taxation of oil & gas property, guidance in this document may be subject to change especially as it relates to the 2026 Budget.

### **REVENUES**

**Property Tax** – Ad Valorem Tax, i.e. property tax, continues to be the City’s primary revenue source, comprising 90% of General Fund revenues based on a twenty-mill levy. The 2026 preliminary budget will be developed based on a continued twenty-mill levy using the most-recent TAPS and related infrastructure valuation as a revenue forecast and will include revenue projections pursuant to VMC 3.30.

**Permanent Fund** – For the 2026 budget, the City Council will appropriate for expenditure 1.5% from the permanent fund, as mandated by the charter's Section 6.7(a). Management will present steps to minimize utilization of the appropriation and its corresponding expenditure in future budgets.

**Other Revenues** – All Other Revenues in the 2026 Budget will reflect historic levels of activity. This assumption will be presented in the General Fund, for items such as Parks and Recreation program participation, leases, and hotel occupancy tax unless otherwise necessitated by ordinance prior to

adoption of the 2026 Budget. Interest earnings on accumulated fund balances will reflect current market rates on allowable investment instruments.

**Special Revenue Funds** – The City operates four Special Revenue funds, Utility Fund for water and sewer charges, and Airport, Port, and Harbor funds, for facilities fees, leases, and fees related to commerce volume. Port and Harbor funds are tasked with targeting rates at a level at which revenues and expenses are budget neutral and do not require operational subsidies from the City’s General Fund with the exception of major maintenance related to existing infrastructure. Further Council direction related to Airport and Utility Fund can be found in the **Special Revenue Funds and Fee Subsidies** portion of this document.

## **EXPENSES**

**Personnel** – Full-Time Equivalents (FTE) is captured in “FTE Personnel”, an expense category containing the combined costs of salary, wages, and benefits for all approved positions. Management will continue the convention of budgeting for full employment, so as to reflect the full committed costs of all approved positions. Position vacancies during the budget year will result in actual expenses below budgeted amounts. Management is encouraged to use position vacancies as an opportunity to re-examine staffing levels for changing priorities and reallocation of overall staffing levels. Due entirely to this practice, as a budget category, FTE Personnel has an estimated citywide increase of 3.9%. However, where no staffing reallocation has taken place, the benchmark is 7.6% for departments with a status quo personnel picture.

The staffing reallocation notwithstanding, the following factors remain cost drivers:

**Cost of Living Adjustment (COLA)** – Salary and Wage rates will reflect a 2.3% Cost of Living Adjustment (COLA). This figure is based on Alaska/Anchorage official First-Half Consumer Price Index (CPI) figure and is supported by the City Council to be included in the 2026 Budget.

**Benefits** – The combination of substantial increases to reinsurance carrier markets and a small, self-funded healthcare pool comprise the primary drivers behind a conservative estimated increase of 13.2% to employee benefits costs for the upcoming budget year. Management will identify options to reduce volatility in benefits costs while not decreasing the quality of employee benefits.

**Other Expenses** – Management is also directed to present and quantify all expense categories, including FTE Personnel, versus inflationary growth over a 5-year time horizon and with year over year inflationary metrics. Council desires this objective to be on an individual department basis and serve as a foundation for Council’s consideration and analysis relative to their articulated program and service priorities. Departments under 5-year inflationary growth and year over year inflationary growth will most likely require little dialogue during 2026 Budget Workshops in October.

**Education** – Council reaffirms its commitment to funding Valdez Schools to the maximum permitted by statutory formula, and requests that Valdez City Schools give a budget overview presentation prior to the adoption of the school’s budget by the City in the second quarter of the upcoming fiscal year. Management will also present College and dual-credit funding requests as-received for Council

consideration. These three expenses reside in the City’s “Education” department within the General Fund, and will be scheduled for coordinated presentation and discussion during regular October budget workshops.

**Legal** – At the direction of the City Council, City Administration will present the Legal expenditures in the General Fund distinguishing between legal operating expenditures associated with normal City business and special projects as directed by the City Council.

**Community Service Organizations (CSOs)** – The City Council desires to keep overall Community Service Organization (CSO) funding consistent with established Council priorities and has provided guidance to staff on a few minor CSO application changes and expectations. Requirements for the 2026 CSO Program include:

- Continuance of the Biannual progress report for each CSO receiving funding
- Overall funding target is not more than 50% of the Valdez Program Budget for each organization
- Financial statements be presented side-by-side with prior fiscal year and current fiscal year
- CSO aggregate funding target NTE 2% of overall City operating budget

These parameters notwithstanding, CSO requests will be compiled by staff and forwarded to Council as-received. CSO applications will be discussed during a standalone workshop during the 2026 budget process, though approval during this workshop is not a final budget decision. Furthermore, any funding requests approved but not unanimously supported by the Council, or any in which further discussion is needed, will be revisited at a subsequent meeting prior to the adoption of the 2026 Budget.

#### **INTER-FUND TRANSFERS**

**Capital Projects (CIP) Funds** – The Long-Range Capital Plan and Capital (CIP) Budget will continue to be folded into the Operating Budget process reflecting the full commitment to Operating and Capital expenditures in the 2026 Adopted Budget. The CIP program will be funded by established convention, where prior year expenditures under-budget and revenues over-budget are appropriated and held in a CIP Planning Reserve in late first quarter of each fiscal year. Projects are then prioritized, and funds appropriated to specific projects by the City Council during Budget Workshops in October.

**Reserve Funds** - Reserve Funds are established via transfers from General Fund, and reflect costs-items that span multiple years, are unpredictable in nature, and/or serve to mitigate drastic annual variances. Examples include maintenance and capital projects as mentioned above, liquidation of accrued leave-time, and purchase of major equipment items, respectively. Management will continue with conventional reserve-fund levels to ensure adequate coverage of related expenses and liabilities.

**Energy Assistance** – Among the Reserve Funds is a specific appropriation for the Energy Assistance program. The program consists of a \$595 energy credit per qualifying residential customer. Management estimates the cost for the program to be approximately \$750,000.

**Special Revenue Funds and Fee Subsidies** – Council has historically approved fee-levels that are less than full cost-recovery levels, so as to provide reduced cost of living and enhanced quality of life for the benefit of residents. The imbalance of revenues and costs for related services are reflected in transfers from

General Fund to impacted funds, specifically Airport and Utilities. Council has expressed a desire to evaluate the level of subsidies to special revenue funds on an annual basis and explore ways to inform the public about these subsidies. Management will present preliminary 2026 budget transfers accordingly.

#### **CONCLUSION**

The directives and parameters articulated in this document represent a starting point for the 2026 budget and the dynamic long range financial plan. The final adopted operating budget may ultimately reflect revised priorities and parameters following a review of preliminary budgets during related work sessions in October. The preliminary budget will reflect Capital Project needs, composing a full picture of the City's Operational and Capital Budget as a work plan for the upcoming fiscal year.

Council continues to strive to evaluate budget requests within a multi-year context, within the framework of the mission of the City of Valdez – “To cultivate an environment of opportunity, sustained prosperity, and well-being for all people of Valdez” – while in pursuit of articulated programming within the framework of the City's Comprehensive Plan.

CITY OF VALDEZ, ALASKA

RESOLUTION #25-36

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ,  
ALASKA, ESTABLISHING COUNCIL PRIORITIES FOR THE 2026  
OPERATING BUDGET

WHEREAS, City Council holds a strategic planning session annually to articulate priorities and related action plans; and

WHEREAS, Management and Council meet annually at the beginning of the budget process to discuss budgeting parameters and how to fund strategic planning priorities; and

WHEREAS, budgeting best-practices include capturing and disseminating these discussions to management to guide the development of their respective budgets; and

WHEREAS, Council and Management adopt a budget priorities resolution to provide full transparency to the public and other stakeholders at each step of the planning and budgeting process.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that the 2026 Operating Budget will be developed in accordance with the priorities and parameters as detailed in Attachment A.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this 19<sup>th</sup> day of August, 2025.

City of Valdez, Alaska

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Dennis Fleming, Mayor

ATTEST:

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Sheri L. Pierce, MMC, City Clerk



# City of Valdez

212 Chenega Ave.  
Valdez, AK 99686

## Legislation Text

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**File #:** 25-0365, **Version:** 1

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**ITEM TITLE:**

Monthly Treasury Report: May 2025

**SUBMITTED BY:** Casey Dschaak, Budget and Policy Analyst

**FISCAL NOTES:**

Expenditure Required: n/a

Unencumbered Balance: n/a

Funding Source: n/a

**RECOMMENDATION:**

Receive and file.

**SUMMARY STATEMENT:**

Monthly Treasury Report as required by VMC 3.04.050(B)

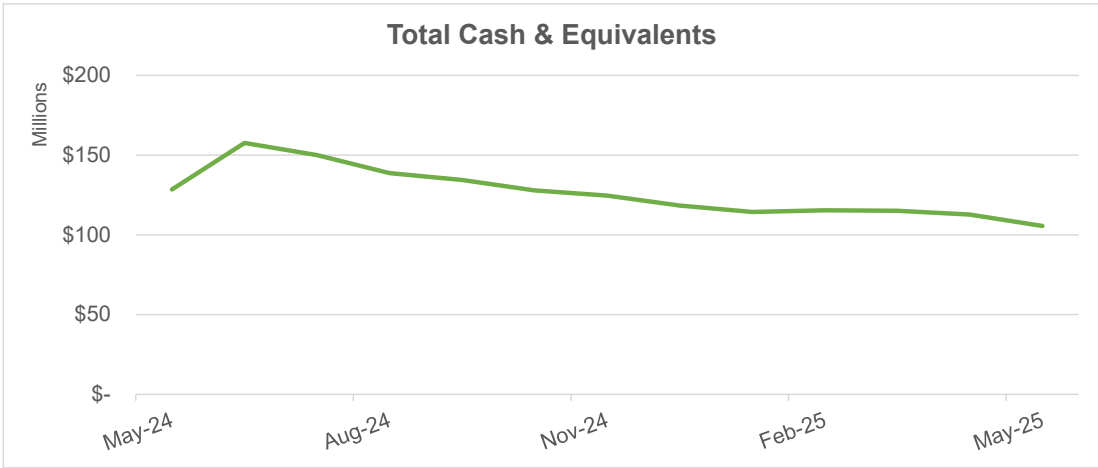
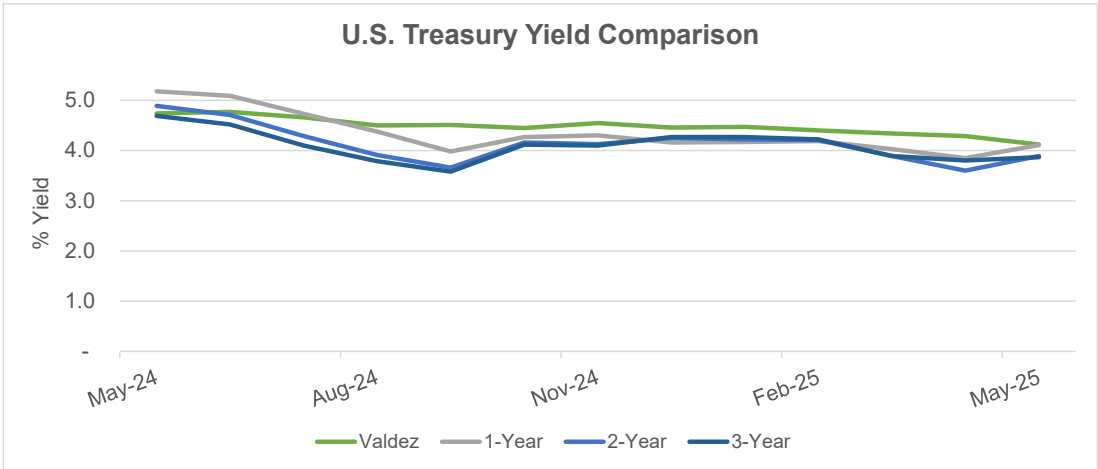




# Monthly Treasury Report

Period Ending: May 31, 2025  
 Prepared By: Casey Dschaak, Financial Analyst

		Begin Balance	Debits	Credits	End Balance	Yield	Notes
<b>Central Treasury</b>		<b>112,756,525</b>	<b>23,637,448</b>	<b>(30,826,250)</b>	<b>105,567,723</b>	<b>4.12%</b>	
Central Treasury	Principal	76,863,588	-	(33,933)	76,829,655	4.30%	
Money Market	Wells Fargo	18,842,054	47,403	(7,180,000)	11,709,457	4.23%	
SLG Account	USB	15,884,517	42,661	-	15,927,178	3.36%	
Checking	Wells Fargo	(131,826)	14,669,741	(13,627,297)	910,618	0.00%	
Payroll	Wells Fargo	(8,106)	2,566,625	(2,841,397)	(282,878)	0.00%	
Sweep	Wells Fargo	1,306,298	6,311,019	(7,143,623)	473,694	4.23%	
<b>Restricted</b>		<b>4,809</b>	<b>3</b>	<b>-</b>	<b>4,812</b>	<b>0.78%</b>	
Police	Wells Fargo	4,809	3	-	4,812	0.78%	
<b>Total</b>		<b>112,761,334</b>	<b>23,637,451</b>	<b>(30,826,250)</b>	<b>105,572,535</b>	<b>4.12%</b>	





# City of Valdez

212 Chenega Ave.  
Valdez, AK 99686

## Legislation Text

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**File #:** 25-0366, **Version:** 1

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**ITEM TITLE:**

Monthly Treasury Report: June 2025

**SUBMITTED BY:** Casey Dschaak, Budget and Policy Analyst

**FISCAL NOTES:**

Expenditure Required: n/a

Unencumbered Balance: n/a

Funding Source: n/a

**RECOMMENDATION:**

Receive and file.

**SUMMARY STATEMENT:**

Monthly treasury report as required by VMC 3.04.050(B)

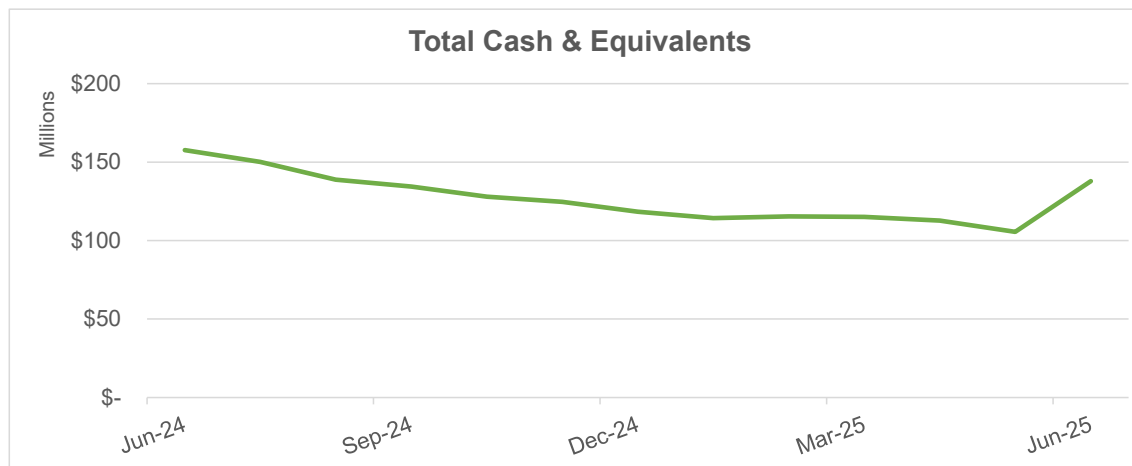
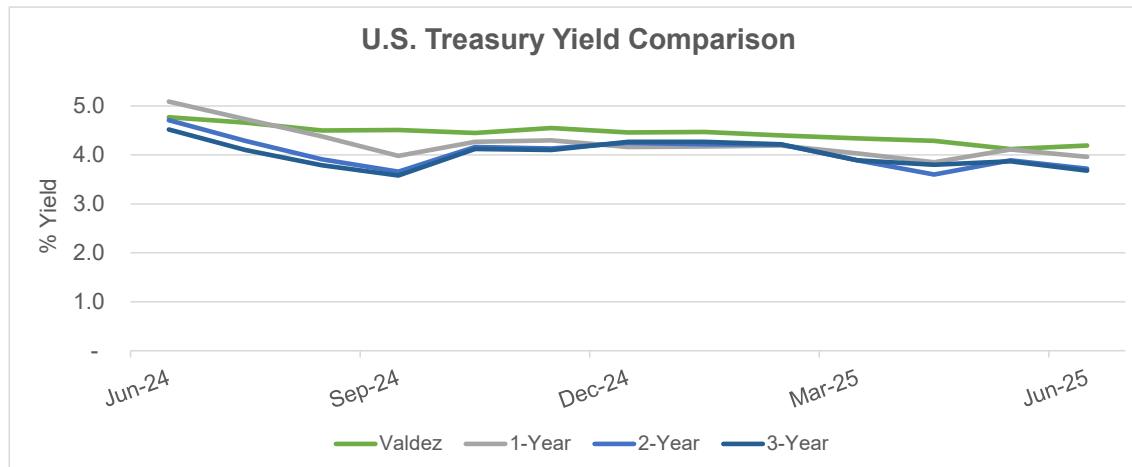


# Monthly Treasury Report

Period Ending: June 30, 2025

Prepared By: Casey Dschaak, Financial Analyst

		<u>Begin</u> <u>Balance</u>	<u>Debits</u>	<u>Credits</u>	<u>End</u> <u>Balance</u>	<u>Yield</u>	<u>Notes</u>
<b>Central Treasury</b>		<b>105,567,723</b>	<b>131,750,805</b>	<b>(99,479,617)</b>	<b>137,838,912</b>	<b>4.19%</b>	
Central Treasury	Principal	76,829,655	372,145	(12,000,000)	65,201,800	4.44%	
Money Market	Wells Fargo	11,709,457	54,545	(5,925,000)	5,839,003	4.22%	
SLG Account	USB	15,927,178	41,845	-	15,969,023	3.31%	
Checking	Wells Fargo	910,618	71,168,087	(70,977,134)	1,101,571	0.00%	
Payroll	Wells Fargo	(282,878)	2,311,665	(2,049,611)	(20,825)	0.00%	
Sweep	Wells Fargo	473,694	57,802,518	(8,527,872)	49,748,340	4.22%	
<b>Restricted</b>		<b>4,812</b>	<b>3</b>	<b>-</b>	<b>4,814</b>	<b>0.78%</b>	
Police	Wells Fargo	4,812	3	-	4,814	0.78%	
<b>Total</b>		<b>105,572,535</b>	<b>131,750,808</b>	<b>(99,479,617)</b>	<b>137,843,726</b>	<b>4.19%</b>	





## Legislation Text

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**File #:** 25-0367, **Version:** 1

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**ITEM TITLE:**

Report: 2025 ADEC Solid Waste Program Inspection - City of Valdez Landfills

**SUBMITTED BY:** John Witte, Public Works Director

**FISCAL NOTES:**

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

**RECOMMENDATION:**

Receive and file.

**SUMMARY STATEMENT:**

On June 17, 2025, a representative from the Alaska Department of Environmental Conservation (ADEC) Solid Waste Program conducted an inspection of the City of Valdez's Balefill and C&D Landfill facilities. The inspection was facilitated by Raymond Gross, Solid Waste Manager. The facilities are operated under a Class II Comprehensive Solid Waste Disposal Permit (SW2CP014-27).

The inspection resulted in an overall score of 98.3% (285 out of 290 points), demonstrating strong operational compliance and excellent site management. The report noted that the facilities were clean and organized, and that waste streams were well-controlled and segregated. Recyclable and reusable materials are properly diverted, and environmental monitoring is being conducted in accordance with permit requirements.

Minor areas for improvement were identified, including wildlife intrusion management (specifically a bear observed at the working face) and enhanced enforcement of building survey requirements for commercial C&D waste loads to better identify potential hazardous materials.

The 2025 ADEC inspection report confirms and justifies Council's continued support of ongoing improvements to ensure full compliance and operational excellence at the City of Valdez Balefill and Construction & Demolition (C&D) Landfill

The full ADEC inspection form is attached for Council's review.



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

Department of Environmental  
Conservation

DIVISION OF ENVIRONMENTAL HEALTH  
Solid Waste Program

555 Cordova Street  
Anchorage, AK 99501  
Phone: 907.269.7626  
Fax: 907.269.7510  
[www.dec.alaska.gov](http://www.dec.alaska.gov)

**Sent via Email**

August 6, 2025

John Witte  
Director of Public Works  
City of Valdez  
P.O. Box 307  
Valdez, Alaska 99686

Subject: 2025 Valdez Balefill and C&D Landfill Inspection Letter

Dear Mr. Witte:

On June 17, 2025, a representative of the Alaska Department of Environmental Conservation (ADEC) Solid Waste Program conducted an inspection of the City of Valdez (COV) Balefill and Construction and Demolition (C&D) Landfill. The Balefill and C&D Landfill are permitted under a Class II Comprehensive Solid Waste Disposal Permit number SW2CP014-27. The inspection was facilitated by Raymond Gross. I appreciate the time he took to answer questions and show me around the facility.

The completed inspection form attached to this letter provides detailed documentation of the inspection. The facility received 285 points out of 290 possible points for an overall score of **98.3%**. Please note that ADEC modified the inspection form and scoring system in 2024, and 2025 scores should not be compared to pre-2024 inspection scores.

Landfill personnel demonstrated a good understanding of the operational requirements outlined in the ADEC permit. The baling facility was organized, clean, and structured to allow landfill personnel to inspect incoming wastes. The COV had good control over waste material entering the landfill cells by having most customers drop off wastes at the baler building and keeping entrance gates locked at the landfills. Signage at the access gates clearly indicated materials prohibited from the landfills. Municipal solid waste, C&D, scrap metal, and brush were segregated and well organized. Arrangements had been made to barge out the scrap metal pile later in the summer. Working faces were well covered, and minimal litter and birds were observed on the day of the inspection. The COV collects household hazardous waste for proper disposal outside the landfill. They divert recyclable or reuseable material such as wooden pallets, used oil, lead acid batteries, latex paint, e-waste, and fluorescent bulbs from being disposed in landfill cells. E-waste is collected free of charge and sent out for recycling which helps reduce fire hazards at the landfill. Groundwater sampling and gas monitoring were conducted on a regular basis in compliance with permit requirements.

I noted a couple of items for improvement. A brown bear was digging into waste at the balefill when we drove up to the working face (-3). All wildlife should be kept out of waste, particularly bears, as they pose a safety hazard to workers, they can spread the waste outside the cell, and they can become habituated to the food source. Commercial disposers of C&D material should be submitting a building survey to the COV prior to depositing C&D waste in the landfill cell. Landfill staff would not be able to identify potential contaminants in C&D waste, such as lead or PCBs in

paint, by observation alone. The COV should be requiring confirmatory testing of any suspect material. Although the COV does require building surveys for pre-1983 construction, they should be requiring building surveys for all commercial loads to better identify potential contaminants (-2).

I appreciate the time Ray took to guide us around the facility and answer our questions. Please contact me at (907) 269-7626 or by email at [annemieke.powers@alaska.gov](mailto:annemieke.powers@alaska.gov) with any questions or comments you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Annemieke Powers".

Annemieke Powers  
Environmental Protection Specialist III

Attachments

**2.18**      Inches

## 219

# Class I / II MSWLF Inspection Form



## Alaska Department of Environmental Conservation Solid Waste Program

### Part One: ADEC Information Gathering

This section should be filled out completely, **prior to the site visit**. This section is not scored, but the information will be used during the site visit to determine compliance with requirements.

#	Part One: ADEC Information Gathering
1	<b>PERMIT AND OPERATING PLAN</b> – Review permit and operating plan to familiarize yourself with the requirements and approved operations for this landfill. Does the facility have a current ADEC permit? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Permit Number <u>SW2CP014-27</u> Expiration Date <u>21-Jan-27</u>
2	<b>SITE/DEVELOPMENT PLANS</b> – Review site plans and development plans to familiarize yourself with the approved layout of the landfill and the conditions at the site. Check if the landfill is located in or near wetlands, on permafrost, in a 100-year floodplain, within 5,000 feet of any airport, within 10,000 feet of an airport used by jet aircraft, and/or are there any drinking water wells within 500 feet of the landfill property boundary. If the site has an RD&D Permit, review the RD&D permit. Review current/up-to-date site map
3	<b>PREVIOUS INSPECTIONS</b> – Review previous inspection forms. List any issues that may still be outstanding that should be investigated. <u>Building surveys for all commercial C&amp;D</u> <u>Lake area in C&amp;D cell</u>
4	<b>COMPLAINTS</b> – If ADEC has received any complaints regarding the facility, list and describe them below: <u>None</u>
5	<b>AUTHORIZED WASTE TYPES</b> – <i>The landfill is required to have a permit that authorizes all types of waste disposed at the site.</i> Check the types of waste that the facility is authorized to dispose: <input checked="" type="checkbox"/> Municipal Solid Waste <input type="checkbox"/> Regulated Asbestos-Containing Material (RACM) <input checked="" type="checkbox"/> C&D or other Inert Waste <input type="checkbox"/> non-RACM <input type="checkbox"/> Sewage Solids <input type="checkbox"/> Other: _____



# Class I / II MSWLF Inspection Form



## Alaska Department of Environmental Conservation Solid Waste Program

#	<b>Part One: ADEC Information Gathering</b>																																								
6	<p><b>MONITORING REQUIREMENTS</b> – A facility may be required to monitor groundwater, surface water, gas, or other parameters. Requirements are specified in the permit or approved monitoring plan. By regulation, monitoring reports must be submitted to ADEC for groundwater and surface water. If reports are required for other types of monitoring, it will be specified in the permit. This information will help you determine if the operating record is complete.</p> <p>Check the types of monitoring that the facility is required to conduct, note the required sampling frequency, and check if reports must be submitted to DEC</p> <table border="1"> <thead> <tr> <th><input checked="" type="checkbox"/></th><th>Type</th><th>Frequency</th><th>ADEC Report</th> <th><input checked="" type="checkbox"/></th><th>Type</th><th>Frequency</th><th>ADEC Report</th> </tr> </thead> <tbody> <tr> <td><input checked="" type="checkbox"/></td><td>Groundwater</td><td>Semi-annually</td><td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td><td>Thermal</td><td></td><td><input type="checkbox"/></td> </tr> <tr> <td><input type="checkbox"/></td><td>Surface Water</td><td></td><td><input type="checkbox"/></td> <td><input type="checkbox"/></td><td>Slope Stability</td><td></td><td><input type="checkbox"/></td> </tr> <tr> <td><input checked="" type="checkbox"/></td><td>Gas</td><td>Monthly</td><td><input type="checkbox"/></td> <td><input type="checkbox"/></td><td>Piezometer</td><td></td><td><input type="checkbox"/></td> </tr> <tr> <td><input type="checkbox"/></td><td>Other</td><td></td><td><input type="checkbox"/></td> <td><input type="checkbox"/></td><td>Other</td><td></td><td><input type="checkbox"/></td> </tr> </tbody> </table> <p><b>Take a map showing the monitoring locations at the site to assist you in the field inspection.</b></p>	<input checked="" type="checkbox"/>	Type	Frequency	ADEC Report	<input checked="" type="checkbox"/>	Type	Frequency	ADEC Report	<input checked="" type="checkbox"/>	Groundwater	Semi-annually	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Thermal		<input type="checkbox"/>	<input type="checkbox"/>	Surface Water		<input type="checkbox"/>	<input type="checkbox"/>	Slope Stability		<input type="checkbox"/>	<input checked="" type="checkbox"/>	Gas	Monthly	<input type="checkbox"/>	<input type="checkbox"/>	Piezometer		<input type="checkbox"/>	<input type="checkbox"/>	Other		<input type="checkbox"/>	<input type="checkbox"/>	Other		<input type="checkbox"/>
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<input type="checkbox"/>	Other		<input type="checkbox"/>	<input type="checkbox"/>	Other		<input type="checkbox"/>																																		
7	<p><b>WAIVERS</b> – The landfill may obtain waivers for requirements related to development or operation.</p> <p>List any ADEC-approved waivers.</p> <p>Alternative cover waivers for wood chips and snow. Posi Shell to be used in the Balefill as alternative cover when the baler is down and MSW is placed as loose fill. Installation of gas probes waived.</p>																																								
8	<p><b>ADDITIONAL PERMIT REQUIREMENTS</b></p> <p>List any Specific Conditions in the permit that are not addressed in the inspection checklist in <b>Part Nine</b> of this form.</p>																																								
9	<p><b>FINANCIAL ASSURANCE</b> – The landfill must demonstrate financial assurance to cover closure and post closure costs. 18 AAC 60.235, 18 AAC 60.265</p> <p>The landfill must submit this information with their permit application, and then make appropriate updates to their operating record. They are not required to submit the updates to DEC. Review the financial assurance</p> <p>What mechanism is used to demonstrate financial assurance? <u>Local Government Test</u></p> <p>What is the date of the last update in the ADEC file? <u>6/24/2024, \$8.6 million</u></p>																																								

# Class I / II MSWLF Inspection Form



## Alaska Department of Environmental Conservation Solid Waste Program

### Part Two: Landfill Records

This section, and all remaining sections, should be completed at the landfill facility during the site visit.

#	Part Two: Landfill Records	POINTS	
		Score	Possible
1	<b>PERMIT AND PERMIT APPLICATION</b> – <i>A copy of the permit application and current permit must be kept in the operating record. The operations plan should be used as a guide for day to day operation of the landfill. A copy must be kept in the operating record. 18 AAC 60.235, 18 AAC 60.210</i> Is a copy of the current permit in the operating record? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Is a copy of the permit application in the operating record? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Is a copy of the latest permit application available and used by landfill staff? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Comments: _____	10	10
2	<b>WASTE QUANTITY TRACKING</b> – <i>The facility must maintain records of amount of waste received. 18 AAC 60.210</i> How is waste tracked? <input type="checkbox"/> Weight <input checked="" type="checkbox"/> Volume Do records appear to be accurate and complete? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Is all waste that is accepted for disposal tracked and logged? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Record or attach previous year's total(s): Dates: <u>Calendar Year 2024</u> Total Amount: <u>15,543 Cubic Yards</u> MSW Total: <u>5277 cu yds</u> Inert Total: <u>9656 cu yds</u> RACM Total: <u>NA</u> Special Waste Total: <u>610 cu yds</u> Comments: _____	5	5
3	<b>TRAINING</b> – <i>Landfill staff must receive training to recognize regulated hazardous waste and PCB waste. Class I landfills must employ at least one operator or manager who has at least 2 years of experience in landfill operations and who holds a current MOLO certification. Records of training must be kept in the operating record. 18 AAC 60.235, 18 AAC 60.240, 18 AAC 60.335</i> Does the landfill record show that operators have received annual training to recognize regulated hazardous waste and PCB waste in the past year (Hazwoper, internal trainings, MOLO, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No For Class I landfills, does the landfill have a record showing that at least one operator or manager has current MOLO certification? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Comments: <b>Ray has current Molo expiring in 2026. All landfill staff have Hazwoper and are EPA refrigeration certified technicians.</b>	5	5

# Class I / II MSWLF Inspection Form



## Alaska Department of Environmental Conservation Solid Waste Program

#	Part Two: Landfill Records	POINTS	
		Score	Possible
4	<p><b>RANDOM INSPECTION RECORDS</b> – <i>The landfill must perform random inspections of incoming waste loads to identify any regulated hazardous waste or PCB waste. Records of the inspections must be available for review. 18 AAC 60.235, 18 AAC 60.240</i></p> <p>Do the landfill operators perform random waste inspections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>How often are random waste inspections performed and recorded? <u>Weekly</u></p> <p>What loads are random inspections performed on?</p> <p><input type="checkbox"/> Residential <input type="checkbox"/> Commercial <input checked="" type="checkbox"/> Both</p> <p>Comments: Waste is also informally inspected on the tipping floor of the baler building.</p>	5	5
5	<p><b>ASBESTOS RECORDS</b> – <i>The landfill must maintain (1) at least two years of asbestos shipment records that, for each load of RACM, includes contact information for the generator and transporter, the amount (cy), and the date of receipt, and (2) an up-to-date map or site plan showing the boundaries of the asbestos cell including depth and the total volume. 18 AAC 60.450</i></p> <p>Does the landfill maintain complete asbestos shipment records for the previous 2 years for each load of RACM received? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Does the operating record contain an adequate, up-to-date map of the asbestos cell? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Does the operating record contain up-to-date information about the depth and total volume of RACM in the asbestos cell? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Comments: _____</p>	NA	10
7	<p><b>VISUAL MONITORING</b> – <i>Visual monitoring must be performed at least monthly and recorded on a form approved by ADEC. Records must be maintained for at least 5 years. 18 AAC 60.800</i></p> <p>Is visual monitoring performed monthly and recorded on the approved form? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Does the operating record contain all monthly visual monitoring reports for the last 5 years? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If not, have points already been deducted in previous inspections? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Comments: _____</p>	5	5

# Class I / II MSWLF Inspection Form



## Alaska Department of Environmental Conservation Solid Waste Program

#	Part Two: Landfill Records	POINTS																
		Score	Possible															
8	<p><b>COST ESTIMATES</b> – The landfill must update closure and post closure cost estimates annually to adjust for inflation. Documentation must be kept in the operating record. 18 AAC 60.235, 18 AAC 60.265</p> <p>Does the operating record contain appropriate and up-to-date (i.e. annual) closure and post-closure cost estimates? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>What is the date of the most recent update to closure costs? <u>FY 2024</u></p> <p>Comments: _____</p>	5	5															
9	<p><b>FINANCIAL ASSURANCE</b> – The landfill must demonstrate financial assurance to cover closure and post closure costs. Documentation must be kept in the operating record. The local government financial test is the most common mechanism, and requires an annual update. 18 AAC 60.235, 18 AAC 60.265</p> <p>What mechanism does the landfill use to demonstrate financial assurance?</p> <p><input checked="" type="checkbox"/> Local Government Test <input type="checkbox"/> Other: _____</p> <p>If the Local Government Test is used, the following items must be updated annually:</p> <table border="1"> <tr> <td><input checked="" type="checkbox"/></td> <td>A statement by the CFO that the government meets the 5 conditions of the local government test.</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>The independently audited year-end financial statements for the latest fiscal year</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>A report to the local government from the local government's independent certified public accountant (CPA) or the appropriate State agency stating the procedures performed and the CPA or State agency's findings</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>A copy of the comprehensive annual financial report (CAFR) or certification that the requirements of General Accounting Standards Board Statement 18 have been met</td> </tr> </table> <p>What is the date of the most recent update to FA in the file? <u>3/5/2025</u></p> <p>Comments: <u>8812508 for FY2024</u></p>	<input checked="" type="checkbox"/>	A statement by the CFO that the government meets the 5 conditions of the local government test.	<input checked="" type="checkbox"/>	The independently audited year-end financial statements for the latest fiscal year	<input checked="" type="checkbox"/>	A report to the local government from the local government's independent certified public accountant (CPA) or the appropriate State agency stating the procedures performed and the CPA or State agency's findings	<input checked="" type="checkbox"/>	A copy of the comprehensive annual financial report (CAFR) or certification that the requirements of General Accounting Standards Board Statement 18 have been met	5	5							
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<input checked="" type="checkbox"/>	A copy of the comprehensive annual financial report (CAFR) or certification that the requirements of General Accounting Standards Board Statement 18 have been met																	
10	<p><b>OTHER OPERATING RECORD ITEMS</b> – The facility is required to maintain many other items in the operating record. 18 AAC 60.235, 18 AAC 60.305, 18 AAC 60.310, 18 AAC 60.810, 18 AAC 60.830</p> <p>Check each of the required items in the operating record:</p> <table border="1"> <thead> <tr> <th>Req'd</th> <th>In Rcd</th> <th>Item</th> </tr> </thead> <tbody> <tr> <td><input checked="" type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td>ADEC Inspection Reports</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td>As-built (Record) Drawings</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>APDES Permit</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Other: _____</td> </tr> </tbody> </table> <p>Comments: _____</p>	Req'd	In Rcd	Item	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	ADEC Inspection Reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	As-built (Record) Drawings	<input type="checkbox"/>	<input type="checkbox"/>	APDES Permit	<input type="checkbox"/>	<input type="checkbox"/>	Other: _____	5	5
Req'd	In Rcd	Item																
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	ADEC Inspection Reports																
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	As-built (Record) Drawings																
<input type="checkbox"/>	<input type="checkbox"/>	APDES Permit																
<input type="checkbox"/>	<input type="checkbox"/>	Other: _____																

# Class I / II MSWLF Inspection Form



## Alaska Department of Environmental Conservation Solid Waste Program

### Part Three: Landfill Development and Access

#	Part Three: Landfill Development and Access	POINTS	
		Score	Possible
1	<p><b>LANDFILL DEVELOPMENT</b> – The facility is required to follow the approved landfill site plans and development plans. If minor changes are made, they should not be detrimental to regular operations. Any major changes must be approved by ADEC. 18 AAC 60.210, permit</p> <p>Is the facility following the site and development plans? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If no, are the changes minor, and do they maintain the integrity of the operations? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Is the waste disposal area at least 50 feet from the property boundary? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Has development of the landfill or surrounding area maintained the proper separation zone of 500 feet between the waste boundary and a drinking water well? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Comments: _____</p>	10	10
3	<p><b>ACCESS</b> – Access to the landfill facility must be limited by the use of fencing, berms, or natural barriers to control public access to the site. This should prevent unauthorized traffic or dumping. 18 AAC 60.220</p> <p>Is access to and within the facility limited? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Is there any evidence of unauthorized access or dumping? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Comments: Locking gates to access the baler building and both the balefill and C&amp;D landfill.</p>	10	10
4	<p><b>SIGNAGE</b> – A clearly legible sign must be posted at the entrance to the landfill. The sign must prohibit disposal of regulated hazardous waste and polychlorinated biphenyl (PCB) waste. Most permits also require signage that identifies the owner or operator, hours of operation, and emergency contacts. 18 AAC 60.240, permit</p> <p>Are signs prohibiting hazardous, PCB, and other required waste posted and clearly legible? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If additional signage is required, is it posted and clearly legible? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Comments: Good signage at entrance to and within each facility.</p>	5	5

# Class I / II MSWLF Inspection Form



## Alaska Department of Environmental Conservation Solid Waste Program

Part Four: Landfill Operations			
#	Part Four: Landfill Operations	POINTS	
		Score	Possible
1	<b>AUTHORIZED WASTE TYPES</b> – <i>The landfill is required to have a permit that authorizes all types of waste disposed at the site. 18 AAC 60.200</i>  Are all wastes apparent or reported to be accepted at the facility for disposal allowed under the permit? (See answers in Part One, Question 5) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Comments: _____	10	10
2	<b>COVER</b> - <i>Waste must be covered by 6 inches of soil or an approved alternative cover at the end of each day or more frequently to control disease vectors, fire, odor, blowing litter, and scavenging. In a Balefill, the vertical face may remain uncovered unless it is inactive for 7 or more days, exceeds 200 feet, or is causing animal attraction problems. 18 AAC 60.340</i>  Does the cover appear to be at least 6 inches thick and sufficient to reduce litter and animal attraction? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If Alternate Cover is being used, is it being used according to the approved plan? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Is daily cover applied during the winter? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Have any cover-related complaints (i.e. litter, smell, exposed waste, etc.) been received? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  If yes, have the landfill operators modified their cover operations to address the complaints? <input type="checkbox"/> Yes <input type="checkbox"/> No  Comments: <b>The landfill property has ample rock/soil material for use as cover. Wastes were well covered.</b>	20	20
3	<b>BURNING</b> – <i>Burning areas, if allowed, must be contained and controlled and only burn brush overburden and clean untreated wood. Open burning of municipal waste is not allowed at landfills. 18 AAC 60.355</i>  Is the landfill approved to burn brush, overburden, or clean wood? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, is burning limited to the approved materials? <input type="checkbox"/> Yes <input type="checkbox"/> No Comments: <b>The solid waste permit allows for burning but brush is converted to wood chips and used as alternative cover.</b>	5	5
4	<b>LANDFILL FIRES</b> – <i>Landfill fires have been occurring with increasing frequency, and can be identified by smoke, or evidence of unusual heat at the surface. The owner or operator of a landfill who accepts combustible waste shall maintain fire control equipment and make it available to extinguish any fires that start.</i>  Does the landfill have appropriate fire suppression equipment onsite (large extinguishers, water source, fine grain cover material)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Has the landfill operated without evidence of a fire since the previous inspection? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If a fire was identified, did the landfill respond appropriately to extinguish the fire? <input type="checkbox"/> Yes <input type="checkbox"/> No	5	5

# Class I / II MSWLF Inspection Form



Alaska Department of  
Environmental Conservation  
Solid Waste Program

	<i>Comments:</i> There were no fires since the last inspection. E-waste is accepted for free at the baler building and sent to Total Reclaim. E-waste ending up on the tipping floor is removed.		
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# Class I / II MSWLF Inspection Form



## Alaska Department of Environmental Conservation Solid Waste Program

#	Part Four: Landfill Operations	POINTS	
		Score	Possible
5	<p><b>LITTER</b> - Litter must be controlled so that it does not become a nuisance or hazard. 18 AAC 60.233</p> <p>Is the landfill maintained with minimal litter within the landfill boundary? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Is the landfill maintained so no litter is evident outside the landfill boundary? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Are conditions maintained to keep litter to a minimum? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>What measures are used to control litter at the landfill?</p> <p><input checked="" type="checkbox"/> Fencing <input type="checkbox"/> Berms <input checked="" type="checkbox"/> Collection</p> <p><input type="checkbox"/> Other _____</p> <p><i>Comments:</i> Minimal litter was observed outside the cells. There is regular litter clean-up at the landfills.</p>	10	10
6	<p><b>DUST, ODOR, NOISE, ETC.</b> - Dust, odor, noise, traffic, and other effects from the landfill must not become a nuisance or hazard to the public health, safety, or welfare. 18 AAC 60.233</p> <p>Are dust, odor, noise, traffic or other effects controlled so they do not cause a nuisance to neighboring homes or businesses? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>Comments:</i> These effects are controlled and there are no neighboring homes or businesses.</p>	5	5
7	<p><b>SALVAGING</b> - Public salvaging, if allowed, must be limited to an area that does not hinder facility operation, create a safety hazard, or cause pollution. 18 AAC 60.220</p> <p>Is public salvaging restricted to a controlled area away from the working face? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Is the salvage area well managed with respect to safety and pollution control? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>Comments:</i> The only salvaging allowed is at the Alyeska wood lot near the baler building. No salvaging is allowed at the balefill or C&amp;D landfill.</p>	5	5
8	<p><b>DISEASE VECTORS AND ANIMALS</b> - Disease vectors, including wildlife and domestic animals, must be controlled so that the public health, safety, or welfare are not endangered by the spread of disease or contact with animals, and that the animals are not harmed by contact with the waste or become a nuisance. 18 AAC 60.230</p> <p>Do observation confirm that no animals (fox, bear, domestic pets, etc.) have been scavenging in the waste (footprints, digging, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Is the site maintained with a limited number of birds present near the waste? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Is the site maintained such that no harm to wildlife has been reported, and no conditions exist that are likely to harm wildlife? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>Comments:</i> A brown bear was observed digging into waste at the balefill during the inspection (-3).</p>	7	10



# Class I / II MSWLF Inspection Form



## Alaska Department of Environmental Conservation Solid Waste Program

#	Part Four: Landfill Operations	POINTS	
		Score	Possible
9	<b>INACTIVE AREAS</b> – Areas that have not received or will not receive waste for more than 90 days, but have not yet reached the final capacity or elevation, must receive an intermediate cover within 7 days of the last waste placement. The area must be covered with 12 inches of soil and graded to prevent ponding and erosion. 18 AAC 60.243  Have inactive areas been appropriately covered and graded? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Comments: No waste was visible in the inactive areas.	10	10
10	<b>WORKING FACE</b> – Working face should be clearly identified and in compliance with the size limitations in the permit or kept as small as practical.  Does the size of the working face meet the permit requirement? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If there is no requirement, is the working face reasonably sized so issues such as litter, odor, and nuisance is controlled? <input type="checkbox"/> Yes <input type="checkbox"/> No  Comments: Bales were completely covered at the time of the inspection. The entire metals pile will be shipped out for scrap this summer.	10	10
11	<b>STABILITY</b> – The landfill should be graded and shaped to preserve the integrity of the landfill. 18 AAC 60.410  Do the landfill slopes appear to be maintained so they are stable? (look for cracks, sloughing of soil or waste or liner slippage) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Are the slopes maintained so no erosion is evident? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Are the slopes maintained according to the design parameters? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Is the slope stability monitoring plan being followed? <input type="checkbox"/> Yes <input type="checkbox"/> No Are the slope stability markers well maintained and easily identifiable? <input type="checkbox"/> Yes <input type="checkbox"/> No Comments: No cracks or sloughing was observed in the slopes.	10	10
12	<b>MAINTENANCE AND REPAIR</b> - The landfill must maintain structures and components of the facility, and repair any structural changes or damage to the facility, including the liner, leachate system, buildings, other on-site structures, fence, and other components. 18 AAC 60.815  Is the facility maintained with no signs of damage to any component? (excluding monitoring devices - see Part 8) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If the liner is visible, is it properly maintained with no signs of tears, leachate escaping, or other damage? <input type="checkbox"/> Yes <input type="checkbox"/> No Comments: Unlined facility. The facility is well maintained.	10	10

# Class I / II MSWLF Inspection Form



## Alaska Department of Environmental Conservation Solid Waste Program

### Part Five: Special Waste

#	Part Five: Special Waste	POINTS	
		Score	Possible
1	<p><b>C&amp;D DEBRIS-</b> Prior to the start, all demolition operations must comply with <b>29 CFR 1926.850</b>, which requires that an engineering survey of the structure must be completed by a competent person. This survey will provide the condition of the site and if any type of hazardous material or similarly dangerous substances have been used or stored on the site. This engineering survey should be provided to the operator and kept with the C&amp;D acceptance form for that project.</p> <p>What is the process for accepting C&amp;D?  <b>Landfill staff will require testing of material if concerned about age of structure.</b></p> <p>How is C&amp;D identified when brought to the landfill?  <b>Residential loads are inspected and disposed in the green boxes at the baler facility. Commercial loads are sent directly to the C&amp;D cell where landfill staff inspect the material as it is being unloaded.</b></p> <p>Does the facility accept polluted soil? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Is the C&amp;D tested for pollutants with the appropriate testing methods? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Are the results equal to or below regulation standards? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>The COV should be requiring a building survey from all commercial disposers to ensure that they are not depositing prohibited items such as paints that contain lead or PCBs. Landfill staff would not necessarily be able to identify contaminants in C&amp;D material. The COV does not require a building survey for all commercial</p> <p>Comments: C&amp;D disposal (-2).</p>	8	10
2	<p><b>RACM -</b> If the facility accepts RACM, it must be disposed in a separate cell with restricted access and no visible emissions. RACM loads must be inspected to ensure that RACM is sealed in leak-proof containers, and deposited in the asbestos cell without damaging the containers. RACM must be covered by the end of the day with 6 inches of soil. <b>40 CFR 61.154, 18 AAC 60.450</b></p> <p>How is RACM identified when delivered to the landfill?</p> <p>_____</p> <p>How does the landfill ensure that other C&amp;D loads do not contain RACM? (signed statement, building surveys, etc.)</p> <p>_____</p> <p>Is RACM disposed in a separate cell? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Is the waste managed so no exposed or broken bags are evident? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Is the waste managed so no visible emissions (dust) from the waste are evident? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Have 6 inches of cover been applied to the waste? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Is the waste managed without compacting the material? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Is public access to the cell clearly prevented? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Comments: Although the landfill has a formerly used asbestos cell (single project), they do not accept RACM.</p>	NA	10

# Class I / II MSWLF Inspection Form



## Alaska Department of Environmental Conservation Solid Waste Program

#	Part Five: Special Waste	POINTS	
		Score	Possible
3	<p><b>NON-RACM HANDLING</b> - Non-RACM waste must be handled so that it does not become friable. It must be covered within 24 hours using procedures that prevent the release of asbestos fibers. 18 AAC 60.450</p> <p>How is non-RACM identified when delivered to the landfill?</p> <p>Inspection of C&amp;D loads.</p> <p>How does the landfill ensure that other C&amp;D loads do not contain non-RACM? (signed statement, building surveys, etc.)</p> <p>Inspection of C&amp;D loads. They will turn away suspicious looking loads.</p> <p>Where is non-RACM disposed? <input type="checkbox"/> RACM Cell <input checked="" type="checkbox"/> C&amp;D Cell <input type="checkbox"/> Other _____</p> <p>How is non-RACM handled so that it does not become friable?</p> <p>Placed in the C&amp;D cell without compacting.</p> <p>Is non-RACM covered (but not compacted prior to cover) within 24 hours of placement? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Comments: _____</p>	10	10
4	<p><b>MEDICAL WASTE</b> - Medical waste may not be disposed at the landfill unless it has been treated by an approved process. Acceptable treatment options are: autoclave, medical waste incinerator, or other approved decontamination process. 18 AAC 60.030</p> <p>Is treated medical waste accepted at the landfill? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If so, how does the landfill verify the efficacy of the treatment?</p> <p>Comments: Medical waste is not accepted at the landfill</p>	NA	5
5	<p><b>SEWAGE SOLIDS</b> - If sewage solids are disposed at the landfill, they may not be a regulated hazardous waste or PCB waste; they may not contain free liquids (paint filter test); and disposal must meet vector reduction requirements (may be done with daily cover). 18 AAC 60.365</p> <p>How does the landfill determine that the sewage solids will pass the Paint Filter Test?</p> <p>How does the landfill confirm that sewage solids are not a regulated hazardous waste or contain more than 10 ppm PCB waste?</p> <p>Are sewage solids disposed of in accordance with the approved plan? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Are sewage solids covered daily? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Comments: Sewage solids are only accepted from the settling ponds of the waste water treatment plant when they are cleaned. This occurs every few years. No sewage solids were disposed at the landfill since the last inspection.</p>	NA	5

# Class I / II MSWLF Inspection Form



## Alaska Department of Environmental Conservation Solid Waste Program

#	Part Five: Special Waste	POINTS	
		Score	Possible
6	<p><b>LIQUID WASTE</b> - Liquid waste may not be disposed at the landfill, with the exception of small quantities (one gallon or less) of containerized household waste. This prohibition includes leachate and baler squeezings, unless recirculation has been approved under an RD&amp;D permit. 18 AAC 60.360</p> <p>What procedures are used to keep prohibited liquids out of the landfill?</p> <p><u>Signage and observing wastes as they are unloaded at the tipping floor.</u></p> <p>Do observation confirm that no liquids are disposed in the landfill? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Comments: <u>No liquids were observed during the inspection.</u></p>	5	5
7	<p><b>VEHICLES</b> - Vehicles may not be disposed at the landfill unless all fluids and batteries have been removed. If undrained vehicles, or the fluids and batteries removed from them, are stored at the landfill for later disposal or recycling, they must be managed to prevent release of fluids. 18 AAC 60.035, 18 AAC 60.010</p> <p>Are vehicles disposed at the landfill? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Are all fluids and batteries removed prior to disposal? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>How is this confirmed? _____</p> <p>If vehicles are stored at the landfill, how do they ensure no fluids are released?</p> <p>Are vehicles stored and/or disposed in a stable manner that does not create a safety hazard? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Are the vehicles or heavy equipment stored/disposed so they do not create a visual nuisance? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Comments: <u>Vehicles are not disposed at the landfill but vehicles from the City Abatement Program are sometimes staged on the baler building property. These vehicles will be removed and shipped out of town by Alaska Scrap and Recycle when they ship out the scrap metal pile. Liquids are evacuated and batteries removed prior to removing the vehicles.</u></p>	NA	10
8	<p><b>WASTE STORAGE</b> – If the landfill collects and stores used oil, batteries, household hazardous waste, or other materials, they must be stored and managed to prevent release of fluids. 18 AAC 60.010(a)</p> <p>What materials are collected and stored at the landfill site?</p> <p><input checked="" type="checkbox"/> Used Oil <input checked="" type="checkbox"/> Paint</p> <p><input checked="" type="checkbox"/> Batteries <input checked="" type="checkbox"/> Other <u>fluorescent bulbs, fryer grease, e-waste, recyclables</u></p> <p>Are materials stored and managed in a manner that prevents the release of fluids, keeping the storage area free of leaks and drips? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Are the materials stored covered and protected from the elements? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Are the materials stored removed in a timely manner so that it does not accumulate? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>How often are the stored materials removed? <u>As needed</u></p> <p>Comments: <u>All material are stored inside the bailer building. Used oil is burned to heat the building. All other material are shipped off-site for recycling or disposal.</u></p>	15	15

# Class I / II MSWLF Inspection Form



## Alaska Department of Environmental Conservation Solid Waste Program

#	Part Five: Special Waste	POINTS	
		Score	Possible
9	<p><b>REMOVAL OF REFRIGERANTS</b> – <i>The landfill must ensure that refrigerants from vehicles and appliances (refrigerators, freezers, air conditioners) and not vented to the environment. All refrigerant must be removed using certified equipment. 40 CFR 81</i></p> <p>How does the landfill ensure that refrigerants are removed from vehicles or appliances prior to disposal or recycling?</p> <p>Appliances are stored in the baler building until refrigerants have been removed.</p> <p>If refrigerants are removed at the landfill, is the removal technician trained? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Comments: <u>All landfill staff are certified to remove refrigerants.</u></p>	10	10

Part Six: Surface Water Controls & Impacts			
#	Part Six: Surface Water Controls/Impacts	POINTS	
		Score	Possible
1	<p><b>RUN-ON/RUN-OFF</b> - <i>The landfill must have a control system to prevent run-on water from flowing in to the active cell. Run-off must also be controlled so that it does not impact nearby surface waters. 18 AAC 60.225, 18 AAC 60.815</i></p> <p>Does the control system prevent run-on from flowing into the active cell? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Does the control system prevent run-off from the landfill from impacting nearby lands or waters? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Are pipes, culverts, ditches, swales, berms, dikes, straw bales, erosion control matting, riprap, and other stormwater structures well maintained? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Is the landfill graded appropriately to direct all water to the designated drainage point to prevent infiltration of water through areas where waste has been placed. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Comments: _____</p>	10	10
2	<p><b>SURFACE WATER AND PONDING</b> - <i>Waste may not be placed in surface water, including ponded rainwater. Landfill surfaces should be graded to prevent ponding, and all ponded water in contact with waste must be removed within 7 days. 18 AAC 60.225</i></p> <p>How is waste managed so that no waste is in contact with surface water, including temporary ponding?</p> <p>No waste was in contact with water at the time of the inspection.</p> <p>Has all ponding been removed if it has been more than 7 days since the last significant rainfall? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Comments: <u>No ponding was observed at either landfill.</u></p>	10	10

# Class I / II MSWLF Inspection Form



## Alaska Department of Environmental Conservation Solid Waste Program

#	Part Six: Surface Water Controls/Impacts	POINTS	
		Score	Possible
3	<p><b>LEACHATE SEEPS</b> - <i>Leachate seeps must be prevented, or contained and controlled at the boundary of the waste management area. 18 AAC 60.225</i></p> <p>Is the site maintained with no visible evidence of leachate? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If leachate is visible, is it contained within the landfill cell? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>What measures have been taken to contain and control any seeps?</p> <p><u>No seeps reported since the last inspection.</u></p> <p>Comments: <u>No seeps were observed during the inspection.</u></p>	10	10
4	<p><b>LEACHATE COLLECTION SYSTEMS</b>- <i>Leachate collection systems (LCS) must be designed and constructed to maintain less than a 12-inch head of leachate on the liner. 18 AAC 60.330(b)(2)</i></p> <p>If leachate head is measured, do records indicate that the LCS maintains <input type="checkbox"/> Yes <input type="checkbox"/> No less than a 12-inch head of leachate on the liner?</p> <p>Do LCS systems and equipment appear in good condition and well <input type="checkbox"/> Yes <input type="checkbox"/> No maintained?</p> <p>Is the Leachate Collection System maintained and operated so there is no threat to maintain less than 12"? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Comments: <u>Unlined cells</u></p>	NA	5
5	<p><b>LEACHATE TREATMENT/DISPOSAL</b>- <i>Leachate treatment and disposal methods should ensure no leachate causes a water quality violation of 18 AAC 70. 18 AAC 60.225</i></p> <p>How is leachate treated and/or disposed? <u>See below</u></p> <p>Do leachate treatment/disposal methods ensure no untreated leachate <input type="checkbox"/> Yes <input type="checkbox"/> No is released to the water or land?</p> <p>Do leachate treatment methods comply with ADEC-approved leachate <input type="checkbox"/> Yes <input type="checkbox"/> No management plans?</p> <p>Comments: <u>Leachate is collected during baling, processed through an oil/water separator, and then is stored in a tank in the baler building. When the tank is full the leachate is hauled to the waste water lagoons. The separated oil is used in the oil heater.</u></p>	10	10
7	<p><b>WETLANDS</b> - <i>If the landfill is located in or near a wetland, it may not cause or contribute to significant degradation of the wetlands. 18 AAC 60.470</i></p> <p>Do the surrounding wetlands appear healthy, with no evidence of stress <input type="checkbox"/> Yes <input type="checkbox"/> No to plants, discolored water, or other evidence of wetland degradation?</p> <p>Comments: <u>The landfills are not near designated wetlands.</u></p>	NA	10

# Class I / II MSWLF Inspection Form



## Alaska Department of Environmental Conservation Solid Waste Program

### Part Seven: Monitoring Locations, Structures, & Plans

#	Part Seven: Monitoring Locations, Structures, & Plans	POINTS	
		Score	Possible
1	<p><b>GROUNDWATER MONITORING</b> – <i>Monitoring must be conducted at approved locations. Groundwater monitoring wells must be properly maintained. 18 AAC 60.820, 18 AAC 60.825, permit</i></p> <p>Are water monitoring locations clearly identified and marked? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Are water monitoring sites/wells located according to the approved plan? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Are water monitoring wells in good condition and locked? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Is the groundwater monitoring plan current? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Does the facility submit the required monitoring reports on time to ADEC? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Are monitoring reports complete and contain required analyses? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>Comments: BF1-A and CD-4 were locked and labeled. BF1-A was damaged during snow removal activities in 2023 and had been repaired on November 14th, 2024.</i></p>	10	10
2	<p><b>SURFACE WATER MONITORING</b> – <i>Monitoring must be conducted at approved locations. Surface water monitoring sites must be properly maintained. 18 AAC 60.810, permit</i></p> <p>Are water monitoring locations clearly identified and marked? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Are water monitoring sites/wells located according to the approved plan? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Are water monitoring wells in good condition and locked? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Is the surface water monitoring plan current? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Does the facility submit the required monitoring reports on time to ADEC? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Are monitoring reports complete and contain required analyses? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>Comments: No surface water monitoring takes place at the landfill.</i></p>	NA	10
3	<p><b>THERMISTOR MONITORING</b> - <i>If thermal monitoring is required it must be conducted at approved locations and in accordance with the thermal monitoring plan . 18 AAC 60.227, 18 AAC 60.228, 18 AAC 60.815, permit</i></p> <p>Are thermistors in good condition and locked? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Are thermistors located according to the approved plan? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Are thermistors monitored according to permit requirements? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Is the thermal monitoring plan current? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Does the facility submit the required monitoring reports on time to ADEC? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Does the monitoring show that waste is remaining frozen? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If no, have they implemented an approved corrective action plan? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>Comments: No thermistor monitoring takes place at the landfill.</i></p>	NA	10



# Class I / II MSWLF Inspection Form



## Alaska Department of Environmental Conservation Solid Waste Program

#	Part Seven: Monitoring Locations, Structures, & Plans	POINTS	
		Score	Possible
4	<b>GAS MONITORING</b> –Where explosive gas monitoring is required it must meet regulatory and permit requirements. 18 AAC 60.805, 18 AAC 60.470, Permit  Is landfill gas monitored in the appropriate locations, and recorded as required? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Are reports submitted to ADEC or filed at the landfill in accordance with the approved plan? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If exceedances have been detected, were they properly reported? <input type="checkbox"/> Yes <input type="checkbox"/> No If gas monitoring structures are installed are they functional and well maintained? <input type="checkbox"/> Yes <input type="checkbox"/> No Are onsite buildings and structures adequately monitored for methane gas? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Is the gas monitoring plan current? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Are the gas monitoring structures installed in approved locations? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>Comments: Gas monitoring takes place quarterly in the groundwater monitoring wells and at the working face of the balefill. There are no structures at the balefill or C&amp;D landfill.</i>	10	10

Part Eight: Additional Permit Requirements			
<b>ADDITIONAL PERMIT REQUIREMENTS-</b> Address any additional permit requirements, listed in Part One, Question 8, <b>which are not already included in the inspection form.</b> Each requirement should be valued at 5, 10, or 20 points relative the potential health or environmental impact of non-compliance. Please add a row below, including possible points assigned, for each additional requirement.			
#	Part Eight: Additional Permit Requirements	POINTS	
		Score	Possible
1			
2			
3			
4			

Part Nine: For Landfills with an RD&D Permit			
#	Part Ten: RD&D Permit Requirements	POINTS	
		Score	Possible
1	<b>RD&amp;D Permit Requirements</b> – Require submission of progress reports every six months. 18 AAC 60.213, permit  Are the progress reports submitted on time? <input type="checkbox"/> Yes <input type="checkbox"/> No Do the progress reports include all required elements? <input type="checkbox"/> Yes <input type="checkbox"/> No Are permit conditions/requirements being followed? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>Comments: _____</i>	NA	10





## Legislation Text

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**File #:** 25-0368, **Version:** 1

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**ITEM TITLE:**

Report: Issuance of Temporary Land Use Permit #25-09 for Granite Construction Company for a 1.9-acre Portion of Tract C1 ASLS 79-116 owned by the City of Valdez

**SUBMITTED BY:** Nicole Chase, Senior Planner

**FISCAL NOTES:**

Expenditure Required: N/A  
Unencumbered Balance: N/A  
Funding Source: N/A

**RECOMMENDATION:**

Receive and file.

**SUMMARY STATEMENT:**

Community Development Department staff received a temporary land use permit application from Granite Construction Company for use of an approximately 1.9-acre portion of Tract C1 ASLS 79-116 owned by the City of Valdez. The site has been the location of a gravel extraction pit and asphalt batch plant operated by Harris Sand and Gravel since 2002.

Granite Construction requested use of the property for operation of a temporary asphalt production plant in association with a State of Alaska Department of Transportation paving project they are completing on the Richardson Highway (see attached application and narrative). No permanent alteration of the land shall occur, or structures are proposed as part of this use. Granite Construction's temporary land use permit commenced July 7, 2025, and is effective through October 15, 2025.

The City Manager was asked for comments on the application, and had no objection against the proposed use, but requested a stipulation in the permit that Granite Construction be responsible for cleaning up of any material or spills that could result from the proposed use. Staff worked with the City Attorney to include adequate language to protect the city in the permit.

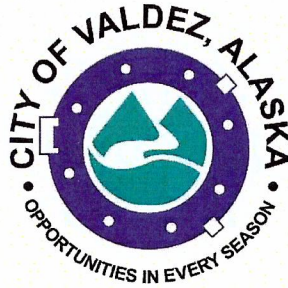
The subject property is zoned public lands, which does not permit asphalt plants as an allowable use. However, pursuant to VMC 17.12.120 (B), interim, non-permanent uses of land that are not in conformance with the zoning district are allowable with a temporary land use permit.

Pursuant to VMC 17.12.120 (G), Approval Criteria, staff review of the proposed temporary use request found that all ten approval criteria were satisfied.

Pursuant to VMC 17.12.120 (I) 5, Action for Long-Term Permits, "The planning and zoning commission shall review the long-term temporary land use permit application, review staff comments, and take action on the application. The commission may approve, approve with conditions, or deny the application. Issuance of long-term permits shall be reported to the city council at the next regularly scheduled meeting." The Planning and Zoning Commission voted to approve this temporary land use permit on July 23, 2025.

Fees for temporary land use permits of this type were established by City Council with Resolution #23-43 which states that "For temporary land use permits for areas that are less than two acres in size, the fee shall be a flat monthly rate of \$311.00, or a pro-rated daily rate of \$11 per day for those periods less than one month."

For the term requested the permit fee is \$1,051.00



**CITY OF VALDEZ**  
**TEMPORARY LAND USE PERMIT AGREEMENT**

**Permit No. 25-09**

This Temporary Land Use Permit Agreement (hereinafter referred to as Permit) is entered into this 6<sup>th</sup> day of August, 2025 by and between the **CITY OF VALDEZ**, an Alaska municipal corporation (hereinafter referred to as "Valdez"), whose address is P.O. Box 307, Valdez, Alaska, 99686, and **GRANITE CONSTRUCTION COMPANY**, (hereinafter referred to as "Permittee"), whose address is **11471 Lang Street, Anchorage, Alaska 99515**.

WITNESSETH:

1. Permit. Valdez hereby grants to Permittee the right and privilege to be present upon the following described real property (the "Property") belonging to Valdez pursuant to the terms of this Permit Agreement:

An Approximately 1.9-acre Portion of Tract C1 ASLS 79-116 (See Exhibit "A")

2. Term and Termination. Permittee may use the Property for the purposes set forth herein beginning on the **7<sup>th</sup> day of July, 2025 and continuing until the 15<sup>th</sup> of October, 2025**. In no circumstance shall this Permit exceed six months in duration. The City of Valdez, may at its sole discretion terminate this Permit at any time for any reason with 30 days' written notice to Permittee. Permittee shall vacate the Property within thirty days from receiving written notification from the City of Valdez.

3. Use. Permittee shall use the Property for operation of a temporary asphalt production plant in association with a State of Alaska Department of Transportation paving project they are completing on the Richardson Highway. Use of the Property under this Permit shall not adversely impact public access or Valdez operations. **No permanent structures shall be erected on the Property; and no permanent alteration of the land shall occur.**

4. Permittee Not a Lessee. No legal title or leasehold interest in the Property shall be deemed or construed to have been created or vested in Permittee by anything contained herein. The purpose of this permit is to convey a non-possession interest by the City of Valdez to Permittee

in that certain property (not to exceed two acres) described in paragraph 1 above. The City of Valdez shall maintain all right, title, and interest in that Property as fee simple owner thereof, and Permittee by virtue of this Permit has only the right and privilege to be present upon the Property and to make use of it for the purpose set forth in paragraph 3 above.

5. Fee. In consideration for use of land owned by the City of Valdez, Permittee agrees to pay in advance a lump sum equal to a flat monthly fee of three hundred eleven dollars (\$311.00) per month of occupancy plus a pro-rated daily rate of eleven dollars (\$11.00) per day for the number of days this permit is in effect other than a full month.

6. Insurance Requirement. The Permittee shall, at its own expense, purchase, maintain and otherwise keep in force the following insurance for the duration of this Agreement. The City shall be notified immediately prior to any termination, cancellation, or any other material change in such insurance. The Permittee shall provide the City a Certificate of Insurance prior to the commencement of any activity undertaken in connection with this Temporary Land Use Permit Agreement. Failure to provide adequate proof of insurance prior to the occupation of the Property will result in revocation of the Permit.

Event Liability Insurance: Covering the Permittee and the City for any and all claims for personal injury, bodily injury (including death) and property damage (including environmental degradation or contamination) arising from any activity occurring as a result of this Temporary Land Use Permit Agreement.

Minimum limits:       \$1,000,000 Each Occurrence  
                               \$100,000 Damage to Rented Premises  
                               \$5,000 Medical Payments  
                               \$1,000,000 Personal & Adv Injury  
                               \$2,000,000 General Aggregate  
                               \$2,000,000 Products and Completed Operations Aggregate

The City of Valdez shall be included as an Additional Insured.

Workers' Compensation: Permittee shall maintain Workers' Compensation and Employer's Liability Insurance.

Minimum Limits:       1. Workers' compensation – statutory limit  
                               2. Employer's liability:  
                                   \$100,000 bodily injury for each accident  
                                   \$100,000 bodily injury by disease for each employee  
                                   \$500,000 bodily injury disease policy limit

Waiver of Subrogation. For the purpose of waiver of subrogation, Permittee releases and waives all rights to claim or recover damages, costs or expenses against Valdez for any casualty of any

type whatsoever in, on or about the Premises if the amount of such damage, cost or expense has been paid to such damaged party under the terms of any policy of insurance required herein.

7. Maintenance. Permittee agrees to maintain the Property in a neat and orderly fashion. Upon termination of this Permit, Permittee agrees to leave the premises in a neat and clean condition.

8. Mechanic's Liens. Permittee shall pay all costs for construction done by it or caused to be done by it on the Property as permitted by this Permit. Permittee agrees not to construct any permanent structures on the Property.

9. Utilities. Permittee shall be solely liable for and shall timely pay when due all expenses and fees for all utilities used or consumed with respect to the Property. The Permittee shall be required to provide and maintain sanitary facilities to include, but not be limited to, port-a-potties and garbage dumpsters.

10. Exculpation of Valdez. Valdez shall not be liable to Permittee for any damage to Permittee or Permittee's property from any cause. Permittee waives all claims against Valdez for damage to persons or property arising from any reason.

11. Indemnity. Except for claims arising solely out of acts or omissions of Valdez, its agents, authorized representatives, employees or contractors, Permittee agrees to protect, defend, indemnify and hold Valdez, its agents, authorized representatives and employees (collectively "Valdez's Indemnities") harmless from and against any and all liability arising from acts or omissions of any person and of any nature whatsoever occurring on or relating to Permittee's use of the Property, causing injury to, or death of persons, or loss of, or damage to, property, and from any expense, including attorney's fees, incident to the defense of and by Valdez's Indemnities therefrom. If any action or proceeding is brought against Valdez's Indemnities by reason of any such occurrences, Valdez's Indemnities shall promptly notify Permittee in writing of such action or proceeding.

12. Condemnation. If during the term of this Permit there is any taking by condemnation of the Property or any interest in this Permit, this Permit shall terminate on the date of taking. Any condemnation award shall belong to and be paid to The City of Valdez, and Permittee hereby assigns to the City of Valdez Permittee's interest therein.

13. No Encumbrance or Assignment Permitted. Permittee shall not voluntarily encumber its interest in this Permit or in the Property or attempt to assign all or any part of the Property, or allow any other person or entity, except its authorized representatives, to occupy or use all or any part of the Property.

14. Default. The occurrence of any of the following shall constitute a default under this Permit by Permittee:



(a) Failure to pay fees when due, if the failure continues for fifteen (15) days after written notice for payment;

(b) Any default in or failure to perform any term, covenant, or condition of this Permit;

(c) The cessation by Permittee of the operation of the Permittee's business located on the Property for a period of thirty (30) days;

(d) The making of any assignments for the benefit of creditors of Permittee, the appointment of a receiver for Permittee's business, the entry of an Order for Relief as to Permittee under the United States Bankruptcy Code as now in effect or hereafter amended, the insolvency of Permittee, or any similar situation.

15. Remedies. In the event of any default by Permittee under the provisions of paragraph 14 of this Permit, all of Permittee's rights hereunder shall immediately terminate; and the City of Valdez may, in addition to any rights and remedies that it may be given by statute, common law, express agreement, or otherwise, enter and take sole possession and control of the Property.

16. Valdez's Entry on Premises. The City of Valdez shall have the right to enter the Property at any time and, in view of the fact this Permit constitutes a license on real property rather than a lease, shall at all times remain in possession of the Property.

17. Notices. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by certified mail, return receipt requested, and shall be addressed to the other party at the address set forth in the introductory paragraph of this Permit. Either party may change its address by notifying the other party of the change of address. Such notices shall be deemed given when mailed irrespective of whether or not they are received.

18. Modification, Amendment, Waiver. No delay or omission in the exercise of any right or remedy of the City of Valdez on any default by Permittee shall impair such a right or remedy or be construed as a waiver. No modification, amendment, or waiver of any of the provisions of this Agreement shall be effective unless in writing, specifically referring hereto, and authorized by both parties.

19. Governing Law/Jurisdiction. This Permit shall be governed by, interpreted, and enforced in accordance with the laws of the State of Alaska and the laws of the United States, as applicable. The venue for all litigation arising out of or relating to this Agreement shall be Valdez, Alaska. The parties hereto irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of Alaska and waive any defense of *forum non conveniens*.

20. Miscellaneous. Time is of the essence with respect to each provision of the Permit, and it shall be binding upon and inure to the benefit of the parties, their heirs, assigns, and successors in interest. The enforceability, invalidity, or illegality of any provisions of this Permit shall not

render the other provisions of this Permit unenforceable, invalid, or illegal.

21. Environmental Contamination. All fuel petroleum and other toxic products maintained, stored or used at the Property shall be stored no less than 100 feet away from the nearest surface waterbody, and contained and confined in a manner which prevents any spillage from entering the Property, including without limitation any surface waters. In the event of a fuel or other toxic product spill, Permittee shall immediately notify the Valdez office of the Department of Environmental Conservation of the same. Permittee shall be responsible for all costs associated with remediation in the event of spillage of toxic product on the Property.

22. Hazardous Material Defined. Hazardous Material/Substance is any substance which is toxic, ignitable, reactive, or corrosive and which is regulated by any local government, the State of Alaska, or the United States government. Hazardous Material includes any and all material or substances which are defined as “hazardous waste”, “extremely hazardous waste”, “hazardous material” or a “hazardous substance” pursuant to local, state or federal law, including without limitation, the Resource Conservation and Recovery Act of 1976, as amended from time to time, and regulations promulgated thereunder, and the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, and regulations promulgated thereunder. “Hazardous Material” includes but is not restricted to asbestos, polychlorobiphenyls (“PCB’s”) and petroleum and petroleum products.

23. Condition of Property. Permittee has had full opportunity to visually examine the Property for the presence of any Hazardous Material. Valdez states that it is unaware of any current or past problems with the Property. Permittee acknowledges that Valdez, its agents, authorized representatives or employees have made no representations as to the physical conditions of the Property, including but not limited to the subsurface and soil conditions. Permittee accepts the Property in an “as is” condition. Permittee does not accept or assume responsibility or liability for pre-existing subsurface and/or soil conditions, including, but not limited to Hazardous Materials and/or Environmental contamination that is unknown and/or undisclosed to Permittee at the time of execution of this Permit.

24. Release of Valdez. Any other provision of this Permit to the contrary notwithstanding, Permittee releases Valdez from any and all claims, demands, penalties, fines, judgements, liabilities, settlements, damages, costs or expenses (including, without limitation, a decrease in the value of the Property, damages due to loss or restriction of usable space, and attorney’s fees, court costs, litigation expenses, and consultant and expert fees) arising, during or after the term of this Permit, and resulting from Permittee’s use, keeping, storage or disposal of Hazardous Materials on the Property. This release includes, without limitation, any and all costs incurred due to any

investigation of the site or any cleanup, removal or restoration mandated by a federal, state or local agency or policy subdivision or by law, relating to Permittee's use, keeping, storage or disposal of Hazardous Materials on the Property.

25. Use of Hazardous Materials on the Property.

(a) Permittee shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Property by Permittee or its authorized representatives or invitees, except for such Hazardous Material as is necessary or useful to Permittee's use of the Property.

(b) Any Hazardous Material permitted on the Property as provided in this paragraph, and all containers therefor, shall be used, kept, stored and disposed of in a manner that complies with all laws or regulations applicable to any such Hazardous Material.

(c) Permittee shall not discharge, leak or emit, or permit to be discharged, leaked or emitted, any material into the atmosphere, ground, sewer system or any body of water, if such material (as reasonably determined by Valdez, or any governmental authority) does or may, pollute or contaminate the same, or may adversely affect (a) the health, welfare or safety of persons, whether located on the Property or elsewhere, or (b) the condition, use or enjoyment of the Property or any other real or personal property.

(d) Permittee shall be fully liable for all costs and expenses related to the use, storage and disposal of Hazardous Material kept on the Property by the Permittee, its authorized representatives and invitees, and the Permittee shall give immediate notice to Valdez of any violation or potential violation of the provisions of subparagraphs 25 (a), (b) and (c).

26. Indemnification of Valdez. Permittee shall forever protect, defend, indemnify and hold harmless Valdez from and against any and all losses, claims, investigations, assertions, liens, demands and causes of action of every kind and character (including without limitation any assertions or claims made against Valdez, Permittee or third parties, by government agencies or third parties, alleging the release or threatened release of Hazardous Materials or environmental contamination of any kind on or in connection with the Property) and all costs thereof (including without limitation costs of removal action, remedial action other "response costs" as that term is defined under applicable federal and state law, attorney's fees, penalties, damages, interest and administrative/court costs incurred by Valdez in response to and defense of the same) arising in favor any party, including Valdez, and arising from or connected with Permittee's activities under this Permit or Permittee's use of or presence on the Property, whether such activities, use or presence are those of Permittee or Permittee's agents, subcontractors or other representatives.



Permittee acknowledges that this indemnification clause shall survive termination of this Permit, and that it applies regardless of the basis of liability alleged by or against any party, including strict liability under Alaska Statute 46.03.822 or federal law. Permittee's obligations under this paragraph may be discharged however, by performance of whatever degree of site investigation for environmental contamination (in Valdez's sole discretion) is necessary to render the Property suitable for Valdez to release Permittee from these obligations, which release must be granted in writing by Valdez.

27. Liability for Release/Threatened Releases of Hazardous Materials. At all times while this Permit is in effect, for purposes of potential liability under Alaska Statute 46.03.822.:

1. Permittee, not Valdez, shall be deemed the owner of and person having control over any Hazardous Materials used by Permittee or on the Property for business reasons of Permittee; and
2. Permittee, not Valdez, shall be deemed the owner of the possessory interest under this Permit, and the operator of the Property as a facility under Alaska Statute 46.03.822(a)(2); and
3. Permittee, not Valdez, shall be deemed the generator, transporter, or both, of any Hazardous Materials generated or transported by Permittee in connection with the enjoyment of its right under this Permit.

For purposes of this paragraph 27, "Permittee" shall include Permittee's agents, employees, sub-contractors, subsidiaries, affiliates and representatives or any kind.

28. Compliance with Environmental Laws. Permittee covenants full compliance with any applicable federal, state or local environmental statute, regulations or ordinance presently in effect or that may be amended or effective in the future.

29. Due Diligence. At Valdez's recommendation, Permittee has investigated the Property for potential environmental contamination, which may have occurred before the date of this Permit; Permittee accepts the Property in its current environmental condition. After such investigation, Permittee agrees that the Property:

- (a) Has not been subject to the use, generation, manufacture, storage, treatment, disposal, release, or threatened release of Hazardous Materials.
- (b) Has not been subject to any actual or threatened assertions, claims or litigation of any kind by government agencies or any other persons relating to such matters.

30. Access to Property. Permittee acknowledges Valdez's right to enter upon the Property to make such inspections and tests as Valdez may deem appropriate to determine compliance with this Permit; any such investigations or tests shall be for Valdez's purposes only, and shall not be construed to create any responsibility or liability on Valdez's part to Permittee or any person.

31. Release from Future Claims. Permittee hereby releases and freely waives any future claims against Valdez for contribution or indemnity (whether under AS 46.03.822, other state law, or federal law) in the event Permittee incurs or becomes liable for response costs, damages or costs of any kind because of the release, threatened release or presence of Hazardous Materials on or about the Property.

32. Report of Events. Permittee specifically agrees to report all releases, threatened releases, discharges, spills or disposal of Hazardous Materials in whatever quantity, immediately to the appropriate regulatory authorities and simultaneously to Valdez, and to keep Valdez fully informed of any communication between Permittee and any person or agency concerning potential or actual environmental contamination and Hazardous Materials.

IN WITNESS WHEREOF the parties have caused this Permit to be executed by their duly authorized officers the day and year first above written.

CITY OF VALDEZ, ALASKA

PERMITTEE: GRANITE CONSTRUCTION CO.

Signed by:  
By: Kate Huber  
6D5C663D9C1E4C8...  
Kate Huber, Community Development Director

DocuSigned by:  
By: Benjamin Lamirand  
B7ADADB3B4B0445...  
Benjamin Lamirand, Project Manager

Date: 8/6/2025 | 9:50 AM AKDT

Date: 8/6/2025 | 10:49 AM PDT

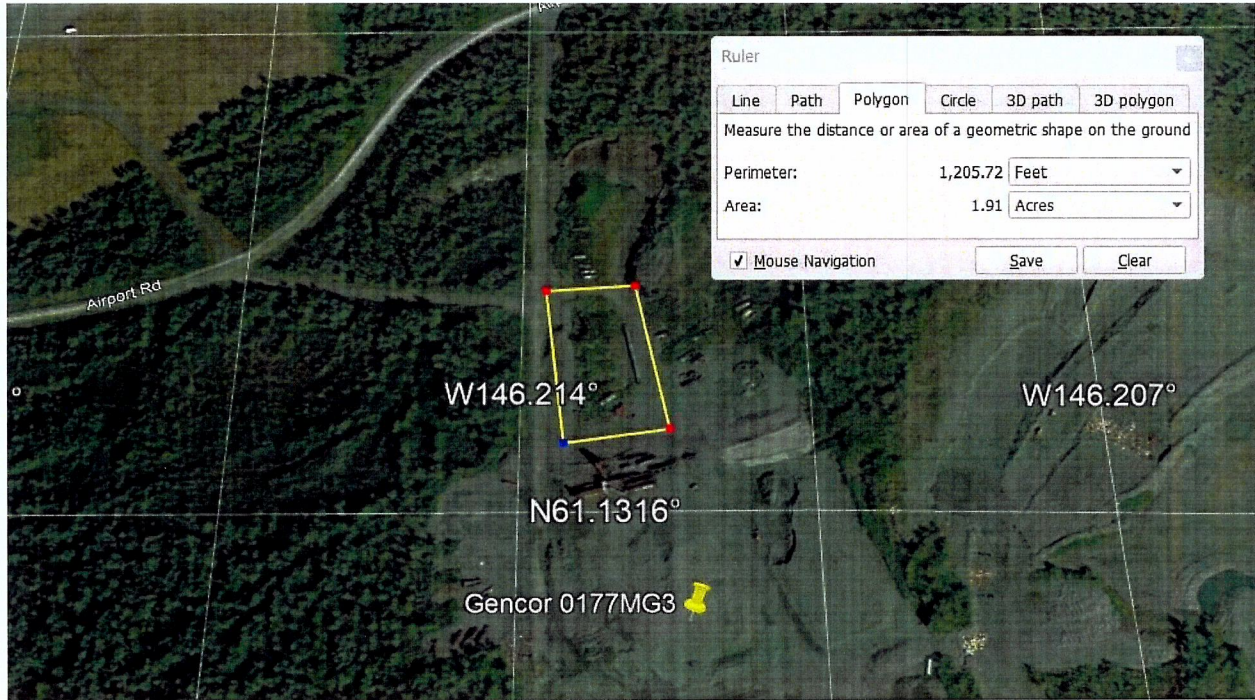
Approved as to Form:  
BRENA, BELL & WALKER, P.C.  
Attorneys for the City of Valdez

By: Jon S. Wakeland

ATTEST:  
By: Sheri L. Pierce  
Sheri L. Pierce, MMC, City Clerk



Exhibit "A"







## Legislation Text

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**File #:** 25-0369, **Version:** 1

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**ITEM TITLE:**

Verbal Report: Monthly Projects Update

**SUBMITTED BY:** Scott Benda, Acting Capital Facilities Director/Senior Project Manager

**FISCAL NOTES:**

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

**RECOMMENDATION:**

Receive and file.

**SUMMARY STATEMENT:**

A verbal report will be presented to the Council on the current project statuses.

General project information can be found on the city website at:

<https://www.valdezak.gov/520/Featured-Projects>



# City of Valdez

212 Chenega Ave.  
Valdez, AK 99686

## Legislation Text

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**File #:** 25-0354, **Version:** 1

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**ITEM TITLE:**

City Manager Report

**SUBMITTED BY:** Nathan Duval, City Manager

**FISCAL NOTES:**

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

**RECOMMENDATION:**

Receive & File

**SUMMARY STATEMENT:**

Attached report outlines events since the last Council meeting. Verbal update provided in conjunction with report.

### Council Priorities

- **Child Care** [Complete an operating, active, licensed childcare facility by Fall 2026]
  - Work underway @ HHES for District office relocation
- **Housing** [Increase housing stock by Fall 2027, utilizing the housing needs survey]
  - Housing Subcommittee meeting scheduled for 8/21
- **Maintenance** [Annually appropriate funds toward deferred maintenance on critical infrastructure]
  - Project status update on 2<sup>nd</sup> meeting of every month
- **Modernize Aging Infrastructure** [Annually modernize aging infrastructure, while leveraging natural and transportation assets, to expand: Outdoor Recreation, Tourism, Maritime, Community]

### Essential Air Service

- Order issued for Reeve Air (Kenai Aviation) for 3 daily flights to Anchorage and 1 daily flight to Fairbanks for 2 years effective 8/15/25
  - Anticipate flights beginning week of 8/18
  - Kenai Aviation has completed the purchase of Reeve Air and will be the operator on the contract.
- Met with St. Paul Island City Manager & Nils from AML to discuss issues with air service.

### Legislative Interactions

- Myself, Mayor Fleming & P&H Director Talbott, met with Congressman Begich's Staff in Anchorage to discuss Council priorities and opportunities related to the Coast Guard, Housing, Childcare and other legislation.
- Attended local Coast Guard Welcome event 8/8
- Attended Coast Guard Foundation Dinner 8/12
- CGC Blacktip Re-homeporting ceremony 8/22

### Operations & Initiatives

- Completed ICS E/L 0950 Incident Commander Course; Course began in March but was postponed due to Pop's passing; 5 City Staff completed the course along with 6 USCG, 1 ADEC & Ret. Chief Hinkle.
- Budget Prep ongoing; work session to discuss PW & Eco Dev 8/26.
- Kudos to Solid Waste team on exceptional results of Landfill survey
- Attended School Board Work Session on CIP projects 8/11
- Met with VCVB Executive Director to discuss budget and plans for 2026

### Personnel

- Employee Appreciation Picnic 8/28
- Capital Facilities Director recruitment ongoing.
- Directors' Derby 8/25

### Projects

- Meals Hill Ribbon Cutting to coincide with State Parks Conference on September 11<sup>th</sup>; will be publicly available prior. Final inspection 8/19, Punchlist & final completion 8/22.
- See Monthly Project Report for other updates
- Received official grant agreement for Safe Streets & Roads for All grant.